Regulatory Policy Committee

Crime and Policing Bill

Lead department	Home Office
Summary of proposal	The proposal introduces four measures: (1) powers to suspend internet addresses used for serious crime (2) criminalization of the supply or possession of SIM farms used in fraud (3) reforming the 'Identification Doctrine' to improve corporate criminal liability (4) new offences for the possession, making, import and supply of electronic devices used in vehicle theft
Submission type	Options Assessment. Originally submitted 8 November 2024, resubmitted 10 January 2025.
Legislation type	Primary legislation
Implementation date	Internet address suspension: no date specified. SIM farms ban: 6 months after Royal Assent Identification Doctrine reform: 2 months after Royal Assent. Vehicle theft devices: 2026
RPC reference	RPC-HO-24018-OA (1)
Date of issue	10 February 2024

RPC opinion

Rating	RPC opinion
Fit for purpose	As originally submitted, the assessment was not fit for purpose. The RPC required more evidence for the scale of the problem, consultations undertaken and exploration of non-regulatory options. The assessment now demonstrates a reasonable case for intervention across the measures, supported by evidence of the scale of the problems. The department has now assessed appropriate options for each measure, including non-regulatory alternatives. The analysis of costs is better, with more monetization and appropriate qualitative assessment. Evidence should be strengthened on costs to legitimate businesses, and monitoring & evaluation.

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RPC summary

Category	Quality	RPC comments
Rationale	**Green**	The assessment now provides better evidence of the scale of the problems, supported by data and consultations. The OA should be strengthened with theory of change diagrams and more specific objectives. The OA could be strengthened across all measures, by including international comparisons.
Identification of options, including Small and Micro Business Assessment (SaMBA)	**Green**	The department has now better identified and assessed options, including more non-regulatory alternatives and comprehensive long-lists. Non-regulatory alternatives are better assessed with better stakeholder evidence. The department now provides better justification for discarded options, using critical success factors sometimes, but these should be used consistently. SaMBA analysis demonstrates better consideration of business impacts, but should better consider compliance costs to legitimate businesses.
Justification for preferred way forward	**Green**	The department provides analysis of preferred options, appropriate consideration of non-monetized impacts, now with more cost analysis. Stakeholder consultation has visibly influenced measure design in some cases. Break-even analysis is usefully used where benefits are not quantified. It should better consider compliance costs to legitimate businesses.
Regulatory Scorecard	**Weak**	The department has now significantly improved its analysis. There are assertions that legitimate businesses face little increased costs; the department should better evidence this and criminals' behavioural responses to the measures. The OA would benefit from more detailed analysis of innovation impacts, especially security measure effects on technology development.
Monitoring and evaluation	**Very weak**	Significant improvement needed. There needs to be specific success metrics, detailed data collection methodologies, clear evaluation timelines.

10/2/2025

Summary of proposal

The OA covers four distinct measures in the Crime and Policing Bill:

- Empower law enforcement and investigatory agencies to obtain court orders to suspend internet protocol addresses and domain names being used to facilitate serious crime, both domestically and internationally. This will strengthen existing voluntary arrangements and provide formal powers where voluntary cooperation is not achievable.
- Create new criminal offences prohibiting the supply or possession of 'SIM farms' (devices capable of using multiple SIM cards for bulk messaging) unless there is a legitimate reason or adequate due diligence. Includes a power for the Secretary of State to extend restrictions to other fraud-enabling technologies.
- Reform the Identification Doctrine to improve corporate criminal liability by extending recent economic crime reforms to all criminal offences. This will enable corporations to be held criminally liable, where senior managers commit offences while acting with actual or apparent authority, addressing difficulties in prosecuting large organizations.
- Introduce new criminal offences targeting the possession, making, adaptation, import, supply and offer to supply of electronic devices used in vehicle theft. It allows defences where there was no intention or suspicion of criminal use.

Response to initial review

As originally submitted, the assessment was not fit for purpose due to lack of evidence for the scale of the problems, consultations undertaken and assessment of non-regulatory options.

