STATUTORY INSTRUMENTS

2026 No. 668

ENFORCEMENT, ENGLAND AND WALES

The Public Sector Fraud and Error (Recovery) Regulations 2026

Made - - - -	*17th June 2026*
Laid before Parliament	*23rd June 2026*
Coming into force - -	*14th July 2026*

The Minister for the Cabinet Office ("the Minister") makes these Regulations in exercise of the powers conferred by sections 38(1) and (2), 39(3), 42(6) and 43(3) of the Public Authorities (Fraud, Error and Recovery) Act 2025(**1**).

The Minister has consulted persons who appear to the Minister to represent the interests of banks and such other persons as they consider appropriate as required by section 38(5) of that Act.

Part 1

General

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Public Sector Fraud and Error (Recovery) Regulations 2026.

(2) These Regulations come into force on 14th July 2026.

(3) These Regulations extend to England and Wales.

Interpretation

2. In these Regulations—

"the Act" means the Public Authorities (Fraud, Error and Recovery) Act 2025;

"business account" means an account that is provided for purposes relating to a trade, business or profession;

"earnings" has the meaning given in regulation 17;

"personal account" means an account, other than a business account, held by one or more individuals;

(**1**) 2025 c. 28.

"pre-deduction notice" means a notice under section 21(1) of the Act.

Part 2

Direct deduction orders

Giving of direct deduction orders, notices, information, notifications and applications

3.—(1) Where the Minister(**2**) sends a relevant document to a bank, the document may be sent using either or both of the following methods—

(a) by post to the bank's last notified address;

(b) by electronic communication to the bank's last notified address for electronic communication.

(2) Where the Minister sends a relevant document to a person other than a bank, the document may be sent using either or both of the following methods—

(a) by post to the person's last known or notified address;

(b) by electronic communication to the person's last notified address for electronic communication.

(3) Where a bank or other person sends a relevant document or any information to the Minister, the document or information may be sent by either or both of the following methods—

(a) by post to the relevant correspondence address;

(b) by electronic communication to the relevant electronic communication address.

(4) For the purposes of paragraph (3)—

(a) the relevant correspondence address is the Minister's postal address, and

(b) the relevant electronic communication address is the Minister's address for electronic communication,

as specified in the direct deduction order(**3**), notice or notification to which the relevant document or information relates.

(5) Any relevant document or information—

(a) sent by first class post is to be treated as having been given at the end of the second working day after the day on which it was posted;

(b) sent by second class post is to be treated as having been given at the end of the fifth working day after the day on which it was posted;

(c) sent by electronic communication is to be treated as having been given at the end of the first working day after the day on which it was sent.

(6) If any relevant document or information is sent after 5.00pm on a working day(**4**) or at any time on a non-working day, paragraph (5) should be read as though it was sent on the next working day.

(7) In this regulation—

"relevant document" means—

(a) in relation to the Minister—

(**2**) See section 74(1) of the Act for the definition of "the Minister".
(**3**) See section 74(1) of the Act for the definition of "direct deduction order".
(**4**) See section 74(1) of the Act for the definition of "working day".

(i) a direct deduction order,

(ii) a notice or notification under any of the relevant provisions, or

(iii) a copy of any such order, notice or notification, and

(b) in relation to a bank or other person, any notice, notification, information or application under any of the relevant provisions;

"relevant provisions" means sections 17 to 37 of the Act.

Representations made by an account holder to the Minister

4.—(1) In this regulation, representations means information and evidence given to the Minister by an account holder, having been invited to do so, in accordance with sections 21(2), 28(2) and 29(3) of the Act.

(2) The account holder must include within the representations all information or evidence which the account holder wishes the Minister to consider when deciding whether to make or vary the direct deduction order.

(3) The account holder must make the representations—

(a) in the manner or form which the Minister has specified in the notice which invited the account holder to make representations, and

(b) by such date or time as the Minister has specified in the notice (that date or time falling no earlier than 28 days beginning with the day after the day on which the notice was given).

