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Committee of Public Accounts

Investigation into the UK Passport Office

**Forty-Seventh Report of Session
2022–23**

*Report, together with formal minutes relating
to the report*

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The current staff of the Committee are Jessica Bridges-Palmer (Media Officer), Ameet Chudasama (Committee Operations Manager), Sarah Heath (Clerk), Tom Lacy (Chair Liaison), Rose Leach (Committee Operations Officer), Ben Rayner (Second Clerk).

Contacts

All correspondence should be addressed to the Clerk of the Committee of Public Accounts, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5776; the Committee’s email address is pubaccom@parliament.uk.

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Summary

In 2022, following the removal of COVID-19 travel restrictions, His Majesty's Passport Office (HMPO) received a record number of passport applications. HMPO had anticipated this surge in applications, and made plans to prepare for it. But while its staff have processed record numbers of applications, ultimately, its performance has let down hundreds of thousands of customers who faced unacceptable delays in receiving their passports. The consequences of these delays included people being unable to travel for family emergencies, losing money spent on holidays and having difficulties proving their identities.

HMPO has shown a concerning lack of curiosity about the consequences of these delays for its customers and has not put the customer's perspective at the centre of its decision-making. Weaknesses in its management information and the performance of its contractors exacerbated the confusion and frustration of customers, many of whom raised their concerns with their Members of Parliament in the hope of getting them resolved more quickly.

HMPO estimates that less than half of the 'missing' demand for passports from the COVID-19 pandemic materialised in 2022, and is planning for another surge in applications in 2023. HMPO has identified lessons from 2022 and taken steps to improve the handling of communication with customers to ensure it can meet expectations into the future. But it will need to successfully implement its delayed digital transformation programme and be bolder in trying to manage the demand it faces, rather than just reacting to it.

Introduction

Since October 2014, His Majesty's Passport Office (HMPO) has been part of the Home Office (the Department), within the Passports, Citizenship and Civil Registration directorate. HMPO is responsible for providing passport services to British citizens living in the UK and overseas, as well as administering civil registration in England and Wales. HMPO manages the end-to-end passport processing services and approves all applications, but parts of the process are contracted out to third-parties. In September 2022, HMPO employed around 4,700 full-time equivalent staff. In 2015, HMPO began its digital transformation programme, with the aim to replace its paper-based system with a digital system. The programme was expected to be complete by the end of March 2022, however, full delivery is now expected in the 2025–26 financial year.

HMPO typically receives around seven million passport applications every year, and in the years before the COVID-19 pandemic, demand for passports was predictable. In 2020 and 2021, however, the demand for passports reduced significantly, as people delayed renewing or applying for new passports due to travel restrictions introduced to manage the pandemic. HMPO estimated that around five million people delayed applying for passports during the COVID-19 pandemic, and that these applications would return once travel restrictions were lifted. It forecast that it would receive 9.5 million passport applications in 2022, around 36% more than in a typical year.

The UK removed COVID-19 travel restrictions in early 2022, and passport applications began to increase. Between January and September 2022, HMPO received 7.2 million passport applications, a 24% increase compared to the same period in 2019. HMPO staff processed record numbers of applications and about 95% of applicants received their passports within HMPO's 10-week timeframe. But some 360,000 applicants experienced unacceptable delays that affected their travel plans and their ability to prove their identity.

Conclusions and recommendations

1. **While we commend the efforts of its staff, HMPO delivered an unacceptable level of service to many of its customers in 2022.** HMPO had predicted and prepared for the surge in passport applications when people were able to travel again following the lifting of COVID-19 travel restrictions. But despite this planning, too many people faced significant delays in receiving their passports. Between January and September, approximately 95% of customers received their passports within the advertised 10 weeks. However, some 360,000 customers had to wait more than 10 weeks. HMPO blamed the higher than anticipated demand in May 2022 for the delays that customers experienced, but the actual total demand in 2022 was lower than it forecasted. HMPO's digital system was unable to handle the surge in demand and the full range of applications, and so 134,000 applications were moved to the less efficient, paper-based system. As a result of the delays, some customers faced not being able to attend family emergencies, not being able to gain employment, losing holidays, or not being able to prove their identities.