The department has now been more explicit about the scale of the problems and provided more detail on consultations undertaken and options considered.

Rationale

Problem under consideration
The department now describes how banning SIM farms and IP suspensions could work together to tackle telecommunication-enabled crime. The SIM farm ban aims to restrict criminals' ability to send out bulk fraudulent messages, containing malicious links. The IP suspension power would allow law enforcement to take down fraudulent sites the links point to. Data is provided on the scale of messages and subsequent victim engagement (3% clicking malicious links), highlighting the need for these complementary measures.

Internet address suspension
The department identifies the problem regarding the inability of law enforcement to mandate the suspension of domains and IP addresses used for criminal purposes, particularly in international jurisdictions. The distinction between domestic and international challenges is articulated, with explanation of how current voluntary arrangements are insufficient for international enforcement. The quantification of the problem's scale is now adequate. The OA explains the types of crimes facilitated through these domains, but could explain whether the 'Dark Web' is part of the problem. It now has more specific data e.g. on the number of cases agencies cannot act on, due to lack of legal power and a malware case study. The department now provides more detail on the consultation responses.

The department would improve its case by providing international comparisons showing the effectiveness of similar powers in other jurisdictions, for instance, data from countries that have implemented comparable court-order systems.

SIM Farm Ban

The problem definition demonstrates reasonable use of evidence. The department provides data showing the scale of the overall fraud problem, with 39% of crime (3.6 million incidents) being fraud-related and £4bn in losses reported. The Ofcom data showing 68% of people receiving suspicious messages provides clear evidence of the problem's pervasiveness. The department's problem description now has more detail emphasising there is a legitimate market for the technology, and a black market for the purpose of fraud. The department explains legislation will separate these markets, granting police the power to prevent usage specifically by fraudsters.

The direct connection between SIM farms and the overall fraud problem could be better established. While the OA effectively identifies legitimate use cases and affected stakeholders, it would benefit from clearer data on the proportion of fraud specifically facilitated by SIM farms and better analysis of the legitimate market size. The department would strengthen its case by including international comparisons.

Identification Doctrine Reform

The department uses case law, to demonstrate the limitations of current law in prosecuting large organizations. The current doctrine creates an unfair distinction between small and large organizations' liability. The consultation evidence and Law Commission work supports the need for reform. The assessment has now been strengthened by including a more specific example of a failed prosecution. The OA would still benefit from indicative quantification of the societal costs resulting from the current limitations. The department has explained data limitations in detail directly to the RPC, but should include this in the OA.

The department could provide more evidence from the implementation of the economic crime reforms, or similar corporate liability reforms in other jurisdictions. The link to international standards is mentioned but could be better developed with specific examples of cross-border cases where UK law has proven inadequate.

Vehicle Theft Devices

The department indicates the scale of the problem, for example noting what proportion of vehicle theft in London involves electronic devices. The Home Office's 2019 Understanding Organised Crime paper provides evidence of the economic impact, estimating the social and economic cost at £850m for organized vehicle crime. The assessment now provides more explanation of how current law enforcement powers are insufficient. The department should demonstrate why criminal intent requirements provide sufficient safeguards.

Argument for intervention

Internet address suspension

The rationale centres on the inability of current voluntary arrangements to address international criminal activity, with emphasis on jurisdictional challenges faced by UK law enforcement. The assessment now has specific data on the number of cases where enforcement has failed. The consequences of non-intervention are articulated in terms of continued criminal activity. The department could provide evidence from similar powers in other jurisdictions. The intervention addresses the identified problem by providing formal powers where voluntary arrangements are insufficient. The OA would benefit from analysis of how similar interventions have performed in other contexts, particularly regarding international enforcement effectiveness.

