

The Baroness Sherlock OBE
Minister of State
Department for Work and Pensions
Caxton House
Tothill Street
London
SW1H 9NA

7 September 2026

Dear Minister,

The Social Security (Further Methods of Recovery) Regulations 2026

We were grateful to Jackie Oatway and her team for presenting the above regulations to the Social Security Advisory Committee at its meeting on 17 June and for the further material provided subsequently at the Committee's request on 9 July.

These Regulations give operational effect to further recovery powers introduced by the *Public Authorities (Fraud, Error and Recovery) Act 2025*. In particular, they provide for the use of Direct Deduction Orders from bank accounts in cases where recovery cannot take place through existing benefit or PAYE routes, and for applications to the magistrates' court for disqualification from driving where recovery from bank accounts has not worked.

We have been informed by your officials that the policy intent of these proposals is to translate the new recovery powers into a practical and workable framework for debt recovery, enabling the Department to secure repayment where it is reasonable and affordable while remaining proportionate, transparent and responsive to individual circumstances. The proposals are intended to encourage engagement and voluntary repayment wherever possible, while providing a means of addressing deliberate non-engagement, avoidance and evasion where existing recovery routes are ineffective.

We are advised that the regime is intended to be both operationally effective and demonstrably fair, with decisions informed by individuals' financial circumstances and essential living costs and applied consistently across comparable cases. The Committee recognises the Department's objective of bringing into recovery overpayments owed by those who are able to repay them, and the work undertaken by officials to develop a framework intended to support those aims. Our consideration has therefore focused principally on whether the proposed arrangements can deliver those outcomes consistently in practice.

Our understanding of the Department's position is that a significant group of people who are no longer subject to existing recovery routes are able to repay debts owed to the Department but are choosing not to do so. We understand that the proposed regime has been designed on the basis that these individuals can be identified with sufficient accuracy and distinguished from those who are unable to engage or repay. We have not seen this data.

We further understand that the most intrusive powers, including direct deduction orders from bank accounts and applications for driving disqualification, are intended to be reserved for a relatively small number of cases involving persistent non-engagement where other recovery routes have proved ineffective.

Throughout our scrutiny, a recurring theme was how the Department will distinguish between those who cannot engage and those who will not engage, and between those who cannot pay and those who will not pay. In the Committee's view, the success of the proposed regime will depend heavily on the Department's ability to make these distinctions accurately and consistently, particularly where individuals are not engaging and information about their circumstances is incomplete. Many of the concerns set out in the appendix ultimately flow from this central issue.

The Committee's principal concern is not with the objective of recovering debts that are lawfully owed, nor with the policy intent underpinning the Regulations. Rather, it is whether the proposed framework can deliver that intent in practice. In particular, we seek further assurance that these powers can be exercised safely, fairly, lawfully, and consistently in practice.

To reach that view, the Committee requires assurance that the regime has been designed around a sufficiently robust understanding of the population to whom it will apply; that decisions can be made reliably where information is incomplete; that safeguards will operate effectively for those they are intended to protect; that the Department can distinguish genuine inability to engage or repay from deliberate avoidance; and that the most intrusive powers will remain targeted on the cases Ministers intended. We also seek assurance that implementation arrangements are capable of testing and refining those assumptions over time.

Without such assurance, there remains a risk that powers intended for a relatively narrow group of deliberate non-payers may in practice affect a wider group whose circumstances are less well understood, and may have an adverse safeguarding impact.

Given the Department's acknowledgement that important uncertainties remain about this cohort, we recommend that implementation should be staged, with clear review points at which assumptions can be tested, operational experience assessed, and guidance, processes or, where necessary, the regulations themselves refined in light of a developing understanding of the people affected.

Following careful consideration of the proposals and the evidence presented, I can confirm that the Committee has decided that it does not intend to take these Regulations on formal reference.¹ This letter highlights a number of issues on which further clarification, assurance and continued engagement would be helpful.

