



Home Office

Kevin Foster MP  
Minister for Future Borders and  
Immigration

Meg Hillier MP  
Chair of the Public Accounts  
Committee  
House of Commons  
London  
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[www.gov.uk/home-office](http://www.gov.uk/home-office)

17 February 2021

Dear Meg,

### **Irregular Charges**

I write to inform you the Home Office has been accepting payments from seventeen Tier 2 sponsors, who meet the definition of “small or charitable status”, who have been choosing a higher service fee of £25,000 for their annual premium service packages, which is a charge without due legal basis.

Since sponsorship was introduced under the Points Based System in 2008, the Immigration and Nationality (Fees) Regulations have set out two different fees for Tier 2 and Tier 5 sponsors, with small and/or charitable sponsors being charged a lower licence fee to large sponsors. In 2012, an optional two-tiered premium sponsor service was introduced and those sponsors paying the higher fee of £25,000 initially received a more comprehensive package than those paying the lower fee of £8,000.

From 2012, small and/or charitable licence holders were able to access the more comprehensive service for the higher fee and a number of small and/or charitable organisations, such as universities, took advantage of this option. However, this was not supported by the current and previous fees regulations which set out that the applicable fee for small and/or charitable sponsors was is £8,000 and so the option of paying £25,000 for premium services should not have been available to them, despite them receiving the higher level of service at the time. I have concluded such arrangements should stop and have instructed officials to contact the organisations affected and refund them the accumulated differentials.

Whilst these overpayments have taken place over a number of years, with some dating back to 2013, this has been a complicated issue to unravel, including tracing all of the payments and understanding the legal and fees implications. We now have clarity on the amount to be refunded to the 17 sponsors involved and are in the process of contacting them to ensure this money is returned to them. We have already appraised Universities UK of the situation.

Officials have also started a review of premium services offered to sponsors, to prevent any similar issues from occurring in the future. We now have a proper and robust system for invoicing and billing in place and we will ensure sponsors are aware of their amended annual renewal fee.

The review will also consider the services that we offer as part of the premium sponsor package and will consider different, future fee arrangements that better reflect the level of service given, and which are not solely based on the size of an organisation.

A copy of this letter is being sent to the chair of the HASC committee. I will also arrange for a copy to be deposited in the Libraries of both Houses.

With my very best wishes.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Foster', with a large flourish extending from the top of the 'F'.

**Kevin Foster MP**  
**Minister for Future Borders and Immigration**