SIM Farm Ban

The department effectively demonstrates widespread fraud affecting millions and information asymmetries (consumers unable to identify legitimate communications). The consequences of non-intervention are articulated, with potential continued growth in telecommunications fraud. The intervention directly addresses the identified problem by targeting the enabling technology. The department draws effectively on evidence from the telecommunications sector charter, showing the limitations of voluntary approaches, but would improve its case by including more international comparisons. While the OA notes similar legislation is not identified in other countries, it could explore related technological restrictions or fraud prevention measures in comparable jurisdictions.

Identification Doctrine Reform

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The department effectively identifies both equity failure (disparity between small and large organizations) and regulatory failure (current law not fit for modern corporate structures). The rationale is supported by case law, particularly the SFO v Barclays case, demonstrating how current arrangements fail to deliver effective corporate accountability. The consequences of non-intervention are continued difficulty in prosecuting large organizations and potential competitive disadvantage internationally. The intervention addresses the identified problems by extending recent economic crime reforms to all offences, but the department would strengthen its case by providing more evidence from the implementation of the economic crime reforms, or similar corporate liability reforms, in other jurisdictions. The link to international standards is mentioned, but could be better developed with examples.

<u>Vehicle Theft Devices</u>

The department now better demonstrates why current powers are insufficient. The consequences of non-intervention are articulated, demonstrating how criminals adapt to overcome manufacturer security measures. The OA now better explains why existing offences, such as going equipped, are inadequate for addressing the problem.

Objectives and theory of change

The department should provide visual theory of change diagrams, to show the pathways from interventions to outcomes.

<u>Internet address suspension</u>

The overall motivation is to reduce cybercrime facilitated through domain names and IP addresses. The department now explains its aims and success metrics with some more detail, but should develop specific objectives, such as target numbers for successful suspensions, rough timeframes for implementation and impact. The OA does not yet clearly map out the steps from intervention to impact.

<u>SIM Farm Ban</u>

The department establishes a clear aim to reduce the volume and scale of fraudulent messages, with some quantifiable metrics through existing data from operators on blocked scam SMSs. The department states no timeframe for achieving reductions can be specified, because it does not know the sources of individual cases of fraud, but needs to look at the aggregate picture. The logical change process is relatively well described, showing how restricting access to SIM farms will make bulk scam messaging more difficult and uneconomical for criminals, leading to reduced fraud. This could be strengthened through a theory of change diagram showing the relationships between intervention components (ban on supply/possession, enforcement actions) and intended outcomes (reduced scam messages, lower fraud rates). The assessment acknowledges measurement challenges regarding attribution of SMS reduction to SIM farm bans specifically, but could better articulate intermediate indicators and milestone objectives.

Identification Doctrine Reform

The department identifies three objectives (deter corrupt corporate activity, enable prosecutions, provide legislative certainty). The OA now explains the objectives in more detail, but still lacks specificity in measuring success and timeframes. A theory of change diagram would show pathways from legislative reform, through changed corporate governance practices, to reduced corporate criminality.

Vehicle Theft Devices

The department identifies its aim to reduce vehicle theft and associated economic and social costs. It discusses success indicators e.g. convictions and now refers to an overall timeframe for commencement. The logical change process is partially articulated, showing how criminalizing device possession and supply should reduce availability and thus vehicle theft, but would benefit from more systematic presentation. The OA could be strengthened by developing more specific, measurable targets. A theory of change diagram would illustrate how various offence elements (possession, supply, adaptation) connect to reduced vehicle theft outcomes, accounting for potential displacement effects and criminal adaptation.

Identification of options, including SaMBA

Identification of Long-list Options

<u>Internet address suspension</u>

The OA now presents more options in the long list and examines them in detail. The stakeholder engagement through consultation is evidenced, with clear indication respondents supported voluntary arrangements as a first resort.

The international dimension is particularly relevant for this measure, yet the OA provides limited analysis of approaches in other jurisdictions. Given the measure's focus on international enforcement, more detailed consideration of how other countries address this issue would strengthen the options identification.