These issues are addressed in more detail in the appendix to this letter, and the Committee would be grateful for an early written response to these points. In particular, the Committee would welcome early assurance on those elements of the framework and safeguards that will need to be established prior to implementation, alongside continued engagement on those matters which can be tested and refined only through operational experience and learning during the test-and-learn phase.² We would also welcome engagement at appropriate points during implementation to discuss the Department's monitoring arrangements, emerging evidence and operational experience.

In closing, I would like to thank Jackie Oatway and her team for the presentation provided to the Committee, and for the constructive and open way in which they engaged with the issues raised during the session.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Stephen Brien', with a stylized, cursive script.

Dr Stephen Brien
Chair, Social Security Advisory Committee

¹ Under the powers conferred by section 173(1)(b) of the Social Security Administration Act 1992.

² In particular, the Committee would welcome assurance before implementation that the evidence base, engagement framework and escalation arrangements are sufficiently robust to support the safe and proportionate exercise of the new powers. Other matters, including cohort understanding, vulnerability identification, affordability outcomes and the operation of safeguards in practice, may appropriately be informed further through implementation, monitoring and operational learning.

APPENDIX

The Committee's concerns are rooted in a common theme. The proposed powers are intended to enable the recovery of debts from individuals who are able to repay but are not doing so. However, the Department has acknowledged that both its understanding of the affected cohort and the information available about individual cases may sometimes be incomplete. The Committee therefore seeks assurance that the framework has been designed around a sufficiently accurate understanding of the population concerned and that its safeguards can operate effectively where information is limited.

Across the themes below, the central question is whether the Department can distinguish accurately and consistently between those who cannot engage and those who will not engage, and between those who cannot repay and those who will not repay. That distinction matters because the most intrusive powers are intended to be reserved for a relatively narrow group of cases involving persistent non-engagement or deliberate avoidance, while protecting those whose circumstances, vulnerabilities or financial position may prevent engagement or repayment.

The themes below set out the principal areas on which further assurance is required.

1. Cohort understanding

The effectiveness, proportionality and fairness of the proposed regime depend on the Department having a sufficiently robust understanding of the population to whom these powers will apply, including their circumstances, behaviours and capacity to engage or repay. This is principally a policy design issue: whether the framework, safeguards and enforcement approach have been calibrated around the characteristics of the cohort that will actually be affected.

The central rationale for the policy is that a significant number of people are able to repay debts owed to the Department but are not currently doing so. If the cohort differs materially from the Department's assumptions, elements of the regime may be miscalibrated. Vulnerability, financial hardship, caring responsibilities or barriers to engagement may be more prevalent than expected, while assumptions about income, financial resilience or repayment capacity may prove less reliable. In those circumstances, safeguards, communications and enforcement processes may be less effective than intended.

Officials explained that the cohort comprises individuals who are neither in receipt of a DWP-administered benefit nor subject to recovery through PAYE earnings, and who are not currently engaging with DWP. During scrutiny, however, officials acknowledged limitations in the Department's understanding of income, household circumstances, vulnerability, caring responsibilities and wider financial resilience. The Committee also heard that important aspects of an individual's circumstances may not be visible where engagement is absent.

The Committee welcomes the work undertaken to improve understanding of this group and recognises the challenges of designing a regime for a population that is difficult to understand and engage. However, some groups may be less visible within the available

evidence, including individuals with unknown vulnerabilities, carers, recipients of devolved benefits whose wider circumstances or sources of support may not be fully reflected in the information available to the Department, those experiencing severe hardship, and those who may have disengaged following previous interactions with DWP.

The Committee therefore considers this to be a question of policy calibration. Before it can be confident that the framework has been designed appropriately, it requires greater assurance that the powers and safeguards are based on a sufficiently accurate understanding of the population they are intended to affect.