Applications to vary a direct deduction order

5.—(1) This regulation applies where an account holder applies to the Minister to vary a direct deduction order, in accordance with section 28(1) of the Act.

(2) An application to vary a direct deduction order must—

(a) include the reason or reasons on which the account holder seeks the variation,

(b) include all information or evidence which the account holder wishes the Minister to consider when deciding whether the order should be varied,

(c) be made in the manner or form which the Minister has specified in the direct deduction order (or any subsequent notice given to the account holder in relation to it), and

(d) be given to the Minister using the method specified in the direct deduction order or any subsequent notice given to the account holder in relation to it (or by using any one of the methods specified, where more than one method is specified).

Applications for reviews

6.—(1) This regulation applies where an account holder applies to the Minister for a review of a direct deduction order under section 34(2) of the Act.

(2) An application for a review must—

(a) include the ground or grounds on which the account holder seeks the review,

(b) include all information or evidence which the account holder wishes the Minister to consider as part of the review,

(c) be made in the manner or form which the Minister has specified in the direct deduction order given to the account holder, and

(d) be given to the Minister using the method specified in the direct deduction order (or by using any one of the methods specified in the direct deduction order, where more than one method is specified).

Calculation of the relevant amount

7.—(1) The amounts taken into account in calculating the amounts credited to an account for the purposes of section 22(3) of the Act (total amount of deductions) must not include—

(a) where the account is a personal account—

(i) pension, allowances or benefit payable under any enactment relating to social security;

(ii) pension or allowances payable in respect of disablement or disability;

(iii) guaranteed minimum pension within the meaning of section 8(2) of the Pension Schemes Act 1993(**5**);

(iv) working tax credit payable under section 10 of the Tax Credits Act 2002(**6**);

(b) where the account is a business account, amounts set aside for payroll costs of the liable person(**7**) or any other account holder.

(2) In this regulation, "payroll costs" means costs incurred in connection with the employment of a person by the liable person or any other account holder, including—

(a) amounts payable to the employee by way of remuneration;

(b) amounts owed by way of accrued holiday remuneration to a person whose employment has been terminated;

(c) amounts ordered to be paid by the liable person or any other account holder under the Reserve Forces (Safeguard of Employment) Act 1985(**8**);

(d) payroll taxes and other employment taxes payable by the liable person or any other account holder;

(e) social security contributions payable by the liable person or any other account holder.

(3) For the purpose of this regulation, an amount is payable to a person by way of remuneration if it is—

(a) payable as wages or salary (whether payable for time or for piece work or earned wholly or partly by way of commission) in respect of services rendered to the liable person or account holder;

(b) a guarantee payment under Part III of the Employment Rights Act 1996 (employee without work to do)(**9**);

(c) a payment for time off under section 52 of the Employment Rights Act 1996 (time off to look for work or arrange training) or section 56 (time off for ante-natal care) of that Act or under section 169 of the Trade Union and Labour Relations (Consolidation) Act 1992 (time off for carrying out trade union duties etc.)(**10**);

(**5**) 1993 c. 48. Section 8(2) was amended by S.I. 2005/2050, paragraph 7(4) of Schedule 13 to the Pensions Act 2014 (c. 19) and S.I. 2014/3229. There are other amendments but none are relevant.
(**6**) 2002 c. 21. Section 10 was repealed by Schedule 14 to the Welfare Reform Act 2012 (c. 5) (except in relation to cases referred to in article 3 of S.I. 2019/167).
(**7**) See section 11(1) of the Act for the definition of "liable person".
(**8**) 1985 c. 17.
(**9**) 1996 c. 18.
(**10**) 1992 c. 52. Section 169 was amended by section 1(2)(a) of the Employment Rights (Dispute Resolution) Act 1998 (c. 8) and section 65(3) of the Employment Rights Act 2025 (c. 36).