<u>SIM Farm Ban</u>

The options identification demonstrates comprehensive analysis, with seven options in the long-list, including regulatory and non-regulatory approaches. The department effectively demonstrates how these options emerged from consultation, particularly regarding legitimate business uses and enforcement challenges. The consideration of alternatives is strong, including examination of licensing regimes, sender ID verification, and industry initiatives. The department acknowledges limited international evidence, noting similar legislation was not identified in other countries, but provides analysis of related measures like Jordan's SIM box mitigation program.

<u>Identification Doctrine Reform</u>

The options identification shows foundations in previous policy development. The department builds on the Law Commission's 2022 options paper, showing clear policy evolution, and now examines in much more detail the consultation undertaken and long list of options.

The international dimension is particularly relevant here, with the OA noting concerns about the UK falling behind. However, more analysis of corporate liability approaches in other jurisdictions would improve options identification.

<u>Vehicle Theft Devices</u>

The department originally noted "only a short list of options was considered", due to extensive stakeholder engagement, but this approach risked missing potential alternatives. The assessment now benefits from more systematic exploration of potential options, going through a long-list in more detail. The department could explore the international dimension, with analysis of how other jurisdictions address similar challenges.

Consideration of alternative options to regulation

<u>Internet address suspension</u>

The original assessment stated that "non-regulatory options have been explored fully and deemed insufficient," but provided minimal evidence of this. The department now explains the options in more detail, and effectively demonstrates engagement with the sector through consultation and existing voluntary arrangements. The option focusing on enhanced voluntary arrangements is now better analysed.

SIM Farm Ban

The department provides comprehensive analysis of non-regulatory approaches, showing good sector engagement, with detailed consultation findings and consideration of legitimate business needs. The behavioural analysis is well-developed, examining how different approaches might influence criminal actors and legitimate businesses. The department effectively analyses several alternatives including: a licensing regime (with clear explanation of previous attempts and challenges), sender ID verification schemes, industry initiatives under the Telecommunications Sector Charter and use of existing legislation.

The international dimension could be strengthened, as the department acknowledges limited evidence of similar measures in other jurisdictions.

Identification Doctrine Reform

The behavioural analysis is relatively strong, examining how different approaches might influence corporate behaviour and governance structures. The department effectively demonstrates why the current common law approach is insufficient, and now better explores potential alternatives. The assessment now better demonstrates why non-regulatory approaches would be insufficient.

Vehicle Theft Devices

In the original assessment the department noted that "only a short list of options was considered," citing extensive stakeholder engagement. This approach resulted in insufficient exploration of alternatives. The rationale now benefits from clearer analysis of why alternative approaches, such as enhanced vehicle security standards, would be insufficient on their own.

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Justification of short list of options

In the original assessment, there was a lack of use of the Green Book's critical success factors, in filtering options from long to short list. There is now more systematic description of options and some application of success factors, e.g. in the vehicle measure, but more consistent use is expected in option assessments.

Internet address suspension

The original assessment effectively presented only two options: the preferred regulatory approach and do-nothing. This represented inadequate exploration of alternatives. The department now provides detail about more options and why they were not shortlisted, with more consideration of a do minimum option, enhanced voluntary arrangements, and explanation of why international-only orders were not shortlisted.

SIM Farm Ban

The department's shortlist included: Do nothing, Support industry initiatives to identify and block scam texts, or Ban 'SIM farms'(preferred option). The justification for discarding options is relatively well-developed, particularly regarding the licensing regime option, where the department explains previous unsuccessful attempts and legal challenges. The OA could better demonstrate how the options were systematically evaluated against critical success factors such as strategic fit, value for money, operational feasibility and enforcement capability.

Identification Doctrine Reform

The department builds on previous work, including the Law Commission's options paper, now presenting 10 options and more justification for why some were carried forward to the shortlist, while others discarded. The analysis would be strengthened by assessment against critical success factors, such as: alignment with international standards, effectiveness in addressing corporate liability gaps, practicality of implementation and impact on business operations.

