

Funding the Future

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This [speech was made by Labour backbench Sir Stephen Timms](#) in the House of Commons on 29 November during a debate on the government's new Data Protection Bill. I thought it so significant it was worth sharing most of it, some more minor issues being edited out for the sake of clarity:

I rise to speak specifically to Government new clause 34 and connected Government amendments which, as we have been reminded, give Ministers power to inspect the bank accounts of anyone claiming a social security benefit. I think it has been confirmed that that includes child benefit and the state pension, as well as universal credit and all the others. Extremely wide powers are being given to Ministers.

The Minister told us that the measure is expected to save some half a billion pounds over the next five years.

We have also been told—I had not seen this assurance—that these powers will not be used for a few years. If that is correct, I am completely mystified by why this is being done in such a way. If we had a few years to get these powers in place, why did the Government not wait until there was some appropriate draft legislation that could be properly scrutinised, rather than bringing such measures forward now with zero Commons scrutiny and no opportunity for that to occur? There will no doubt be scrutiny in the other place, but surely a measure of this kind ought to undergo scrutiny in this House.

I chair the Work and Pensions Committee and we have received substantial concerns about this measure, including from Citizens Advice. The Child Poverty Action Group said that

it shouldn't be that people have fewer rights, including to privacy, than everyone else in the UK simply because they are on benefits.

I think that sums up what a lot of people feel, although it appears to be the position that the Government are now taking. It is surprising that the Conservative party is bringing

forward such a major expansion of state powers to pry into the affairs of private citizens, and particularly doing so in such a way that we are not able to scrutinise what it is planning. As we have been reminded, the state has long had powers where there were grounds for suspecting that benefit fraud had been committed. The proposal in the Bill is for surveillance where there is absolutely no suspicion at all, which is a substantial expansion of the state's powers to intrude.

Annabel Denham, deputy comment editor at The Daily Telegraph warned in The Spectator of such a measure handing

authorities the power to snoop on people's bank accounts.

I suspect that the views expressed there are more likely to find support on the Conservative Benches than on the Labour Benches, so I am increasingly puzzled by why the Government think this is an appropriate way to act. I wonder whether the fact that there have been such warnings prompted Ministers into rushing through the measure in this deeply unsatisfactory way, without an opportunity for proper scrutiny, because they thought that if there had been parliamentary scrutiny there would be substantial opposition from the Conservative Benches as well as from the Labour Benches. It is difficult to understand otherwise why it is being done in this way.

As we have been reminded, new clause 34 will give the Government the right to inspect the bank account of anyone who claims a state pension, which is all of us. It will give the Government the right to look into the bank account of every single one of us at some point during our lives, without suspecting that we have ever done anything wrong, and without telling us that they are doing it. The Minister said earlier that the powers of the state should be limited to those absolutely necessary, and I have always understood that to be a principle of the Conservative party. Yet on the power in the new clause to look into the bank account of everybody claiming a state pension, he was unable to give us any reason why the Government should do such a thing, or why they would ever need to look into the bank accounts of people—everybody—claiming a state pension. What on earth would the Government need to do that for? The entitlement to the state pension is not based on income, savings or anything like that, so why would the Government ever wish to do that?

If we cannot think of a reason why the Government would want to do that, why are they now taking the power to enable them to do so? I think that all of us would agree, whatever party we are in, that the powers of the state should be limited to those absolutely necessary.

The power in the new clause is definitely not absolutely necessary. Indeed, no one has been able to come up with any reason for why it would ever be used.

The amendment gives the Government extremely broad powers, with no

checks in place, and it has been done in a way that minimises parliamentary scrutiny of what is proposed. I find it very hard to see how that can possibly be defended. No doubt the Minister will tell us that at some point there will be some document setting out checks and balances and so on, but that needs to be part of this scrutiny. It should not be that the Government take it all away to come back in a few months' time to tell us how they will constrain the use of this power.

Finally, it occurs to me that the power being introduced could be used to establish benefit eligibility for people who do not currently claim benefits. We know, for example, that a large number of people do not claim pension credit, but are eligible for it. A lot of the information about whether they are entitled to pension credit is already held in the public sector, and in local councils in particular. If it were possible to check whether people had less than the threshold savings level, that could help in establishing eligibility for pension credit automatically. Can the Minister tell us whether that is intended with this proposal?

The critical parts of this speech are highlighted.

Twenty-two million people will have no control over their financial privacy if this Bill is enacted, including every old age pensioner, even though old age pension fraud is almost non-existent and there is no means testing related to it (although there is to pension credit).

The power that the government is taking is utterly unreasonable.

What is more, they are not even justifying it by saying that the power to collect data will be used to pay people sums to which they are entitled when unpaid benefits considerably exceed the cost of so-called pension fraud.

One final thought. I have long called for banks to be required to provide relatively modest amounts of data to HM Revenue & Customs each year on balances and deposits made by all UK-based limited companies to prevent corporation tax fraud, but no action has ever been taken on this when the need is very apparent, and the scale of fraud is very much larger. The government is, as ever, picking on the vulnerable and ignoring real crime in the UK.