



Digital Economy Bill

Factsheet – Digital Government: Fraud and Debt (clauses 40-55)

What are we going to do?

- improve government's approach to combating fraud against the public sector.
- help citizens manage their debt to the public sector more effectively
- reduce debt owed to the public sector
- ensure safeguards are in place to protect citizens whose data is being shared.

How are we going to do it?

- create a single legal gateway that allows specified public authorities to disclose and use information to improve the public sector's ability to combat fraud, and manage and recover debt.
- establish pilots of new initiatives to:
 - help agencies quickly adapt to changing frauds and reduce the billions of pounds lost to fraud against the public sector every year;
 - provide customers with a more holistic view of their debt and where appropriate, provide support to vulnerable customers;
 - ensure that public authorities have regard to a Code of Practice when sharing data.

The Prime Minister said:

"Every year in the UK, fraud costs public services an estimated £21 billion. This represents a terrible misuse of money – money that should be spent on schools, hospitals and frontline staff...We must go further and tackle the problem affecting the whole of the public sector. It is deeply unfair to allow opportunistic fraudsters and organised criminals to steal money that should be used for frontline services, especially at a time when we have had to ask many in the public sector to make difficult decisions to bring the economy back on track. Our responsibility is to tackle public sector fraud and to stop it now".

Background

The government spends billions tackling fraud against the public sector, and an estimated £20bn to £49bn is lost to government every year. This represents a significant loss both in taxpayers' money and potential business revenue. More needs to be done to address the problem.

We also want to reduce the billions of debt that is owed to government by individuals and businesses. It comes from a range of sources, including overdue tax liabilities, benefit or tax credit overpayments, loans, outstanding fines and penalties, and court confiscation orders. Although public authorities have the ability to share debt data, gateways are restrictive, often misinterpreted, and are complex and time-consuming.

The single gateway will enable specified public authorities to share identified data to:

- enable specified public authorities to have the same degree of rigour but with a simpler and faster route to share data and combat fraud against the public sector. The power specifically allows personal information to be shared for the purpose of preventing, detecting, investigating and prosecuting fraud against the public sector and bringing civil proceedings and taking administrative action
- improve cross-government debt management capability, and aim to build a more consistent approach to debt management. These proposals will also help the government to make informed decisions about a customer's individual circumstances and their ability to pay, and create a more efficient and effective cross-government debt management process.

Key Questions and Answers

- **Does this legislation allow the selling of personal data to the private sector?**

No. The government will not sell any personal data to the private sector. The legislation provides a permissive data sharing power for specified public authorities to share data with other specified public authorities and private bodies who carry out a public function on behalf of a public authority, to share identified data, to detect, investigate, and prosecute fraudulent activity, and enable better debt management, including debt recovery.

Private bodies, working on behalf of a public authority, will be able to use and receive information for very specific purposes under the powers and will not be permitted to sell personal data. Criminal sanctions will apply for any unlawful disclosure of information.



- **There are already lots of powers to share information to combat fraud. Why do you need a new one?**

There are many gateways to share personal information. These gateways however take some time to establish, they permit specific public authorities to disclose and receive specific information for very specific purposes. As fraud changes, new data is required and a new gateway needs to be established. As a result they do not provide the flexibility to respond effectively to emerging types of fraud. This power has been developed in collaboration with civil society to provide a constrained yet flexible power to pilot information sharing to combat fraud and reduce debt. For example, legal gateways which allow DWP to share information with local authorities for the purpose of investigating or pursuing tenancy fraud.

- **What safeguards have been included to protect vulnerable customers under the debt strand?**

Any public authorities, or private bodies who fulfil a public function on behalf of a public authority, who want to use the power, will need to have regard to the Code of Practice, including the Fairness Principles, which underpin the power.

Where a vulnerable customer is identified, they should be given appropriate support and advice, which may include signposting to non-fee paying debt advice agencies.

- **What general safeguards are provided to protect confidentiality?**

All use of data must have regard to a statutory Code of Practice which will require:

- all participating authorities must submit themselves to audit by the Information Commissioner;
- all participating authorities must publish Privacy Impact Assessments in relation to their data disclosures;
- all participating authorities must periodically publish the measurement data coming from the data sharing arrangements.

All use of data must comply with the Data Protection Act and the Regulation of Investigatory Powers Act. The bill also creates a new criminal offence for unlawful disclosure of information that was received for the purpose of managing fraud or debt.