To provide that assurance, it would be helpful for the Department to demonstrate:

- what is currently known about the cohort, what remains uncertain, and how those uncertainties have been taken into account in the design of the regime;
- how individuals within the cohort are understood to support themselves financially, and how their circumstances compare with those already subject to recovery through benefits or earnings;
- how the Department's analysis takes account of individuals with low or no income, carers, recipients of devolved benefits, those experiencing hardship, and others whose circumstances or sources of support may not be fully visible to DWP;³
- what indicators, evidence thresholds and quality assurance arrangements will be used to distinguish those who are unable, rather than unwilling, to engage or repay, and what evidence demonstrates that those indicators can be applied consistently and reliably across the intended cohort; and
- how stakeholder evidence, including from advice and support organisations, and any relevant learning from comparable recovery and enforcement regimes,⁴ has informed the Department's understanding of the cohort and the design of the safeguards.

Such assurance would help demonstrate that the safeguards are proportionate and likely to operate as intended, that enforcement expectations are realistic, and that the framework is appropriately calibrated to the risks the Department is seeking to manage.

2. Assurance on behavioural assumptions

A rationale for the powers is that some individuals are deliberately avoiding repayment and that existing recovery routes are therefore insufficient. If that assumption is correct, stronger recovery powers may be justified. If it is not, there is a risk that powers intended for

³ Individuals in Scotland may receive support through devolved benefits administered by Social Security Scotland, including Carer Support Payment and related carer support, while others may have caring responsibilities that affect household finances and capacity to engage. Such circumstances may not be fully captured by the information routinely available to DWP and may therefore affect the Department's understanding of the cohort.

⁴ For example, the Child Maintenance Service.

deliberate evaders are instead applied to individuals facing barriers to engagement or repayment.

This distinction is particularly important because individuals may fail to respond for many reasons, including vulnerability, poor mental health, unstable housing, financial crisis, communication difficulties, protected characteristics or other circumstances that may affect a person's ability to engage, or previous negative experiences of dealing with the Department. Apparent non-engagement may therefore not necessarily indicate deliberate avoidance.

Officials explained that the powers would operate as a last resort, following reasonable efforts to contact individuals, agree voluntary repayment arrangements and, where new address information becomes available, re-establish contact.

At the same time, officials acknowledged that important aspects of an individual's circumstances may not be visible where engagement is absent, and that distinguishing between inability and refusal is inherently difficult where information is limited. The central question is therefore whether the Department can be sufficiently confident that apparent non-engagement reflects a conscious decision not to engage. Where decisions must be taken on incomplete information, behavioural assumptions about deliberate avoidance may be applied to individuals whose circumstances are materially different from those envisaged by the policy.

The Committee therefore considers this to be a question of evidential confidence. Before it can be satisfied that the regime will operate as intended, it requires assurance that the Department can reliably distinguish genuine refusal to engage from circumstances that merely appear to resemble it.

To provide that assurance, it would be helpful for the Department to demonstrate:

- what evidence underpins the assumption that a significant part of the cohort is able to repay but is deliberately not doing so, and how the Department has assessed the scale of this group relative to those whose non-engagement may result from vulnerability, hardship or other barriers;
- how the Department distinguishes, at a policy level, between inability to engage or repay, non-response, and deliberate refusal or avoidance;
- what behavioural indicators will be treated as relevant when assessing whether non-engagement may amount to deliberate avoidance;
- how the Department has assessed the risk that apparent non-engagement may reflect vulnerability, communication failure or other barriers rather than deliberate refusal;
- how these behavioural assumptions have influenced the design of the recovery pathway, safeguards and escalation thresholds; and
- what consideration the Department has given to the impact of this policy on the public sector equality duties.

Such assurance would help the Committee assess whether the policy is addressing the behaviour it is intended to address and whether the proposed powers are likely to be exercised in a manner consistent with the policy intent described during scrutiny.

