

2002 No. 817

SOCIAL SECURITY

**The Social Security Administration Act 1992 (Amendment)
Order 2002**

Made - - - - 25th March 2002

Coming into force 1st April 2002

Whereas a draft of this instrument was laid before Parliament in accordance with section 190(1)(aza) of the Social Security Administration Act 1992(a) and approved by resolution of each House of Parliament;

Now, therefore, the Secretary of State for Work and Pensions, in exercise of the powers conferred by sections 109B(6)(a) and (b)(b) and 189(1), (4) and (5) of the Social Security Administration Act 1992, and of all other powers enabling him in that behalf, hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Social Security Administration Act 1992 (Amendment) Order 2002 and shall come into force on 1st April 2002.

Persons from whom information may be obtained

2. In section 109B of the Social Security Administration Act 1992 (power to require information), in subsection (2A)(c)—

(a) after paragraph (a) insert—

“(aa) the Director of National Savings;”;

(b) for paragraph (c) substitute—

“(c) any insurer;”;

(c) for paragraph (h) substitute—

“(h) any person who—

(i) is the holder of a licence under section 7 of the Gas Act 1986 (c. 44) to convey gas through pipes, or

(ii) is the holder of a licence under section 7A(1) of that Act to supply gas through pipes;”;

(d) for paragraph (i) substitute—

“(i) any person who (within the meaning of the Electricity Act 1989 (c. 29)) distributes or supplies electricity;”.

(a) 1992 c. 5.

(b) Section 109B was substituted, together with sections 109A and 109C, for section 110 as originally enacted, by section 67 of and Schedule 6, paragraphs 1 and 2 to the Child Support, Pensions and Social Security Act 2000 (c. 19).

(c) Subsections (2A) to (2F) and (6) and (7) were inserted and subsection (5) was substituted by section 1 of the Social Security Fraud Act 2001 (c. 11).

Definitions of persons from whom information may be obtained

3. In section 109B of the Social Security Administration Act 1992 (power to require information)—

(a) in subsection (7)—

(i) for the definition of “bank” substitute—

““bank” means—

- (a) a person who has permission under Part IV of the Financial Services and Markets Act 2000 (c. 8) to accept deposits;
- (b) an EEA firm of the kind mentioned in paragraph 5(b) of Schedule 3 to that Act which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to accept deposits or other repayable funds from the public; or
- (c) a person who does not require permission under that Act to accept deposits, in the course of his business in the United Kingdom;”;

(ii) after the definition of “credit” insert—

““insurer” means—

- (a) a person who has permission under Part IV of the Financial Services and Markets Act 2000 to effect or carry out contracts of insurance; or
- (b) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to that Act, which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of insurance;”;

(b) after subsection (7) insert—

“(7A) The definitions of “bank” and “insurer” in subsection (7) must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.”.

Signed by authority of the Secretary of State for Work and Pensions.

25th March 2002

Malcolm Wicks
Parliamentary Under-Secretary of State,
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Order)

The Social Security Fraud Act 2001 (c. 11) provides for officers authorised under sections 109A and 110A of the Social Security Administration Act 1992 (c. 5) to require information about individuals from specified private and public sector organisations. These organisations are listed under new section 109B(2A) of the 1992 Act which is inserted by section 1(2) of the 2001 Act. Information may be obtained where it is reasonable for the purposes of fraud investigation as particularised in section 109A(2) and 110A(2).

This Order extends the list under section 109B(2A) as follows:

- in article 2(a), a reference is inserted to the Director of National Savings;
- in article 2(c), paragraph (h) is amended so that reference is made not only to gas suppliers but also to gas distributors;
- in article 2(d), paragraph (i) is similarly amended so as to refer to electricity distributors as well as electricity suppliers.

In addition, article 2(b) modifies paragraph (c) by substituting a reference to “insurer” for that to “insurance company”; and article 3(a) substitutes a new definition of “bank” and inserts a definition of “insurer” in subsection (7) (these definitions are expanded upon in new subsection (7A), inserted by article 3(b)).

The total costs to public and private sector organisations of the information powers introduced by the Social Security Fraud Act 2001 are estimated at between £2.3 million and £7 million per annum. These costs were identified by means of a Regulatory Impact Assessment (RIA) published on 12th March 2001. This Order does not change that estimate. Copies of the RIA are available from the Department for Work and Pensions, Fraud Act Implementation Team, 6th Floor, Adelphi, 1–11 John Adam Street, London WC2N 6HT.

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