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The Rt Hon. Liam Byrne MP
Chair of the Business and Trade Select Committee
House of Commons
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07 August 2025

Dear Rt Hon. Liam Byrne,

Update on Identity Verification at Companies House

I am writing to provide you and the Business and Trade Select Committee with an update on our progress implementing Identity Verification (IDV) measures at Companies House, both in terms of our current voluntary scheme, and our preparations for the upcoming mandatory requirements. I am pleased to say that earlier this week, we announced that mandatory IDV will commence on **18th November this year.**

Quick verification with business benefits

Identity verification is free and can be completed in just a few minutes online using the government's One Login service and in most instances, will only be done once. Although, the registrars will have a power to require reverification if the validity of the original verification check is called into question. The rollout of IDV will boost business, and support growth, by giving more assurance about who is setting up, running and controlling companies in the UK. IDV supports a more accurate register, and over time will improve confidence in the UK business environment.

Voluntary IDV Progress

Since the launch of our voluntary IDV service on 8 April 2025, over 320,000 individuals have successfully completed Identity Verification via One Login or an Authorised Corporate

Service Provider (ACSP) - despite there being no legal requirement to IDV until November. This represents significant voluntary engagement ahead of any mandatory requirements, showing that businesses are proactively adopting IDV and that the process is easy to use for most people. Our research shows that awareness and support among business decision-makers is high.

Preparations for Mandatory IDV

We remain on track to implement mandatory IDV for all company directors and Persons with Significant Control (PSCs) from 18 November 2025. Whilst requirements will be mandatory from November for new companies, the requirements will be phased in over 12 months for existing companies to make things simple. Comprehensive preparations include recruiting and training additional staff, publishing detailed guidance for users, and delivering targeted communications focused on small businesses, charities and less digitally confident users.

IDV Enforcement and Compliance Strategy

IDV will be a mandatory legal requirement for all company directors and people with significant control (PSCs) from 18th November 2025. Companies cannot file confirmation statements or incorporate without all directors completing IDV successfully. Our enforcement and compliance approach will look to support legitimate businesses to be able to comply with IDV requirements, but we will also take a more proactive and positive approach to disrupt criminals and fraudsters through five core approaches:

- **Prevention** – We will provide substantial customer information and support to remind our customers of the IDV requirements and deadlines by email. The digital services are designed to enable right-first-time compliance, with support available for those who need it.

- **Proportionate** We will use a range of enforcement actions available to us, ensuring that we deploy the most proportionate actions associated with the gravity and propensity of non-compliance.
- **Precise** – We will use a targeted and risk based approach, so that we are tackling the most serious and persistent non-compliance cases, those with aggravating factors and higher risk in terms of causing harm and committing other crimes. For example where there is evidence of ID fraud, aggravating factors, and evidence of other criminal activity, we will prioritise these for prosecution.
- **Partnerships** – We collaborate closely with law enforcement partners including the National Crime Agency, HMRC, Financial Conduct Authority, and the Insolvency Service. We share intelligence about fraudulent activity and refer cases for prosecution or director disqualification. We also work with Authorised Corporate Service Providers (ACSPs) and can suspend or de-authorise those who fail to meet IDV standards.
- **Performance** – We continuously monitor compliance rates and enforcement outcomes. We use this data to iterate our approach and ensure our services drive compliant behaviours.

Other progress updates

Since my last appearance before the Committee, we have continued to make good progress in the rest of our work:

- We have published the Companies House business plan 2025 to 2026 - GOV.UK
- The second progress report on implementation of ECCTA has now been published, alongside a press release which summarises our progress.
- We will soon publish our strategy for 2025-30, which sets out our goals and objectives for the next 5 years.

- We are working to fully understand the extent of fraud in the register. We currently rely on widely varying figures from external commentators for this estimate, but we are working to narrow this range by triangulating estimates from a wider number of sources and our own risk indicators.
- We are working with the Department for Business and Trade on proposed changes to accounts filing requirements at Companies House to ensure they strike the right balance between tackling economic crime and avoiding undue burden on business.

Next Steps

I would like to thank you for your continued interest in this important work. As we move forward with implementing the Economic Crime and Corporate Transparency Act 2023, we recognise this represents one of the most significant reforms to company law in 180 years, requiring substantial transformation of our systems, processes and capabilities to deliver the new powers and requirements. I will be retiring in September, and I am sure my successor, Andy King will be in touch to introduce himself to the Committee and continue our engagement on this complex but vital programme of change.

Yours sincerely,

L. C Smyth

Louise Smyth

Chief Executive and Registrar of Companies