



## Department for Work & Pensions

Baroness Sherlock OBE  
Minister of State  
Caxton House, SW1H 9NA

Lord Sikka  
House of Lords  
London  
SW1A 0PW

9 July 2025

Dear Lord Sikka,

**Public Authorities (Fraud, Error and Recovery) Bill – Benefit payments into overseas bank accounts**

I committed to write to you at the fourth committee debate on the 16<sup>th</sup> June on the Public Authorities (Fraud, Error and Recovery) Bill (the 'Bill') regarding whether payments of relevant benefits for the Eligibility Verification Measure can be made into bank accounts outside of the United Kingdom, for example, in the Cayman Islands, the Bahamas or Cyprus.

Whilst there are some DWP benefits which can be regularly paid into non-UK bank accounts, such as State Pension, the benefits in scope of the Eligibility Verification Measure (Universal Credit, Pension Credit and Employment and Support Allowance) primarily have an eligibility requirement to be resident in the UK.

As laid out in the Impact Assessment for the measure, 97% of these benefit payments from the DWP are made to only 15 large banks administered in the UK. Universal Credit and Pension Credit can only be paid into bank accounts in Great Britain, Northern Ireland, Isle of Man, Gibraltar and the Channel Islands. In limited cases, ESA can be paid into a bank account held in the European Economic Area or a country which has a reciprocal social security agreement with the UK. This does not include the Cayman Islands, the Bahamas or Cyprus. DWP follow a careful additional process to complete these payments.

Schedule 3 of the Bill is clear that Eligibility Verification Notices cannot request information regarding any account that is held outside the United Kingdom. This was a conscious choice made following engagement with the finance industry to ensure the measure is proportionate in its impact to businesses.

No one measure or approach will be enough to address and tackle fraud and error in its entirety. It requires many different approaches in combination. The Eligibility Verification Measure is one of these important measures and is expected to save up to £940m over the next five years (up to 2029/30) and more beyond.

The National Audit Office made the point at the witness session of Commons committee stage that to enforce the eligibility criteria that Parliament has set, such as capital limits, DWP needs a tool that goes a bit further than just asking people. We consider that the Eligibility Verification Measure is a justified and proportionate tool to do so.

I hope you find this letter helpful. A copy will be placed in the House library.

**Yours sincerely,**

A handwritten signature in black ink, appearing to read 'MSL' followed by a stylized flourish.

**Baroness Sherlock OBE  
Minister of State in the  
Department for Work and Pensions**