Vehicle Theft Devices

The department acknowledges that "only a short list of options was considered," citing stakeholder engagement as justification. This approach failed to meet Green Book expectations for systematic options assessment. The department now uses clear critical success factors, with justification for discarding alternative approaches and some explicit value for money assessment in shortlisting.

SaMBA

Internet address suspension

The original assessment simply stated, "the policy is not assumed to impact legitimate small or micro businesses" without providing evidence. The department now explains, in the annex, that it does expect any change in impact on SMBs, only the way enforcement agencies approach businesses. The analysis should be strengthened by estimating how many legitimate SMB users might be affected.

SIM Farm Ban

The department effectively considers scope and exemption issues, providing clear reasoning why exempting SMBs would undermine objectives: "because it creates a loophole for fraudsters to set up micro, small and medium businesses to possess and supply SIM farms...continuing or enabling others to continue engaging in fraud."

The six-month implementation delay provides mitigation for small businesses to adapt to new requirements. However, the analysis could be strengthened with clearer quantification of how many legitimate SMB users might be affected.

Identification Doctrine Reform

The department effectively explains why the measure particularly affects larger organizations while maintaining appropriate accountability for smaller ones. The assessment demonstrates SMBs can currently be effectively prosecuted under existing doctrine, reform primarily addresses complexities in larger corporate structures and exempting SMBs would not maintain policy benefits.

Vehicle Theft Devices

The department expects no negative impact is expected for SMBs, or any legitimate businesses, as it states there are no legitimate uses for these devices. The department should evidence this.

Justification for preferred way forward

Identifying impacts and scale

Internet address suspension

The department provides a reasonable attempt at quantifying costs, though benefits remain largely unmonetized. The analysis shows appropriate detail and has now been clarified and updated:

> NPSV of about £0.4m
> EANDCB close to £0.0m
> Monetization of familiarization costs (£130 to £900)
> Specific estimates for processing time per suspension (2 hours)
> Clear identification of affected staff categories and wage rates
> Reasonable use of breakeven analysis (380 avoided fraud offences to cover costs) as unable to directly attribute crime reduction to domain suspensions
> Reasonable use of available data on current crime costs (£1000 per fraud offense)

The range of affected groups includes: law enforcement agencies, domain registries and registrars, crime victims and international infrastructure organizations. There could be better analysis on any compliance costs to legitimate businesses.

SIM Farm Ban

The department demonstrates good identification of impacts and affected groups:

> NPSV -£0.01m to -£0.03m, as no benefits are monetised
> EANDCB £0 to £0.001m
> Scale of problem (3.6 million fraud incidents)
> Financial losses (£4bn reported to Action Fraud)
> Reach of suspicious messages (68% of UK population)
> Market costs of devices (£1,140 for 16-slot SIM farms)

The analysis identifies impacts across Mobile Network Operators, legitimate business users (with clear exemption categories), consumers receiving scam messages and law enforcement agencies. The department provides reasonable indicative estimates and clear qualitative assessment of impacts.

Identification Doctrine Reform

The department identifies impacts on corporate entities of different sizes, law enforcement and prosecution services, victims of corporate crime and the international business environment. The appraisal shows reasonable qualitative assessment, and now better quantification:

> NPSV -£0.2m and -£1.2m, as no benefits are monetised
> EANDCB close to £0m, as no ongoing business costs are identified

The department notes businesses may incur costs if they implement measures to increase transparency and control with senior management, to minimise liability if criminal conduct takes place. The department should examine compliance costs in more detail.

The department provides useful breakeven analysis showing how many offences need to be prevented to recover costs, about 350. However, the department should explain why it thinks this is a relatively small number, as this seems large.

Vehicle Theft Devices

The appraisal demonstrates reasonable use of available data but shows gaps in impact identification:

> NPSV -£2.8m to -£1.3m, but the department expects non-monetised deterrence and disruption to organised crime groups will outweigh costs
> EANDCB £0.001m to £0.015m
> Clear indication of problem (e.g. high % of London vehicle theft)
> Specific cost estimates (£850 million social and economic cost)
> Detailed criminal justice system costs
> Clear identification of enforcement resource needs
> More needed on impacts to legitimate businesses

Selection of the preferred option

Internet address suspension

The department now provides better evidence court orders are justified given existing voluntary arrangements. Analysis of why enhanced voluntary cooperation could not achieve objectives, is now meets the bar for regulatory intervention.