(d) remuneration on suspension on medical grounds, or on maternity grounds, under Part VII of the Employment Rights Act 1996 (suspension from work);

(e) remuneration under a protective award under section 189 of the Trade Union and Labour Relations (Consolidation) Act 1992 (redundancy dismissal with compensation)(**11**).

Maximum amounts deducted by direct deduction order

8.—(1) The amount to be deducted under a regular direct deduction order(**12**) from a personal account must not exceed—

(a) where section 22(4) of the Act (cases of fraud) applies, the percentage of the relevant amount(**13**) specified in column 2 of Table 1 in Schedule 1 which corresponds to the band in column 1 of that Table within which the relevant amount for that account falls;

(b) in all other cases, the percentage of the relevant amount specified in column 2 of Table 2 in Schedule 1 which corresponds to the band in column 1 of that Table within which the relevant amount for that account falls.

(2) Where any amount calculated under paragraph (1) includes a fraction of a penny, it is to be rounded to the nearest whole penny with a result of exactly half a penny being rounded down to the nearest whole penny.

Duties of banks

9.—(1) Where a bank is required to give information to the Minister under an account information notice(**14**), a general information notice(**15**) or a further information notice(**16**) (“relevant information”), the bank must provide the relevant information within the period of 10 working days beginning with the day on which the notice is given to the bank.

(2) Where a bank is required to give the Minister the name and correspondence address that it holds for a deputy under section 37(5) of the Act, the bank must give the Minister that information within the period of 10 working days beginning with the day on which the notice or order referred to in section 37(4) of the Act is given to the bank.

(3) If a bank is unable to provide the information mentioned in paragraph (1) or (2) within the period specified in the relevant paragraph—

(a) the bank must notify the Minister of that inability and the reason for the inability within a reasonable period of time;

(b) the Minister may grant an extension of time to comply with the obligation.

(4) Subject to paragraph (5), if a bank is unable to comply with—

(a) a direct deduction order, or

(b) a notice under section 19, 21, 31 or 32 of the Act,

the bank must notify the Minister of that inability and the reason for the inability within the period of 10 working days beginning with the day on which the bank became aware of it.

(5) Paragraph (4) does not apply where the inability is an inability to provide the information mentioned in paragraph (1) or (2).

(**11**) 1992 c. 52. Section 189 was amended by S.I. 1995/2587, section 1(2)(a) of the Employment Rights (Dispute Resolution) Act 1998 (c. 8), S.I. 1999/1925, paragraph 11 of Schedule 2 to the Enterprise and Regulatory Reform Act 2013 (c. 24), S.I. 2014/431 and section 30(2) of the Employment Rights Act 2025 (c. 36).
(**12**) See section 17(4) of the Act for the definition of “regular direct deduction order”.
(**13**) See section 22(5) of the Act for the definition of “relevant amount”.
(**14**) See section 19(2) of the Act for the definition of “account information notice”.
(**15**) See section 19(5) of the Act for the definition of “general information notice”.
(**16**) See section 31(1) of the Act for the definition of “further information notice”.

(6) Where a bank is notified of a suspension to the requirement to make deductions and payments under a regular direct deduction order or the revocation of a direct deduction order, the bank must ensure that no further deductions are made under that order after the expiry of the period of 2 working days after the day on which the bank is so notified.

(7) Where a bank is given a notice to re-start deductions under a regular direct deduction order, the next deduction must be made—

(a) within the period of 10 working days beginning with the day on which the notice is given to the bank, or

(b) if later than the end of the period mentioned in sub-paragraph (a), on the next day specified in the direct deduction order on which a deduction is to be made.

(8) Where a bank is required to give statements to the Minister under an account information notice—

(a) the period covered by the statements must include the period of three calendar months ending on the last day of the month before the month in which the notice is given to the bank, and

(b) the bank must ensure the statements—

(i) are not redacted, and

(ii) clearly show the full transaction history for the period in question.