Recommendation 1A: *The Department should, as part of its Treasury Minute response, set out how HMPO's experience in 2022 has informed its preparations for 2023 and what actions it has taken as a result.*

Recommendation 1B: *The Department should report back to us within six months detailing how effective the actions above have proved in maintaining an acceptable level of service in HMPO.*

2. **The Department has demonstrated a worrying lack of curiosity about the human impact of HMPO's poor service or who its customers were.** HMPO is unable to say how many people were forced to cancel their travel plans because of their passports being delayed, and has not done any work to find out what this number is. It similarly cannot know the number of people who were unable to attend family emergencies or take up employment and does not link passport applications from, for example, a family group. The handling of communication with customers who had applications in progress was also poor. In some cases customers had to call repeatedly and were hung up on when they did get through. The Department received 11,400 letters from MPs regarding constituents' passport applications as many customers gave up trying to contact HMPO directly. HMPO does not routinely pay compensation for delays because it instructs customers not to book travel without a valid passport. While it did offer refunds for customers whose applications were delayed despite paying for HMPO's express service, it was unable to say how much it had paid out in total. HMPO recognised that customers who complained were passed between too many staff in different parts of HMPO, and is establishing a new 'resolution hub' to improve this and resolve cases first-time. However, it does not expect this to be ready in time for the anticipated 2023 surge in demand.

Recommendation 2: *The Department should, as part of its Treasury Minute response, set out how it will place a greater emphasis on the experience of HMPO's customers in the future. HMPO should also collect better data on who is applying for a passport, to provide information to improve its overall service.*

3. **Weaknesses in HMPO’s understanding of how applications moved through its systems caused frustration and confusion for customers.** HMPO experienced problems with its management information. For example, HMPO has moved 134,000 applications from its digital system to its legacy paper-based system as its digital system was unable to handle the surge in demand or the full range of applications. These applications should have been moved to the front of the queue for processing, but this did not happen. Instead, transferred applications were treated as new cases and the number of weeks it had taken to process someone’s passport application was reset to zero. As a result, HMPO did not know how long the customer had actually been waiting for their passport and customers were incorrectly informed that their applications had only arrived recently. HMPO did not plan for the number of applications that needed to transfer to the paper-based system and staff were not sufficiently trained to handle the differences between the two systems. HMPO admitted that parts of the passport application process did not work as intended, but it took far too long to identify and fix the issues. These problems compounded delays and undermined customers’ confidence in HMPO.

Recommendation 3: *The Department should, as part as its Treasury Minute response, explain how it will address weaknesses in management information to ensure HMPO has a real-time, end-to-end view that allows it to identify and resolve issues quickly and efficiently.*

4. **Despite HMPO’s work to prepare for increased demand for passports, poor performance by contractors exacerbated issues for customers.** We are concerned that in some cases it was clear that the performance of external contractors was deteriorating as early as March 2022. Sopra Steria, responsible for opening and scanning paper applications and supporting documentation, did not achieve its service levels targets for five months in 2022. Similarly, Teleperformance, responsible for the customer support telephone line, did not meet its targets for four months and caused significant concerns for customers who were unable to get help. HMPO accepted that some of the issues with contractors, especially at the end of the process, were its fault, as it had not adequately prepared them for the expected volumes of work. HMPO recognised that some customers have lost confidence in its handling of passport application and is bringing in a second contractor to handle customer calls alongside Teleperformance.

Recommendation 4: *The Department should, as part as its Treasury Minute response, set out the steps it has taken to ensure the problems it experienced with its contractors will not happen again.*

5. **We remain to be convinced that HMPO’s digital transformation programme will be completed by 2025.** Many of HMPO’s difficulties meeting the demand in 2022 stemmed from, or were exacerbated by, issues with its transformation programme. The future of HMPO’s operations rely on successfully completing the programme, but it is already delayed. HMPO’s plans to complete it in 2025 appear ambitious, particularly given the Department’s track record of delivering digital change and the Red rating awarded by the Infrastructure and Projects Authority. Furthermore, HMPO’s plans for the future of its legacy paper-based system are unclear. HMPO wants to maintain the capacity to use paper-based applications as some customers

may not be able to apply online, but its contract for the paper-based system's data storage expires in 2024. The Department is currently in discussions to extend the contract.