3. Assurance on engagement

The proposed powers are intended to be used only after individuals have been given reasonable opportunities to engage with the Department and agree repayment arrangements voluntarily. This theme concerns whether the Department can establish, with reasonable confidence, that those opportunities have genuinely been provided and exhausted before recovery action progresses.

Engagement is the mechanism through which many of the regime's safeguards operate. It allows individuals to explain their circumstances, challenge assumptions and agree affordable repayment arrangements. Where engagement does not occur, the Department must rely more heavily on partial information and assumptions.

Communications may not be received, understood or acted upon; individuals may also face mental health difficulties, unstable housing, cognitive barriers or other circumstances that inhibit engagement.

Officials explained that recovery would begin through existing business-as-usual processes and would progress to Debt Enforcement only after repeated attempts to contact the individual and secure voluntary repayment. The Committee heard that further letters and telephone contact attempts would be made before enforcement powers were considered, that opportunities to engage would remain available throughout the process, and that cases would be restarted where updated address information became available. We also note the contribution of the debt advice sector in shaping communications and engagement routes, and the Department's intention to provide multiple channels through which individuals can seek assistance.

The Committee welcomes those features of the proposed approach. However, the key question is not whether opportunities to engage exist in principle, but whether the Department can demonstrate that they have been effective in practice. Where information is incomplete, decisions to progress towards direct deductions or enforcement action may otherwise be based on assumptions about behaviour rather than a clear understanding of why engagement has not occurred.

The Committee is not seeking further information about engagement processes simply to understand how communications will be delivered. Rather, it seeks assurance that decisions to treat an individual as non-engaging are based on sufficiently robust evidence and that enforcement action is not triggered by communication failures, unidentified barriers or circumstances that prevent engagement.

To provide that assurance, it would be helpful for the Department to demonstrate:

- how it will assess whether an individual has had a genuine opportunity to engage before recovery action progresses to enforcement;
- what contact methods, communication routes and re-contact arrangements will be used before an individual is treated as non-engaging;
- what evidence will be collected about whether communications have been received, understood and capable of being acted upon, and what evidential standard must be met before an individual is treated as non-engaging;
- how communication barriers and other obstacles to engagement will be identified, reviewed and managed before recovery action is escalated; and
- how consistency will be maintained in decisions that an individual has failed to engage.

Such assurance would help the Committee assess whether apparent non-engagement can be interpreted with sufficient confidence to justify the exercise of the proposed powers and whether the engagement framework is capable of supporting fair, proportionate and evidence-based decision-making in practice.

4. Assurance on identification of vulnerability

A central feature of the Department's case is that the proposed powers can be exercised safely because they are accompanied by safeguards designed to protect vulnerable individuals from inappropriate recovery action. The effectiveness of those safeguards, however, depends on vulnerable individuals being identified in the first place. Furthermore, it relies on the Department making reasonable adjustments and variations to policies where necessary.⁵

The Committee recognises that the Department has sought to build a range of protections into the framework, including affordability assessments, rights of representation, review mechanisms and the use of information already held by DWP. However, scrutiny highlighted the inherent difficulty of identifying vulnerability where information is incomplete. Vulnerability may not be apparent from the information available to DWP, departmental records may be incomplete or out of date, and indicators of vulnerability may emerge only when an individual, representative or support organisation engages with the Department. Where vulnerability or disability is identified or suspected, the Department may need to depart from standard processes, pause recovery activity, provide reasonable adjustments and take a more tailored approach to engagement in order to ensure that appropriate safeguards are

⁵ The Committee notes that departmental policies and operational processes must be capable of accommodating individual circumstances, including through reasonable adjustments where appropriate. As Linden J observed in *Abrahart v University of Bristol* [2024] EWHC 299 (KB) at [220], organisational policies and procedures remain subject to wider legal obligations, including those arising under the Equality Act 2010.

applied and relevant legal duties are met. Where vulnerabilities are not identified and acted upon appropriately, those most in need of protection may also be those least likely to be identified. In such cases, recovery, affordability and escalation decisions may be taken without a full understanding of an individual's circumstances, reducing the effectiveness in practice of safeguards that appear robust in principle.