Pre-deduction notices

10. A bank which receives a pre-deduction notice under section 21(1) of the Act must notify the Minister if it considers a direct deduction order could not be applied to the account because—

(a) the account has been closed, is in the process of being closed, or an account holder has requested its closure,

(b) the account has been transferred to another bank, is in the process of being transferred to another bank, or an account holder has requested its transfer to another bank,

(c) the liable person stated on the notice is not a holder of the account,

(d) a process has begun to remove the liable person as a holder of the account;

(e) the bank has reason to believe the account is held by the liable person on trust for another person (unless that other person is also stated to be a liable person on the notice), or

(f) the bank knows the account is subject to a requirement under any other enactment or by an order of any court which would prevent the bank from making deductions from it.

Restrictions on accounts

11.—(1) Where a bank is required to take an action under section 26(1) of the Act (restrictions on accounts), the bank must notify the Minister, within the period of 7 working days beginning with the day on which the pre-deduction notice or lump sum direct deduction order(**17**) is given, of—

(a) the action taken by the bank, and

(b) the amount in respect of which the action has been taken.

(2) Where a restriction has been placed on an amount in an account and—

(a) in relation to a pre-deduction notice, a notice under section 21(8) of the Act (a "notice of a decision not to make a direct deduction order") is given to the bank, or

(b) in relation to a direct deduction order, the order is revoked,

(**17**) See section 74(1) of the Act for the definition of "lump sum direct deduction order".

the bank must remove the restriction within the period of 2 working days beginning with the day on which the notice of a decision not to make a direct deduction order was given or the direct deduction order was revoked.

(3) Where a restriction has been placed on an amount and—

(a) in relation to a pre-deduction notice, a direct deduction order is given to the bank in respect of an amount which is less than the amount on which the restriction was placed, or

(b) in relation to a direct deduction order, the order is varied so as to specify an amount which is less than the amount on which the restriction was placed,

the bank must remove the restriction which was placed on any amount exceeding the amount to which the direct deduction order mentioned in sub-paragraph (a) or varied order mentioned in sub-paragraph (b) relates within the period of 2 working days beginning with the day on which the direct deduction order is given or varied.

(4) Where a restriction is removed, the bank must notify the Minister of the removal of that restriction within the period of 2 working days beginning with the day on which the restriction is removed.

(5) For the purposes of this regulation, a restriction is placed on an amount in an account if action is taken under section 26(1) of the Act in respect of that account and that amount.

Payment by a bank to the Minister

12.—(1) Amounts deducted by a bank under a direct deduction order must be paid to the Minister within—

(a) in the case of a regular direct deduction order, 10 working days of the date the deduction is due to be made, or

(b) in the case of a lump sum deduction order, 10 working days of the end of the relevant period.

(2) In this regulation, the “relevant period” means the period which—

(a) begins with the service of the order on the bank at which it is directed, and

(b) subject to paragraph (3), ends with the end of the period during which an appeal can be brought against the order under section 35 of the Act.

(3) If an appeal is brought under section 35 of the Act, the relevant period ends at the time at which—

(a) proceedings on the appeal (including any proceedings on a further appeal) have been concluded, and

(b) any period during which a further appeal may be ordinarily brought has ended.

(4) The payment must be made by—

(a) automated credit transfer, or

(b) such other method as the Minister may specify.

(5) The payment must not be a consolidation or aggregate of multiple deductions taken by the bank, except where all the deductions were made in respect of the same direct deduction order.

(6) The bank must identify each payment by including the unique reference stated in the direct deduction order.

Administrative costs

13.—(1) Provision included in a direct deduction order under section 24(1) of the Act (bank's administrative costs) may not enable a bank to deduct more from the amount standing to the credit of the account specified in the order than the amount specified in paragraph (2).

(2) In the case of a regular direct deduction order, the amount is the lesser of—

(a) £10 for every deduction required by a direct deduction order;

(b) £40 in any month;

(c) the administrative costs reasonably incurred by the bank in making the deduction from the account.