Recommendation 5: *The Department should set out, as part of its Treasury Minute response, what actions it has taken to address each of the recommendations from the Infrastructure and Projects Authority's August 2022 review. It should also explain what contingencies they are putting in place should there be further delays to the digital transformation programme.*

6. **We are disappointed by the Department and HMPO's lack of ambition in their plans to meet demand for passports in 2023 and beyond.** HMPO estimates that there are still three million customers who did not renew or apply for passports during the pandemic and expects a level of demand in 2023 similar to 2022. This pattern of demand will re-emerge every 10 years as passports expire. HMPO also believes there may be a more fundamental shift in customer application patterns following the pandemic, with people renewing their passports only when they plan to use them, rather than renewing when they expire. HMPO has conducted reviews to learn lessons from its experience in 2022 and prevent issues in the future, but we are not convinced how successful this will be given that it experienced similar surges in demand and service issues in 1999 and 2014. It plans to rely on surge teams to manage spikes in demand by moving people flexibly between roles. In doing so, HMPO is focused on coping with demand, rather than being bold in trying to manage it. While it is important that HMPO ensure they have the correct processes in place, we are increasingly concerned that this focus has distracted them from developing a clear strategy for the timely delivery of passports moving forward, and what they will prioritise when there are surges in demand.

Recommendation 6: *The Department should set out, as part of its Treasury Minute response, how it will better manage demand for passports in future and what outcomes it will use to measure its performance.*

1 Delays in processing passports in 2022

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Home Office (the Department) and His Majesty's Passport Office (HMPO) on HMPO's performance processing passport applications in 2022.¹

2. HMPO has been part of the Department since October 2014 and forms part of the Department's Passports, Citizenship and Civil Registration directorate. It is responsible for providing passport services to British citizens living in the UK and overseas as well as administering civil registration in England and Wales. While HMPO manages the end-to-end process for producing a passport, including verifying and approving all applications, it contracts out much of the process to third-party suppliers. This includes Sopra Steria Ltd., which is responsible for registering, processing, and storing documents, and Teleperformance, which is responsible for providing HMPO's customer support services, including its telephone helpline. In September 2022, HMPO employed around 4,700 full-time staff, and operated seven offices around the UK.²

3. Historically, the demand for passports has followed a predictable annual pattern, with HMPO typically processing around seven million applications each year. However, in 2020 and 2021, when countries introduced travel restrictions in response to the COVID-19 pandemic, the demand for passports reduced significantly as people delayed renewing or applying for passports. HMPO estimates that around five million people chose to delay applying for passports over this period.³

The surge in demand for passports

4. Prior to the COVID-19 pandemic, HMPO's guidance was that a straightforward passport application should take three weeks to process. In April 2021, to prepare for the anticipated increase in demand, HMPO issued new guidance informing customers that they should allow 10 weeks for their application to be processed. The UK removed international travel restrictions in March 2022, and passport applications began to increase. Between January and September 2022, HMPO received 7.2 million passport applications, a 24% increase compared to the same period in 2019.⁴

5. Between January 2022 and September 2022, HMPO processed record numbers of applications, which resulted in 95% of applicants receiving their passports within the published 10-week timeframe. However, the 5% of applications that took longer than 10 weeks still represented some 360,000 people who did not receive their passports on time.⁵ Committee members and Members from across the House heard from constituents who were unable to attend family emergencies, were concerned they would miss holidays and in some cases could not secure employment as they could not provide valid identification.⁶

6. HMPO began planning for increased demand for passports to increase in August 2021, recognising that this would happen once COVID-19 travel restrictions were lifted.