SIM Farm Ban

The department effectively demonstrates that existing powers are insufficient, with evidence of criminal exploitation that cannot be adequately addressed through non-regulatory means. The recognition of measurement challenges in attributing fraud reduction specifically to SIM farm restrictions, acknowledges evidence limitations.

The stakeholder engagement process has clearly influenced option selection, with the department modifying its approach based on consultation feedback, particularly regarding legitimate business uses and enforcement practicalities. This demonstrates appropriate consideration of proportionality and necessity in regulatory design.

Identification Doctrine Reform

The department demonstrates understanding of current legal limitations. The department effectively builds on recent economic crime reforms, showing policy coherence, and now better demonstrates why extending the reforms to all offences is necessary.

The analysis of trade-offs balances the need for improved corporate accountability against potential impacts on business operations. However, the assessment of compliance costs could be stronger. The department effectively uses previous Law Commission work and consultation evidence to support its preferred approach, though the analysis of potential unintended consequences could be more thorough. While the difficulty in quantifying deterrence effects is recognized, the department could provide stronger analysis on this.

Vehicle Theft Devices

The department has now provided more evidence demonstrating that new offences are necessary. The department now provides better analysis of why existing powers are inadequate and why non-regulatory alternatives could not achieve the objectives.

Regulatory Scorecard

The scorecard provides adequate coverage of impacts, though areas require strengthening. Benefit quantification through break-even analysis is effective, showing reasonable thresholds. The analysis provides sufficient basis for understanding the main impacts.

Part A: Overall and stakeholder impacts

Welfare impacts

The overall welfare impacts are well-described qualitatively, but would benefit from indicative scales of benefits.

Business Impacts

Business impacts are generally well-identified, but lack comprehensive assessment of market and competition impacts, including costs to legitimate businesses.

For internet address suspension, there is limited quantification of the affected business population and compliance costs to legitimate businesses. Under the SIM Farm ban, there is good identification of affected business types and reasonable assessment of compliance costs. For Identification Doctrine, there is reasonable analysis of governance impacts and business-size effects, but compliance cost quantification could be stronger. For the vehicle measure there is limited analysis of any supply chain effects, market adaptation costs, and compliance costs to legitimate businesses.

Household Impacts

An indicative combined effect of multiple measures on households would improve the assessment.

Part B: Impact on wider government priorities

The scorecard provides coverage of wider priorities but could be strengthened. Innovation impacts need examination, particularly how security measures might affect technology development. Market efficiency analysis should consider how interventions could alter business behaviour.

Monitoring and evaluation

The monitoring and evaluation discussion lacks sufficient detail across all measures and does not provide adequate frameworks for assessing policy effectiveness. It lacks success metrics, data collection methodologies, and evaluation timelines.

Internet address suspension

The OA simply states the policy will be monitored against key success metrics and subject to post-implementation review, without providing necessary detail about specific metrics, data collection methods, measurement approaches and no clear evaluation timeline.

SIM Farm Ban

The plan lacks specific success criteria, clear benchmarks for effectiveness, detailed data collection methodologies and a robust evaluation framework.

Identification Doctrine Reform

The plan mentions monitoring prosecution data without specific metrics. There is limited consideration of baseline measures, no clear success criteria and a weak approach to attribution methodology. The qualitative stakeholder work proposed, lacks sufficient detail about methodology and scope.

Vehicle Theft Devices

No specific metrics are identified, there is an absence of clear data collection plans, limited consideration of evaluation methodology and no timeline for review. In the options discussion, the department says it will engage with partners to monitor the new measure after it is implemented, but planning must be undertaken before.

Regulatory Policy Committee

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