(3) In relation to a deduction made under a lump sum direct deduction order, the amount is the lesser of—

(a) £55;

(b) the administrative costs reasonably incurred by the bank in making the deduction.

Priority as between regular direct deduction orders and third party debt orders

14.—(1) Paragraphs (2) to (5) apply where a third party debt order provides for deductions to be made from the same account as that specified in a regular direct deduction order.

(2) Where—

(a) a third party debt order is served on a bank before or on the day a payment is due to be made under a direct deduction order, and

(b) the direct deduction order was served on the same bank after the third party debt order,

the bank must not make payment pursuant to the direct deduction order before payment is made pursuant to the third party debt order.

(3) Where a direct deduction order is served after an interim third party debt order the bank must not make payment pursuant to the direct deduction order before action is taken to comply with the interim third party debt order.

(4) Where payment is made pursuant to a regular direct deduction order before the payment under the third party debt order is made, the bank must not make further deductions under the direct deduction order before taking action to comply with the third party debt order.

(5) Where a decision under section 32 of the Act to re-start a direct deduction order takes effect on the same day as or any day after a third party debt order has been served, the bank must not make payment under the direct deduction order before—

(a) payment is made pursuant to the third party debt order, or

(b) in the case of an interim third party debt order, action is taken to comply with the third party debt order.

Priority as between lump sum direct deduction orders and third party debt orders

15. Where a bank would, but for this paragraph, be obliged to comply with a lump sum direct deduction order and one or more third party debt orders, it must not make payment pursuant to the direct deduction order before—

(a) payment is made pursuant to, or

(b) in the case of an interim third party debt order, action is taken to comply with,

orders served on the bank before the direct deduction order.

Priority as between direct deduction orders and regular deduction orders under the Child Support Act 1991

16. Where an order under section 32A of the Child Support Act 1991(**18**) provides for deductions to be made from the same account as that specified in a regular direct deduction order before or on the same day as those deductions, the bank must not make payment pursuant to the direct deduction order before payment is made pursuant to the order under section 32A of the Child Support Act 1991.

Part 3

Deduction from earnings orders

Interpretation of "earnings"

17.—(1) Subject to paragraph (2), "earnings" for the purpose of deduction from earnings orders(**19**), are any sums payable to a person—

(a) by way of wages or salary (including any fees, bonus, commission, overtime pay or other emoluments payable in addition to wages or salary or payable under a contract of service);

(b) by way of pension (including an annuity in respect of past service, whether or not rendered to the person paying the annuity, and including periodical payments by way of compensation for the loss, abolition or relinquishment, or diminution in the emoluments, of any office or employment);

(c) by way of statutory sick pay.

(2) "Earnings" does not include—

(a) sums payable by any public department of the Government of Northern Ireland or of a territory outside the United Kingdom;

(b) pay or allowances payable to the liable person as a member of His Majesty's forces other than pay or allowances payable by their employer to them as a special member of a reserve force (within the meaning of the Reserve Forces Act 1996(**20**));

(c) pension, allowances or benefit payable under any enactment relating to social security;

(d) pension or allowances payable in respect of disablement or disability;

(e) guaranteed minimum pension within the meaning of section 8(2) of the Pension Schemes Act 1993;

(f) working tax credit payable under section 10 of the Tax Credits Act 2002;

(g) sums paid to reimburse expenses wholly and necessarily incurred in the course of the employment.

Amount to be deducted by employer

18.—(1) Except where section 42(4) of the Act applies, the amount to be deducted must not exceed—

(a) where the liable person's earnings are payable weekly, the percentage of their earnings specified in column 2 of Table 1 in Schedule 2 opposite the band in column 1 of that Table within which their net earnings(**21**) payable on their pay-day fall, or

(**18**) 1991 c. 48. Section 32A was inserted by section 22 of the Child Maintenance and Other Payments Act 2008 (c. 6) and amended by paragraph 34(a) and (b) of the Schedule to S.I. 2012/2007.
(**19**) See section 39(2) of the Act for the definition of "deduction from earnings order".
(**20**) 1996 c. 14.
(**21**) See section 42(9) of the Act for the definition of "net earnings".