1 C&AG's Report, *Investigation into the performance of HM Passport Office, Session 2022–23*, HC 949, 9 December 2022

2 C&AG's Report, paras 1.2–1.4, Figure 1

3 C&AG's Report, paras 1, 1.7, Figure 2

4 C&AG's Report, para 1.8, 2.5, 3.17, Figure 3

5 Q 29; C&AG's Report, para 1.8

6 Qq 29, 89

It forecast that it could receive 9.5 million passport applications in 2022 – around 36% more applications than it would receive in a normal year. HMPO’s analysis suggested that it could potentially receive 270,000 applications per week at the busiest times. However, although the total number of applications HMPO received in 2022 was 8.5 million, one million less than predicted, HMPO experienced a significant spike in demand in March, April, and May 2022. In May 2022 alone, HMPO received 1.26 million applications, which was 38% more than the busiest month in any of the past five years.⁷

7. We asked the Department how satisfied it was with HMPO’s performance in meeting customer expectations in the spring and summer of 2022. The Department asserted that, given the number of applications that had been processed, there were some things to be positive about, but that “clearly, there are some customers for whom we did not do a good enough job”.⁸ The Department and HMPO told us that while HMPO had predicted that there would be a surge in demand for passports in 2022, which included “a degree of seasonality”, it had not predicted or planned for the size of the spikes in demand that occurred. The Department told us that the higher than anticipated demand for passport applications in March, April, and May 2022 meant HMPO was “always running to catch up”, causing delays. The Department and HMPO also asserted that media coverage about customers’ negative experiences had exacerbated the spikes in demand, making the situation more difficult to manage.⁹

8. Given that the total demand in 2022 was lower than predicted, we asked the Department how it would have managed had the total number of applications been 9.5 million as it predicted. The Department told us that its performance would have depended on when applications were received, but accepted that if the additional 1 million applications had been received in one of its busiest weeks in March, April or May, it would have been “very difficult indeed”.¹⁰

The impact of delays on customers

9. Between January and September 2022, around 360,000 people did not receive their passports within 10 weeks. The Department asserted that when it became aware that a customer needed to travel, it would escalate that individual’s case, at no further cost.¹¹ We asked the Department what it had done to assess the human impact on those who did not receive their passports on time. The Department accepted that even a small percentage of passports not being delivered on time represented “a lot of very dissatisfied people”.¹² However, it was unable to tell us how many of the 360,000 people affected had to cancel their travel plans as a result of the delays, and it had not attempted to collect information on this. By extension, the Department would not know how many customers had experienced other consequences, such as not being able to attend family emergencies.¹³

10. We asked HMPO how much compensation it had paid out as a result of delays in 2022. HMPO informed us that its policy was to not pay compensation specifically for delays, as it advised people should not book travel until they had received their passport. In

7 C&AG’s Report, paras 2.2, 3.2, Figures 3 and 6

8 Q 29

9 Qq 93–96

10 Q 97

11 Q 41; C&AG’s Report, para 1.8

12 Q 39

13 Qq 39–43

cases where customers contacted HMPO, were travelling imminently, and their passport application had taken more than six weeks, HMPO explained that it offered either a paid-for expediated service if their case had taken between six and 10 weeks, or a free expediated service if their case had already taken over 10 weeks.¹⁴ However, HMPO told us that it did issue refunds for the difference between the cost of a standard application and the express service in cases where people had paid for the express service but it had not been provided. It explained that it also paid refunds in some cases where it makes genuine mistakes, such as allowing a customer to book duplicate in-person appointments.¹⁵ HMPO was unable to tell us how much it had paid out in refunds, but agreed to write to us with this information. As part of this, we asked it to include a breakdown for the total amount that had been paid in compensation, including how much was paid as the result of delays in the express services and how much was due to mistakes. The Department wrote to us on 18 January to provide additional information following our evidence session but did not provide any information on the refunds paid out by HMPO.¹⁶

Communication with customers

11. Teleperformance, the contractor responsible for HMPO’s customer support telephone line, failed to meet its service level agreement of answering 80% of calls within 30 seconds from March 2022 to July 2022. In May, it only managed to answer 14% of calls within 30 seconds.¹⁷ We asked the Department about an example of a constituent having attempted to contact customer support several times over one week and had been hung up on each time. The Department and HMPO both agreed that there had been “severe shortcomings” in their customer service and that the level of service provided was “completely unacceptable”. They asserted that once they became aware that Teleperformance staff were hanging up on customers, they took immediate action.¹⁸