Officials explained that vulnerability assessments will draw on existing departmental records, representations made by individuals or their representatives, information obtained during the recovery process and wider indicators already known to the Department.

At the same time, officials acknowledged that vulnerability information may not always be current, that some vulnerabilities may become apparent only through disclosure, and that the Department cannot form a complete understanding of individual circumstances where engagement is absent. Indicators of vulnerability may also overlap with indicators of non-engagement. Individuals experiencing mental health difficulties, cognitive impairment, severe financial hardship, unstable housing or other forms of vulnerability may appear similar to those choosing not to engage.

The Committee's concern is not that the Department lacks safeguards, but whether those safeguards can operate effectively where vulnerability has not been identified. Before it can be confident that the safeguards will operate as intended, the Committee requires assurance that vulnerability can be identified and acted upon even where active engagement is limited or absent.

To provide that assurance, it would be helpful for the Department to demonstrate:

- what indicators and sources of evidence will be used to identify vulnerability where engagement is limited or absent;
- what evidence thresholds, decision-making standards and quality assurance arrangements will apply where vulnerability is suspected but cannot be confirmed, including what safeguards or precautionary actions will apply in such cases;
- how cases involving unknown, emerging or previously unrecorded vulnerabilities will be assessed and managed;
- how vulnerability considerations will be recorded so that they inform subsequent recovery, affordability or escalation decisions; and
- how the Department will evaluate whether its safeguards are successfully identifying and protecting vulnerable individuals in practice.⁶

⁶ While similar to a request in section 7, these address different questions. The assurance sought in Section 4 concerns the effectiveness of the Department's arrangements for identifying and protecting vulnerable individuals. The assurance sought in Section 7 concerns the broader monitoring and test-and-learn framework, including how implementation evidence will be collected, assessed and used to evaluate the operation of the regime as a whole.

Such assurance would help the Committee assess whether the regime's safeguards are capable of protecting the individuals for whom they are intended and whether vulnerability can be identified reliably enough to support the fair and proportionate exercise of the proposed powers.

5. Affordability as the principal safeguard

Affordability is the principal safeguard within the proposed regime. The Department's case for these powers relies in large part on the proposition that recovery action can remain fair and proportionate even where individuals do not engage and where information about their circumstances is incomplete. This theme therefore concerns whether the Department can make reliable affordability decisions where important aspects of an individual's financial situation may not be fully visible.

Affordability assessments are intended to ensure that recovery action remains fair, proportionate and consistent with the statutory requirement that individuals are not caused hardship in meeting essential living expenses. Confidence in the regime therefore depends on confidence in the decisions that underpin it.

Where engagement is absent, the Department may not have visibility of factors such as disability-related expenditure, health costs, childcare costs, business expenses, caring responsibilities, wider indebtedness, household financial commitments or subsequent changes in circumstances. If affordability assessments do not accurately reflect an individual's situation, deductions may be technically compliant yet unaffordable in practice, potentially leading to hardship, increased indebtedness and reduced financial resilience.

The Committee explored affordability in considerable detail during scrutiny, including how decisions would be made where information is incomplete and how deductions would remain sustainable over time. We heard that assessments would draw not only on bank statements but also on Standard Financial Statement guidance, deduction limits, disregarded income, rights of representation, review and variation processes, and other safeguards within the wider framework. We welcome the additional detail subsequently provided and the worked examples supplied by the Department.

However, officials acknowledged that some relevant information may not be apparent from bank statements alone. The Committee discussed examples including disability-related expenditure, childcare costs, business expenses, fluctuating self-employment income, wider debt obligations and unexpected changes in circumstances. Decisions that appear reasonable on the basis of the information available may not fully reflect an individual's actual financial position, resilience to financial shocks or ability to sustain deductions over time.