(b) where the liable person's earnings are payable monthly, the percentage of their earnings specified in column 2 of Table 2 in Schedule 2 opposite the band in column 1 of that Table within which their net earnings payable on their pay-day fall.

(2) Where section 42(4) of the Act applies, the amount to be deducted must not exceed—

(a) where the liable person's earnings are payable weekly, the percentage of their earnings specified in column 2 of Table 3 in Schedule 2 opposite the band in column 1 of that Table within which their net earnings payable on their pay-day fall, or

(b) where the liable person's earnings are payable monthly, the percentage of their earnings specified in column 2 of Table 4 in Schedule 2 opposite the band in column 1 of that Table within which their net earnings payable on their pay-day fall.

(3) Where any amount calculated under paragraph (1) or (2) includes a fraction of a penny, it is to be rounded to the nearest whole penny with a result of exactly half a penny being rounded down to the nearest whole penny.

(4) Where the deduction from earnings order specifies an amount, or a method of calculating an amount, that may be deducted from the liable person’s earnings for the purpose of meeting costs reasonably incurred by the employer in complying with the order—

(a) the specified amount must not exceed £1 on any pay-day;

(b) the specified method of calculation must include a cap of £1 on the amount that may be deducted on any pay-day.

(5) Where, on any pay-day (“the relevant pay-day”), the employer fails to deduct an amount from the liable person’s earnings or deducts an amount less than the amount which should have been deducted from the liable person’s earnings, the employer must, on the next available pay-day or pay-days, first deduct the amount required to be deducted under the order for that pay-day, subject to paragraphs (1) and (2), and then the difference between the amount, if any, which was deducted on the relevant pay-day and the amount which should have been deducted on that pay-day.

(6) In this regulation, “pay-day” means a day on which a person is paid.

Part 4

General

Review

19.—(1) The Minister must from time to time—

(a) carry out a review of the regulatory provision contained in Parts 2 and 3 (including Schedules 1 and 2), and

(b) publish a report setting out the conclusions of the review.

(2) The first report must be published before the end of the period of 5 years beginning with the commencement date.

(3) Subsequent reports must be published at intervals not exceeding 5 years.

(4) Each report must in particular—

(a) set out the objectives intended to be achieved by the regulatory provision referred to in paragraph (1)(a),

(b) assess the extent to which those objectives are achieved,

(c) assess whether those objectives remain appropriate, and

(d) if those objectives remain appropriate, assess the extent to which they could be achieved in another way which involves less onerous regulatory provision.

(5) In this regulation, “regulatory provision” has the same meaning as in sections 28 to 32 of the Small Business, Enterprise and Employment Act 2015 (see section 32 of that Act)(**22**).

Satvir Kaur
Parliamentary Secretary
17th June 2026 Cabinet Office

(**22**) 2015 c. 26. Section 28 was amended by paragraph 11 of Schedule 3 to the Advanced Research and Invention Agency Act 2022 (c. 4). Section 29 was amended by section 18(3) of the Retained EU Law (Revocation and Reform) Act 2023 (c. 28). Section 30 was amended by section 19(a) and (b) of the Enterprise Act 2016 (c. 12) and paragraph 36(a) and (b) of Schedule 8 to the European Union (Withdrawal) Act 2018.