12. Difficulties with the customer helpline meant that many customers contacted their MP to try and resolve issues with their passport applications. The NAO reported that the Department received 11,400 letters from MPs regarding HMPO business between January and July 2022.¹⁹ Following our evidence session, the Department wrote to us confirming it had received 53,305 passport related queries from MPs between January and December 2022 across all forms of communication, including 23,431 queries by phone and 13,333 by email or letter.²⁰ HMPO told us that in July 2022, it received an average of 237 calls from MPs each day. HMPO accepted that the shortcomings in its customer service had undermined customers’ confidence more widely, which further increased levels of customer contact and placed more pressure on Teleperformance and HMPO. More customers also filed complaints through this period, from fewer than 1,000 in April 2021 to 1,741 in June 2022.²¹

14 Q 59

15 Q 62

16 [Letter from Sir Matthew Rycroft, Permanent Secretary, Home Office](#), to Dame Meg Hillier, Chair of the Committee of Public Accounts, 18 January 2023

17 Qq 75, 102; C&AG’s Report, para 3.13, Figure 9

18 Q 33

19 C&AG’s Report para 3.18

20 [Letter from Sir Matthew Rycroft, Permanent Secretary, Home Office](#), to Dame Meg Hillier, Chair of the Committee of Public Accounts, 18 January 2023

21 Qq 30–33; C&AG’s Report para 3.18

13. HMPO acknowledged that customer queries were being sent from one office to another to be resolved. HMPO told us that it was establishing a ‘Resolution Hub’ to try and reduce the number of contacts a customer query passes through, and thereby improve the customer experience. We asked HMPO what assurance it could give that the new hub would be able to handle customer complaints. HMPO told us that the Hub would be in place in March 2023, in time for the anticipated 2023 surge in demand for passports, but it would not be “perfectly ready”, as this required changes to HMPO’s systems.²²

Keeping track of applications – Weaknesses in management information

14. HMPO issues guidance to let customers know how long it takes to process a standard passport application; this is currently set at 10 weeks.²³ We asked HMPO to clarify whether this included the time it took for an application to be received and logged onto HMPO’s system, following concerns that there were periods in the summer of 2022 when it took Sopra Steria Ltd. up to two and a half weeks to log applications onto the system. HMPO explained that it instructed staff to factor this in when dealing with customers by adding what it termed “lead time” to the internal processing time, which began when all the relevant documents were uploaded. HMPO told us that if an application took six weeks internally for HMPO to process, and it took two and a half weeks to be logged on to the system, it would be recorded as taking eight and a half weeks. However, HMPO accepted that it could not say how well this was carried out during what was a “trying period”.²⁴

15. HMPO experienced difficulties understanding how applications were moving through its systems due to weaknesses in its management information. Because HMPO’s digital system was not fully developed, it did not have the capability to process all types of applications, and could not manage the volume of applications HMPO was receiving. As a result, between January 2022 and September 2022, HMPO moved 134,000 applications from its digital system to its legacy, paper-based system.²⁵ These applications should have been moved to the front of the queue for processing, but this did not happen. Instead, the application was treated as a new case and its ‘clock’ (the number of weeks it had taken to process someone’s passport application) would be reset to zero, meaning the length of time it had taken to process the application was recorded incorrectly. We heard that this led to cases where, for example, customers contacted HMPO weeks after they sent in their application and were informed that their application had only arrived the previous day.²⁶

16. While HMPO was confident it had now resolved this issue, it took two to three months for HMPO to discover the problem, and only after it was raised with them by customers. We asked HMPO why it had taken it so long to realise that there was a problem with the dates attributed to these applications.²⁷ HMPO explained that the communication of how these cases should be handled had broken down in certain locations, and it had developed new management information and new processes to ensure that these applications were moved to the right part of the queue in future. It explained that by June 2022, it had identified and started to resolve the problem, but accepted that it had not been aware

22 Qq 108–110; C&AG’s Report para 4.5

23 Q 115; C&AG’s Report, Figure 3

24 Qq 67–68

25 C&AG’s Report, paras 3.8–3.9

26 Q 44, 46; C&AG’s Report para 3.10

27 Qq 45, 47–48

of the policy earlier. In response to our questions about what it had learned from the experience, HMPO explained that it aimed to reduce the volume of applications being transferred from the digital system to the paper-based system in future.²⁸