The Committee therefore considers the key issue to be the reliability of affordability decisions in conditions of uncertainty. It seeks assurance that the framework can produce

safe and proportionate outcomes where information is incomplete, and that decisions can be identified and corrected where initial assumptions later prove inaccurate.

To provide that assurance, it would be helpful for the Department to demonstrate:

- how affordability decisions will be reached where information is unavailable, incomplete or unclear, and how decision makers will assess the reliability of those decisions, and what level of confidence the Department considers necessary before recovery action proceeds;
- how significant expenditure that may not be visible from bank statements alone will be taken into account, including disability-related expenditure, health costs, childcare costs, business costs and necessary travel;
- how the Department will assess whether affordability assessments are operating as intended, including the extent to which deductions are revised, suspended or revoked after further information comes to light;
- how changes in financial circumstances will be identified and responded to where affordability deteriorates after deductions have been established; and
- what evidence will be used to assess whether deductions have been set at sustainable levels.

Such assurance would help the Committee assess whether affordability decisions are sufficiently robust to support the use of the proposed powers and whether the principal safeguard within the regime can operate effectively in the circumstances it is most likely to encounter in practice.

6. Escalation to enforcement: ensuring it remains a measure of last resort

The proposed powers are intended to provide the Department with stronger recovery mechanisms where individuals have failed to engage with voluntary repayment processes. Direct deduction orders and, in a much smaller number of cases, applications for driving disqualification are intended to operate as measures of last resort. This theme concerns whether the Department can ensure that these more intrusive powers remain targeted at the cases for which they were designed.

The Committee recognises that Parliament has provided the Department with significant new powers to recover debt. The legitimacy of those powers depends not only on the existence of safeguards, but on confidence that they will be used only where justified. Throughout scrutiny, the Department's position was that escalation will occur only after other recovery routes have been exhausted, reasonable opportunities to engage have been provided, and the case involves persistent non-engagement or deliberate avoidance.

This is particularly important because the consequences of escalation may be significant. Direct deductions involve intervention in an individual's bank account, while applications for driving disqualification involve recourse to the courts and potentially serious consequences

for the individual concerned. Such powers therefore require a high degree of confidence that the individual's circumstances are sufficiently understood and that escalation remains fair, proportionate and necessary.

During scrutiny, officials explained that these powers are expected to be used only in a small number of cases where other recovery routes have been exhausted and individuals have persistently failed to engage with the recovery process. We also heard that court applications would be made on an individual basis rather than through bulk processes, that individuals would have an opportunity to be heard before an order is made, and that the courts would retain discretion, including the ability to vary or revoke orders where appropriate. Officials further emphasised that driving disqualification is intended to operate as a genuine last-resort measure and that the Department would need to consider whether an individual had failed to repay without reasonable excuse before making an application.

The Committee welcomes these safeguards and the Department's intention that escalation powers should be used sparingly and only in appropriate circumstances. However, the key issue is how the Department will determine that a case has reached the point where escalation is justified. If escalation decisions are made in circumstances of significant uncertainty, measures intended for a relatively narrow group of persistent non-compliers may extend beyond the population for which they were designed.

The Committee therefore seeks assurance that the Department has established sufficiently robust evidential thresholds and decision-making standards to ensure that escalation remains consistent with the policy intent underpinning the regulations.

To provide that assurance, it would be helpful for the Department to demonstrate:

- what evidential threshold must be met before a case is approved for escalation to direct deduction or, separately, for an application for driving disqualification, and how decision makers will satisfy themselves that apparent non-engagement or non-payment is not more plausibly explained by vulnerability, communication failure or other barriers;
- how the Department will document that engagement, vulnerability and affordability considerations have been reviewed before escalation is approved;
- how decision makers will assess whether the case involves genuine and persistent refusal to engage or repay, rather than circumstances that have been misunderstood;
- what quality assurance, oversight and senior approval arrangements will apply to escalation decisions; and
- how the Department will ensure that applications for driving disqualification remain confined to the small number of cases for which that power is intended.