Schedules

Schedule 1

Regulation 8

Maximum amounts to be deducted under a regular direct deduction order

Table 1

Cases where section 22(4) of the Act applies

Relevant amount	*Maximum deduction (per cent of the relevant amount)*
£430 or less	5
Exceeding £430 but not exceeding £690	6
Exceeding £690 but not exceeding £950	10
Exceeding £950 but not exceeding £1,160	14
Exceeding £1,160 but not exceeding £1,615	22
Exceeding £1,615 but not exceeding £2,240	30
Exceeding £2,240	40

Table 2

Cases where section 22(4) of the Act does not apply

Relevant amount	*Maximum deduction (per cent. of the relevant amount)*
£430 or less	Nil
Exceeding £430 but not exceeding £690	3
Exceeding £690 but not exceeding £950	5
Exceeding £950 but not exceeding £1,160	7
Exceeding £1,160 but not exceeding £1,615	11
Exceeding £1,615 but not exceeding £2,240	15
Exceeding £2,240	20

Schedule 2 Regulation 18

Maximum amounts to be deducted under a deduction from earnings order

Table 1

Cases where section 42(4) of the Act does not apply and earnings are paid weekly

Amount of net earnings	*Maximum deduction (per cent. of net earnings)*
£100 or less	Nil
Exceeding £100 but not exceeding £160	3
Exceeding £160 but not exceeding £220	5
Exceeding £220 but not exceeding £270	7
Exceeding £270 but not exceeding £375	11
Exceeding £375 but not exceeding £520	15
Exceeding £520	20

Table 2

Cases where section 42(4) of the Act does not apply and earnings are paid monthly

Amount of net earnings	*Maximum deduction (per cent. of net earnings)*
£430 or less	Nil
Exceeding £430 but not exceeding £690	3
Exceeding £690 but not exceeding £950	5
Exceeding £950 but not exceeding £1,160	7
Exceeding £1,160 but not exceeding £1,615	11
Exceeding £1,615 but not exceeding £2,240	15
Exceeding £2,240	20

Table 3

Cases where section 42(4) of the Act applies and earnings are paid weekly

Amount of net earnings	*Maximum deduction (per cent. of net earnings)*
£100 or less	5
Exceeding £100 but not exceeding £160	6
Exceeding £160 but not exceeding £220	10
Exceeding £220 but not exceeding £270	14
Exceeding £270 but not exceeding £375	22
Exceeding £375 but not exceeding £520	30
Exceeding £520	40

Table 4

Cases where section 42(4) of the Act applies and earnings are paid monthly

Amount of net earnings	*Maximum deduction (per cent. of net earnings)*
£430 or less	5
Exceeding £430 but not exceeding £690	6
Exceeding £690 but not exceeding £950	10
Exceeding £950 but not exceeding £1,160	14
Exceeding £1,160 but not exceeding £1,615	22
Exceeding £1,615 but not exceeding £2,240	30
Exceeding £2,240	40

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision in relation to direct deduction orders ("DDOs") under section 17 of the Public Authorities (Fraud, Error and Recovery) Act 2025 (c. 28) ("the Act") and deduction from earnings orders ("DEOs") under section 39 of the Act.

Part 2 makes provision as to DDOs. Regulation 3 establishes how direct deduction orders and notices, information, notifications and applications relating to direct deduction orders are to be given. Regulations 4 to 6 establish how representations, applications for review and applications to vary DDOs must be made. Regulation 7 provides the amounts to be taken into account in calculating the amounts credited to an account for the purposes of determining the maximum amount of total deductions to be made under a regular direct deduction order in a 28 day period. Regulation 8 and Schedule 1 provide the maximum amounts that may be deducted under a regular direct deduction order from a personal account. Regulations 9 to 11 establish deadlines for banks to comply with notices and other obligations under the Act and create obligations to notify the Minister in the event of non-compliance. Regulations 12 to 16 make further provision as to effecting direct deduction orders including the payment to the Minister of amounts deducted, the deduction of amounts to account for administrative costs and the priority of direct deduction orders with third party debt orders and regular deduction orders under the Child Support Act 1991.

Part 3 makes provision as to DEOs. Regulation 17 defines "earnings" for the purpose of deduction from earnings orders. Regulation 18 and Schedule 2 provides the maximum amounts that may be deducted under a deduction from earnings order from an individual's net earnings.

Part 4 requires the Minister for the Cabinet Office to review the operation and effect of these Regulations and publish a report within five years after they come into force and within every five years after that.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.