17. HMPO had not planned for the large number of applications that needed to be transferred, and the process is labour-intensive for Sopra Steria Ltd., which has to move the applications from one system to the other. HMPO told us that it did not have enough staff to deal with the unexpected volume of paper-based applications, particularly at the beginning of the summer of 2022. HMPO explained that this was due to recruitment delays, and the fact that not enough staff were trained in the paper-based system. HMPO told us that it had now trained over 1,000 staff in both systems so it can move staff between the two systems as needed.²⁹

28 Qq 46, 50

29 Q 78; C&AG's Report para 3.9

2 Managing future demand

The performance of suppliers

18. As part of its planning for the anticipated increase in demand, HMPO engaged with suppliers to bolster its stock of passport books as well as its ability to deliver completed passports to customers. It also shared information and demand forecasts with suppliers to help them prepare. Despite this, a number still faced performance issues when demand for services increased significantly. Thales, which prints passports, Sopra Steria Ltd., which registers, processes, and stores supporting documents, and Teleperformance, which is responsible for the customer support telephone line, all struggled at times.³⁰

19. HMPO stockpiled passport books and worked with Thales to procure additional storage for these. Thales's performance decreased in March and April 2022, with the percentage of items printed within 48 hours dropping from 100% in January and February 2022, to 85% and then 56% respectively. HMPO told us that this dip in performance was due to the surge in applications in early 2022, and that Thales recovered quickly. HMPO accepted responsibility for the issues faced by Thales, as it had informed the supplier to expect to process around 200,000 passports a week, when the actual number was closer to 250,000.³¹

20. Sopra Steria Ltd. failed to meet its service level targets for five months from March to July 2022. Its worst performance was in April, when an average of just 42% of applications were processed within the target timescale, and it sometimes took up to two and a half weeks to register an application in HMPO's digital system.³² HMPO told us that Sopra Steria Ltd. had experienced difficulties recruiting staff, and that it had improved its performance by the end of July. HMPO also explained that that Sopra Steria Ltd.'s delays had not affected overall processing times because of the delays that HMPO itself was experiencing in approving applications. HMPO did, however, acknowledge that Sopra Steria Ltd.'s performance caused concerns for customers.³³

21. Teleperformance has a service level target of 80% of calls being answered by a person within 30 seconds. It failed to meet this target from April to July 2022. In April, it received 625,000 calls in one week, nearly 350% above the forecast, during which time 55% of calls were answered within 30 seconds. Its worst performance was in in May 2022, when only 14% of calls were answered within 30 seconds.³⁴ We heard that constituents had been hung up on when trying to contact the customer support telephone line, and that many people had turned to contacting their MPs instead. HMPO accepted that there were significant issues with Teleperformance, and that a number of customers lost confidence in its system. It told us that it worked "very closely" with Teleperformance "once we saw how off-track their performance was" and that it was continuing to do so in order to prepare the supplier for the surge in 2023.³⁵

30 C&AG's Report paras 2.9–2.9, 3.11 and Figures 1, 9

31 Q 76; C&AG's Report para 2.8, Figure 9

32 Q 67; C&AG's Report para 3.12, Figure 9

33 Q 76

34 C&AG's Report, para 3.13, Figure 9

35 Qq 30, 33, 102

22. We asked HMPO how it was ensuring that suppliers had sufficient capacity to meet the expected demand for passports in future. HMPO told us that it was taking actions to reduce supplier issues in 2023, which was different for different suppliers. It explained that it had given suppliers estimates of likely demand that “err on the side of caution” and that it was asking suppliers to plan for higher demand than it expected to receive overall. It also told us that it was working with suppliers to ensure they had plans in place and that these were tested, so that suppliers have enough staff to manage the demand in 2023. HMPO told us that it was also bringing in a second provider for the customer telephone helpline to support Teleperformance. It expected this provider to be in place by the end of February 2023 and that it will manage 25% of customer calls.³⁶

