



Companies House
Tŷ'r Cwmnïau

Companies House
Crown Way
Cardiff CF14 3UZ

DX 33050 Cardiff

T 0303 1234 500
E enquiries@companieshouse.gov.uk
Twitter @CompaniesHouse

www.gov.uk/companieshouse

Sir Geoffrey Clifton-Brown MP
C/O Tim Jarrett
pubaccomm@parliament.uk

13 December 2024

Dear Sir Geoffrey Clifton-Brown MP

Thank you for your letter requesting a confidential briefing prior to my attendance at the Public Accounts Committee on Monday 16 December.

The NAO report references the significant reforms to Companies House being introduced by the Economic Crime and Corporate Transparency Act 2023 (“the Act”). The Act introduces a raft of measures which will enable me as Company Registrar for England and Wales, along with the Registrars for Scotland and Northern Ireland, to meet our objectives as set out in Section 1 of the Act. These complex reforms represent the biggest change to company law and our operations in 180 years. Consequently, they are intentionally being delivered in a phased manner. It enables us to build new systems capacity and capability, develop necessary processes and technology, and deliver the reforms in a way that does not unduly impact on legitimate businesses. This also allows time for appropriate scrutiny and consideration of c.50 statutory instruments setting out the detail of how the reforms will operate.

As the committee are likely aware, the first of the reforms came into force in March this year, and included:

- New powers to query, challenge and remove inaccurate information
- Stronger checks on Company names
- Stricter address requirements
- Greater information sharing powers

You also highlight that the NAO report references additional measures that are still to be introduced. We have detailed our plans for the introduction of these reforms in discussions with stakeholders and on Gov.uk. [Economic Crime and Corporate Transparency Act: outline transition plan for Companies House - GOV.UK](#).

Arguably the most significant of these remaining reforms is the introduction of identity verification (IDV). Preparations for which are progressing well:

- We have confirmed we will be joining others across Government in using One Login as our primary identity verification provider [Companies House to join GOV.UK One Login - GOV.UK](#)
- We are on track to meet our 2024-25 public target to introduce the technical capability to verify an individual's identity by March 2025.
- This means that from spring 2025 people will be able to voluntarily undergo IDV. A voluntary period is crucial in ensuring all processes are operating effectively before IDV becomes mandatory. It also means that our customers will have time to prepare to complete their verification.
- From autumn 2025, all new directors, equivalents within other registrable legal entities, and persons of significant control (PSCs) will need to complete identity verification.
- For existing companies, all directors (or equivalents) and persons of significant control (7.4 million individuals) will need to IDV during a 12-month transition period, commencing in autumn 2025.
- From spring 2026, anyone acting on behalf of a company will also need to verify their identity before they can file information with us.
- The aim is that by Autumn 2026 anyone owning, running or filing on behalf of a company will be identity verified.
- Throughout this process we are communicating clearly the changing requirements so that our customers understand the new requirements.

While not a silver bullet, identity verification is a core “tool in our toolbox”, along with our new powers and greater collaboration and data sharing, to help prevent unlawful activities. It will not only act as a deterrent but also allow us to take appropriate enforcement action against those who misuse the system, and to share more with partners about those behind UK companies.

As you mention, the NAO report refers to the immediate actions being taken to “clean” the company register using the new powers set out above. I am pleased to say that we are making good progress here. For example, from 4 March to 11 November, Companies House have:

- removed 50,400 inappropriate registered office addresses.
- removed 39,600 officer addresses and 36,700 PSC addresses.
- redacted 37,100 incorporation documents to remove personal data used without consent.
- removed 7,800 documents from the register

This has affected 63,700 companies in total.

We are also aware that the best way for us to disrupt misuse of the register is to prevent companies being formed for criminal purposes at incorporation. As outlined above we have used our powers to address misuse of the register, but there is more that we can do to proactively work to identify where potential abuse is likely and to disrupt it. We are exploring a range of options to achieve this including:

[REDACTED]

We have enhanced and grown our intelligence capabilities and capacity to broaden the work that we do to support efforts to tackle economic crime. The teams have grown from less than 10 to over 100 within 12 months. We are an active partner in a number of cross government groups and have built networks and collaborative working relationships with over 50 law enforcement, government and intelligence organisations. We have also been proactively sharing information with these organisations and agencies and have shared 420 intelligence reports since March. We are working closely with key agencies like the City of London Police and the National Crime Agency. We are in the process of embedding members of our Intelligence team into the National Economic Crime Centre and Financial Intelligence Unit at the NCA and are also exploring embedding members of our team with other law enforcement agencies.

We have also recently published our first ever Strategic Intelligence Assessment, which analyses what we consider to be the key threats to the UK company register. We again worked closely with over 17 partners and with the National Crime Agency (who peer reviewed our work). We are now developing a control strategy for each threat that will develop our tactical response to those threats. The Committee will not be surprised that the continued threats of abuse of the register are fraud, money laundering, threats against the state, business and individuals. We are also looking to address cross cutting threats, for example the role that professional enablers play in facilitating criminal misuse of UK companies.

[REDACTED]

In terms of specific financial crime technologies, we have also been utilising early pilots of network analytics, metadata analytics and AI/ Machine Learning to bulk detect anomalies and to support trials for early prevention. We also have been working with the Public Sector Fraud Authority (PSFA) and their Single Network Analytics Platform (SNAP) which uses the market leader Quantexa as its underlying technology. In a similar vein we will increasingly capitalise on our partners' investment in these technologies as we are in discussions to ingest more risk indicators and feedback loops from the likes of [REDACTED] financial industry bodies, commercial data aggregators and public and private sector organisations impacted by fraud.

Thank you for writing and I hope the above information is useful. I look forward to meeting the committee.

Yours sincerely



Louise Smyth
Registrar of Companies