Such assurance would help the Committee assess whether escalation decisions are supported by an adequate evidential foundation and whether the most intrusive powers will remain targeted, proportionate and aligned with the purpose for which they were introduced.

7. Monitoring and test-and-learn: testing assumptions through implementation

Throughout scrutiny, the Committee was struck by the extent to which the proposed regime relies on assumptions that can only be tested through implementation. The Department was candid in acknowledging limitations in its understanding of the cohort, the difficulties of identifying vulnerability where engagement is absent, and the challenges associated with making decisions on the basis of incomplete information. The Committee therefore welcomes the intention to implement the powers through a structured test-and-learn approach supported by ongoing monitoring and operational learning.

The Department's approach to implementation and review will be critical. Some of the most important questions cannot be answered conclusively before implementation begins, including whether assumptions about the cohort are correct, whether safeguards operate as intended, whether vulnerability is being identified reliably, and whether enforcement activity is reaching the population the policy is designed to address.

Where significant uncertainty exists, effectiveness depends not on eliminating that uncertainty at the outset, but on having robust mechanisms to identify when assumptions prove incorrect and to respond accordingly. Without such mechanisms, weaknesses in policy design or operational delivery may go undetected until they become systemic, potentially resulting in unaffordable deductions, unidentified vulnerability, inappropriate escalation, inconsistent outcomes and reduced confidence in the fairness and proportionality of the regime.

Officials explained that implementation will proceed through a structured test-and-learn approach, beginning on a relatively small scale and expanding over time. We heard that operational performance, customer outcomes and capacity issues would be monitored as implementation progresses and that experience gained through early delivery would inform future development of the regime. The Committee welcomes this approach and the Department's intention to learn from operational experience before moving to larger-scale implementation.

However, the value of test-and-learn depends on what is being tested, what evidence is collected, and how the results are used. Implementation should not simply measure operational performance; it should actively test the assumptions on which the regime has been designed. Evidence that deductions are being made successfully would not, by itself, demonstrate that safeguards are functioning effectively or that vulnerable individuals are being identified appropriately.

The Committee is not seeking additional information about implementation plans simply to understand how the Department intends to manage delivery. Rather, it seeks assurance that implementation arrangements will identify problems early, support corrective action where necessary, and generate evidence about whether the regime is operating as intended.

To provide that assurance, we are asking the Department to demonstrate:

- how the test-and-learn approach will be used to evaluate the key assumptions underpinning the regime, including assumptions about the cohort, engagement, affordability, vulnerability and escalation;
- what evidence will be collected to assess whether safeguards are functioning as intended, including information on failed contact, revised affordability decisions, paused or revoked deductions, identified vulnerabilities and escalation outcomes;⁷
- how evidence from operational delivery, stakeholder engagement and customer outcomes will be used to refine guidance, decision-making frameworks and delivery processes;
- what review points will be built into implementation before the regime is expanded, and what criteria will determine whether changes are needed before further rollout; and
- how the Department intends to evaluate and report on the effectiveness of the regime during its early years of operation, including through post-implementation review arrangements.

Such assurance would help the Committee assess whether an implementation framework has been established that is capable not only of delivering the policy, but also of identifying and correcting weaknesses in its design or operation before they result in unintended harm or undermine confidence in the use of the powers.

⁷ While related to a similar request in section 4, these address different questions. The assurance sought in Section 4 concerns the effectiveness of the Department's arrangements for identifying and protecting vulnerable individuals. The assurance sought in Section 7 concerns the broader monitoring and test-and-learn framework, including how implementation evidence will be collected, assessed and used to evaluate the operation of the regime as a whole.