The digital transformation programme

23. HMPO’s ability to process applications efficiently hinges on the successful delivery of its digital transformation programme, which began in 2016 and was originally expected to be completed by March 2022. During the COVID-19 pandemic, the programme’s scope had to be quickly expanded to accommodate staff working from home, which contributed to delays. At the time of our evidence session, HMPO expected to complete the transformation programme in the 2024–25 financial year, although it acknowledged that it may not fully deliver the programme until 2025–26.³⁷

24. The scope of the programme has increased significantly since it began and in 2021 it was added to the Government Major Projects Portfolio. In August 2022, the Infrastructure and Projects Authority (IPA) rated the programme Red, and recommended that the programme should not proceed to the next phase until HMPO had managed risks to an acceptable level. It made seven recommendations to HMPO, one of which was rated critical and four were rated as essential.³⁸ We asked the Department what progress it had made in addressing the IPA’s recommendations. The Department told us that it had found the recommendations constructive, and that it was making progress on an action plan to address them, although this plan was not yet complete. The Department added that the IPA had recently revisited the transformation programme and had changed the project rating from Red to Amber. The Department said that it will continue to work on the IPA’s recommendations to change the transformation programme’s rating to Green.³⁹ However, we challenged the Department and HMPO on whether the programme would be completed by 2025, given the Department’s performance on other digital projects, such as the Emergency Services Network.⁴⁰

25. HMPO’s ultimate plan is for its digital system to be able to process paper applications, by scanning these onto the system. While it wants to reduce the amount of paper-based applications, it told us that it did not plan to completely remove the option for customers to apply on paper, as some customers may not be able to apply digitally.⁴¹ However, we challenged HMPO and the Department on the risk that its data storage contract for its paper-based system is due to expire in 2024, prior to the 2025 likely completion of its digital transformation programme. We asked the Department how it could be confident that

36 Qq 111–114

37 C&AG’s Report paras 1.6, 4.8–4.9

38 C&AG’s Report paras 4.8, 4.10

39 Qq 100–101

40 Qq 25, 130

41 Qq 131–134

there would not be a gap between the two systems. The Department told us that it would “absolutely ensure that there is no gap” and it would not ‘turn off’ the existing system until the new one was ready.⁴² Following our evidence session, the Department wrote to us, stating that it is working with the supplier of the data storage to finalise terms to extend the contract until the paper-based system has been fully replaced. The Department also told us that it was evaluating options to bring the transformation programme’s completion date forward.⁴³

Managing future demand

26. HMPO estimated that at least three million customers who delayed renewing or applying for their passports due to the COVID-19 pandemic and have not yet done so. At the time of the NAO report, it expected to receive approximately 9.8 million applications in 2023 – 1.3 million more than it received in 2022.⁴⁴ HMPO told us that it expected demand for passports in 2023 to have more peaks than it did before the COVID-19 pandemic, and that it will be more “front-loaded”, as many customers will apply just before they plan to travel in the summer. HMPO told us that it had observed a shift in behaviour over the COVID-19 pandemic with people choosing not to renew expired passports until they have a pressing reason to, such as travel, as opposed to renewing them as soon as they expire.⁴⁵ HMPO still expected, however, higher than average demand in 2032, when the record numbers of passports it issued in 2022 are due to expire.⁴⁶

27. We asked HMPO what it had done in 2022 to attempt to persuade people to apply for their passports earlier to help manage the surge in demand. HMPO attempted to directly influence customers to apply for their passports earlier and told us that it sent more than 5 million text messages to people whose passports were due to expire. HMPO’s customer research, however, showed the impact of this was negligible, with just 3.4% of texts resulting in people taking any action.⁴⁷ HMPO was unable to tell us how much it cost to send the texts, but the Department wrote to us after our evidence session to confirm that the cost per message was 1.72p plus VAT. We calculate that this equates to some £86,000 plus VAT.⁴⁸ HMPO accepted that while it did run some advertising campaigns, it should have been more proactive in using social media, as that is where many of its customers receive their information. HMPO stated that it planned to focus its communication with customers on social media in the future.⁴⁹ We also heard that HMPO wants to use surge teams across the Department to flexibly cope with spikes in demand, rather than relying on recruiting additional staff.⁵⁰

