These notes refer to the Social Security Fraud Act 2001 (c.11) which received Royal Assent on 11 May 2001

SOCIAL SECURITY FRAUD ACT 2001

EXPLANATORY NOTES

INFORMATION SHARING

Background

The current position

10. Benefit fraud occurs because people lie about their circumstances, or deliberately fail to tell DSS or authorities administering Housing Benefit or Council Tax Benefit about a relevant change. Cross-checking the information that claimants provide against independent sources of information helps to detect benefit fraud.

11. DSS already has powers to check information against that held by other Government Departments - for example, the Inland Revenue - to detect fraud committed by people working whilst claiming means-tested benefits. DSS also has powers to obtain information from employers. However, if a person is working and claiming benefit, he may wish to conceal his earnings from the Inland Revenue as well as DSS, or his employer may be colluding in his benefit fraud. Hence, we need the ability to cross-check information with additional independent sources - for example, with banks.

12. Information can be obtained from independent sources with a claimant's consent but people who lie to obtain benefit are unlikely to give this. Where benefit fraud is suspected, investigating officers can also ask organisations to provide them with any information for the purpose of the prevention and detection of crime under an exemption to data protection legislation set out in section 29 of the Data Protection Act 1998. However, they cannot compel organisations to provide information under the exemption. Many organisations are bound by a duty of confidentiality to their customers and are therefore uncertain whether they should provide information on this basis. Consequently, investigating officers obtain very little information in this way.