

19.4.24

Rt Hon Michelle Donelan MP  
Secretary of State for Science, Innovation and Technology  
Department for Science, Innovation and Technology  
1 Victoria Street  
London  
SW1H 0ET

**CC - Rt Hon Mel Stride MP, Secretary of State for Work and Pensions, by email only.**  
**CC – Viscount Camrose, Parliamentary Under Secretary of State, Department for Science, Innovation and Technology by email only.**

Dear Secretary of State,

We are writing to you to express our concerns about Clause 128 and Schedule 11 of the Data Protection and Digital Information Bill, which introduces financial and welfare surveillance powers for social security purposes.

We have heard from 42 organisations and spoken with members of both houses and all parties who have all have expressed deep concern about the powers and their potential impact, particularly in the context of privacy and equality rights.<sup>1</sup> While we are sure this is not your intention, the broad and far reaching nature of these powers would be highly intrusive. Issuing an account information notice would require banks to sift through tens of millions of bank accounts in order to identify people in the welfare system, around 40% of the population<sup>2</sup>, in pursuit of indicators of fraud or error. Searching for such signals without reasonable grounds for suspicion would reverse the well established presumption of innocence. Indeed, anyone in receipt of welfare payments would automatically be subject to intrusive financial scrutiny solely due to their benefit status. There is a real risk that such efforts to fight fraud will come very much at the expense of the poor, the disabled, and the elderly.

The proposed powers are far reaching and very concerning. They are incredibly broad: they apply to banks, financial institutions and other third parties<sup>3</sup>; the DWP can request unlimited types of information<sup>4</sup>; and the criteria used to scan accounts will not be disclosed.<sup>5</sup> In the face of such opacity and absence of any safeguards, it is inevitable that mistakes will be made. Incorrectly flagged accounts could have disastrous consequences from intrusive investigations, to heightened stigma in the welfare system, to the wrongful suspension of benefits. In such cases, vulnerable people could be unable to afford vital necessities such as food, medicine, or heating bills. We have heard from many organisations representing these groups expressing the anxiety and concern felt by individuals who will be most impacted by these proposals. We note the tragic events of the Horizon scandal in which innocent people suffered wrongful prosecutions, financial ruin, and reputational damage following data used from faulty software in algorithmic systems. We cannot condone

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1 The Guardian, ‘Scrap plans to scan accounts of benefit claimants or risk new scandal, MPs told’ (4 March 2024): <https://www.theguardian.com/society/2024/mar/04/ministers-urged-to-scrap-plans-for-surveillance-of-benefit-claimants-bank-accounts>

2 HL Deb 19 December 2023, vol 834, col 2210: <https://hansard.parliament.uk/lords/2023-12-19/debates/2960AC9B-D86E-4EA1-8E4E-F3198BEE702F/DataProtectionAndDigitalInformationBill>

3 Social Security Fraud Act 2001, clause 1 section 109(b): <https://www.legislation.gov.uk/ukpga/2001/11>

4 Data Protection and Digital Information Bill, Schedule 11, new Schedule 3(b) sub-paragraphs 2(1)(b) and 2(1)(c): <https://bills.parliament.uk/publications/53287/documents/4126>

5 Data Protection And Digital Information Bill - Explanatory Notes, p.134-135, para.1142: <https://bills.parliament.uk/publications/53323/documents/4144>

powers that risk replicating this disaster on a much broader scale with vulnerable people, many of whom live on the poverty line.

Beyond benefits claimants themselves, the accounts of people receiving benefits payments may be scrutinised as per the Bill. This will impact parents, partners or others who receive benefits payments on behalf of a claimant, and we are concerned it could also affect the personal financial privacy of landlords who receive housing benefits directly.

While fraudulent uses of public funds must be addressed, there are already extensive legal provisions for the Government to do so. For example, powers exist to review the bank statements of welfare fraud suspects – under the Social Security Fraud Act 2001. It is also useful to note that HMRC and the DWP share banking data on an annual basis, while provisions under the Proceeds of Crime Act 2002 oblige banks and building societies to notify law enforcement of suspicious activity.<sup>6</sup> According to the Government's own figures, the powers would only recoup around 3% of all fraud in the welfare system, making the population-wide financial intrusion disproportionate to the problem it sets out to solve.<sup>7</sup>

Many of the concerns raised by a number of groups and individuals have been mirrored in the published opinion of the Information Commissioner, who has expressed concern that the powers lack proportionality and leave room for broad interpretation, particularly regarding the scope of required information.<sup>8</sup> Given the number of privacy and other human rights concerns that these powers would raise, and that they have not been properly scrutinised by MPs as they were introduced at a late stage in the Bill's passage through the House of Commons, we believe that they should be dropped. We are concerned that the proposed powers threaten financial privacy and the presumption of innocence in Britain, whilst particularly undermining the privacy and dignity of vulnerable people in receipt of welfare. We would like to meet with you to discuss our concerns further as the Bill returns for Committee stage in the House of Lords.

Yours sincerely,

Baroness Kidron  
Lord Clement-Jones  
Baroness Chakrabarti  
Diane Abbott MP  
Debbie Abrahams MP (Universal Credit APPG co-chair, Member of the DWP Select Committee)  
Richard Burgon MP  
Ian Byrne MP  
Wendy Chamberlain MP (Lib Dem DWP spokesperson)  
Marcus Fysh MP  
Wera Hobhouse MP (APPG extreme poverty)  
Kim Johnson MP  
Baroness Lister (Universal Credit APPG)  
Rebecca Long-Bailey MP

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6 Department for Work and Pensions, Third Party Data Gathering Impact Assessment (IA) (September 2023): [https://assets.publishing.service.gov.uk/media/6564bab01524e6000da10168/DWP\\_third\\_party\\_data\\_impact\\_assessment\\_november\\_2023.pdf](https://assets.publishing.service.gov.uk/media/6564bab01524e6000da10168/DWP_third_party_data_impact_assessment_november_2023.pdf) 10.

7 Department for Work and Pensions, Third Party Data Gathering Impact Assessment (IA) (September 2023): [https://assets.publishing.service.gov.uk/media/6564bab01524e6000da10168/DWP\\_third\\_party\\_data\\_impact\\_assessment\\_november\\_2023.pdf](https://assets.publishing.service.gov.uk/media/6564bab01524e6000da10168/DWP_third_party_data_impact_assessment_november_2023.pdf) 3.

8 Information Commissioner's Office, 'Information Commissioner's view on the Data Protection and Digital Information Bill (DPDI Bill) – Lords Committee Stage' (March 2024): <https://ico.org.uk/about-the-ico/information-commissioner-s-response-to-the-data-protection-and-digital-information-bill/information-commissioner-s-view-on-the-dpdi-bill/>

Lord Palmer of Childs Hill (Lib Dem DWP spokesperson, House of Lords)  
Bell Ribeiro-Addy MP  
Catherine Rowett (Green Party welfare spokesperson)  
Zarah Sultana MP  
Sam Tarry MP  
Charles Walker MP (Conservative Disability Group)  
Mick Whitley MP