28. The Department and HMPO asserted multiple times that they were learning lessons from their experience in 2022 to avoid similar problems in 2023 and beyond, including conducting internal reviews.⁵¹ However, HMPO has experienced similar issues in the

42 Qq 99–100

43 [Letter from Sir Matthew Rycroft, Permanent Secretary, Home Office](#), to Dame Meg Hillier, Chair of the Committee of Public Accounts, 18 January 2023

44 C&AG’s Report paras 4.1, 4.3

45 Q 96

46 Q 138

47 Qq 63–64

48 Q 65; [Letter from Sir Matthew Rycroft, Permanent Secretary, Home Office](#), to Dame Meg Hillier, Chair of the Committee of Public Accounts, 18 January 2023

49 Qq 30, 65

50 Qq 139–146

51 Qq 29, 50, 92, 94, 98

past. In both 1999 and 2014, HMPO struggled to process passports in line with demand, contributing to significant delays for customers. The previous Committee of Public Accounts examined delays to passport applications in 1999 and found that during the summer of 1999, many members of the public encountered great difficulty in obtaining passports. By June 1999 around 565,000 applications were awaiting processing, equivalent to a backlog of over a month's work. The origin of the crisis was the introduction in late 1998 of a new computerised system for processing passports, involving substantial changes in working methods, which the United Kingdom Passport Agency (then responsible for issuing passports) assumed could be implemented over a few months without detriment to services. Customers experienced similar issues in contacting the Agency to find out what was happening and when they were likely to get their passports, and between the beginning of March and the end of June 1999, there were around 3.5 million unsuccessful attempts to get through to the Agency by telephone. As a result of the crisis, the Agency received around 5,000 valid claims for compensation, including 510 in respect of missed travel dates. For the calendar year 1999, compensation paid to the public totalled £345,000, of which £124,000 was for missed travel dates.⁵²

29. The Home Affairs Committee examined delays to processing applications in 2014 and similarly concluded that the issue of service standards had been a persistent theme in the way the Department defended the delay in dealing with cases over several governments. The Committee received a large volume of correspondence from members of the public who were concerned about the delays, and Members from all side of the House were contacted by constituents about their passports with increasing regularity. In its report, the Committee was concerned that the work in progress figure for passports remained unacceptably high, despite the contingency measures put in place, and recommended that HMPO needed to do more to prevent work in progress getting to this level as it was “clearly unsustainable”. The Committee found that as the crisis developed, the Department took measures to increase processing capacity and reduce demand. The Committee was nonetheless concerned by the apparent miscommunication between HMPO and the Department, as well as the telephone service provided to customers wanting information about their case, and that the contingency measures announced to respond to the backlog were “too little, too late”.⁵³

52 Committee of Public Accounts, *The Passport Delays of Summer 1999*, Twenty-Fourth Report of Session 1999–2000, HC 208, 31 January 2000

53 Home Affairs Committee, *Her Majesty's Passport Office: delays in processing applications*, Fourth Report of Session 2014–15, HC 238, 16 September 2014

Formal minutes

Monday 27 March 2023

Members present:

Dame Meg Hillier

Dan Carden

James Cartlidge

Sir Geoffrey Clifton-Brown

Mr Jonathan Djanogly

Mrs Flick Drummond

Mr Louie French

Anne Marie Morris

Nick Smith

Investigation into the UK Passport Office

Draft Report (*Investigation into the UK Passport Office*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 29 read and agreed to.

Summary agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Resolved, That the Report be the Forty-seventh of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Adjournment

Adjourned till Thursday 30 March at 9.30am

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Monday 19 December 2022

Matthew Rycroft CBE, Permanent Secretary, Home Office; **Tricia Hayes CB**, Second Permanent Secretary, Home Office; **Thomas Greig**, Director of Passports, Citizenship and Civil Registration, HM Passport Office

[Q1-150](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

IPO numbers are generated by the evidence processing system and so may not be complete.

- 1 Davidson, Mr John ([IPO0002](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

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| 40th | Excess votes 2020–21: Serious Fraud Office | HC 1099 |
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