Business, Energy and
Industrial Strategy Committee
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The Rt Hon Kwasi Kwateng MP,
Department for Business, Energy and
Industrial Strategy
1 Victoria Street
SW1H 0ET

19 January 2022

Dear Secretary of State--,

Fraud and error in Covid-19 support schemes

I am writing to you following the recent announcement that HM Treasury has agreed to write off £4.3 billion of the total £5.8 billion estimated error and fraud present in the 2020-21 COVID-19 support scheme payments made by HM Revenue & Customs as being unrecoverable.

I note that the Department for Business Energy and Industrial Strategy has stated in its 2020-21 Annual Report and Accounts that levels of fraud and error relating to the Bounce Back Loan Scheme (BBLS) is estimated to be 11.15 per cent or £4.9 billion at 31 March 2021. I would like to raise the following questions on this figure:

1. What is the Department's current best estimate of the total level of fraud and error present in the BBLS and each of the other Covid-19 support schemes that it is responsible for?
2. What proportion and amount of the £4.9 billion estimated fraud and error does the Department reasonably expect to be recoverable?
3. What actions is the Department currently taking to recover Covid-19 support scheme overpayments?
4. Is the Department currently engaging in discussions with HM Treasury about writing off any elements of the fraud and error that have been identified in the BBLS?

I would be grateful for a response by 2nd February.

Yours sincerely,

Darren Jones

Darren Jones MP
Chair of the Business, Energy and Industrial Strategy Committee

Catherine Lewis La Torre, CEO, British Business Bank