



Economic Crime Law Enforcement

Backbench Business Debate Summary

Thursday, 7th July 2022 at 12.30pm

Read the Hansard [here](#), alternatively you can watch the debate [here](#).

The APPGs on Anti-Corruption & Responsible Tax and Fair Business Banking, led by Dame Margaret Hodge MP and Kevin Hollinrake MP, secured a House of Commons Debate on **Economic Crime Law Enforcement**. MPs were concerned that:

- There exists a massive gulf between the scale of the problem of economic crime and our enforcement response.
- Roughly 40% of crime committed in the UK is economic crime, yet only 0.8% of our resources in staff hours are dedicated to tackling this terrible scourge of financial wrongdoing.

Five key themes emerged from this debate:

1. The unique abuse of the UK financial system by **Russian oligarchs** was a common thread throughout the debate:

- Alison Thewliss MP remarked that there has not been “a single Russian economic crime prosecution in the UK”.
- Margaret Hodge MP shone a light on the reticence of our enforcement agencies to investigate 14 suspicious deaths on British soil of individuals who were hostile to the Russian state. According to American intelligence officials, this reticence was due to a desire to preserve the billions of pounds of Russian money that pour into British banks and properties each year.
- Our failures of economic crime law enforcement show that we are, in the words of Labour Shadow Home Office representative, Jess Phillips MP, “lying down in the face of what is, not just dirty money, but murder and deceit”.

2. There was general agreement that catching up with economic crime required **expanded capacity, more resources, and legislative changes** to get, according to Kevin Hollinrake MP “a better bang for our buck from our enforcement agencies”:

- MPs from across the house were supportive of many of our [Economic Crime Manifesto](#) proposals, including ring-fencing a budget for tackling economic crime, introducing corporate criminal liability, capping costs for all prosecutions of economic crimes, and creating an Office for Whistleblowers.
- Bob Neill MP noted that the SFO has secured through deferred prosecution agreements the recovery of some £1.6 billion. If a modest percentage of that were ring-fenced, rather than going back to the Treasury, it would allow for reinvestment in the agencies on the frontlines of economic crime.



- On this matter, the Parliamentary Under-Secretary for the Home Office, Kevin Foster MP reiterated the Government's commitments: a package of £400 million to tackle economic crime over the next three years, the creation of a kleptocracy cell within the NCA, as well as its review of the UK's whistleblowing framework.

3. Another overarching theme emerged during this debate: we are still reliant on **analogue solutions to what are digital problems**:

- For John Penrose MP, the Government's former Anti-Corruption Champion, the debate around economic crime is stuck in a 1980s time warp. We are all still talking about bobbies on the beat, when increasingly we need to have bobbies behind screens, patrolling digital highways.
- Alison Thewliss MP also highlighted this problem: the criminals who carry out financial crimes are always several steps ahead of the Government on technology, skills and expertise.
- For Jess Phillips MP, we have simply not kept pace at all.

4. Many participants pointed to the huge gap in enforcement resourcing that exists between the UK and its **international partners**:

- Under President Biden, the Americans have increased their expenditure on enforcement by more than 30%, when the UK has had a real cut of 4.5%.
- For Margaret Hodge MP, this disparity is mirrored in our enforcement results. In 2019 the UK only imposed civil fines on banks for money laundering of £260 million. In contrast, in the same year, the U.S. imposed £2.5 billion in criminal fines, and nearly £5 billion in non-criminal fines.
- The fragmented nature of the UK's economic crime landscape is also to blame. Alison Thewliss MP highlighted the value of Scotland's crime campus, where 27 enforcement bodies are based in one location.
- The Government spokesperson, Kevin Foster MP, emphasised the leading role the National Economic Crime Centre plays in setting strategic priorities for the enforcement response to economic crime and bringing agencies together but he recognised the need to go further.

5. As a global financial centre, participants agreed that the UK has a **unique role** to play in tackling the scourge of dirty money:

- For Liam Byrne MP, "our country led the industrial revolution and is a proud hub for the global financial services industry... it is imperative that we destroy economic crime around the world".
- Kevin Hollinrake MP concurred, in that the UK plays a major role in facilitating worldwide economic crime, and this is also why it must play a major role in clamping down on it.

Next steps in addressing the fundamental problem of economic crime enforcement resourcing:

- There was consensus that the first Economic Crime Bill did not begin to touch the scale of the problem.



- The motion calling on the Government to bring forward an economic crime enforcement strategy that allows for a significant increase in resources was agreed to.
- MPs across the house looked towards the second Economic Crime Bill for this proposal to be implemented.



Chair of the APPG on Fair Business Banking and Registered contact:

- Kevin Hollinrake MP, Chair of the APPG – kevin.hollinrake.mp@parliament.uk
- Heather Buchanan, Executive Director of Policy and Strategy – buchananh@parliament.uk

APPG on Anti-Corruption & Responsible Tax Registered contacts:

- Alex Conneely Hughes, APPG Coordinator - conneelyhughesa@parliament.uk
- Laurie Woodiwiss, Communications Manager - laurie.woodiwiss@parliament.uk

An All Party Parliamentary Group (APPG) is an interest group that occupies a strategic and effective position within Parliament. It is cross-party, with a minimum number of parliamentarians from the Government and the official opposition, and cross-house, made up of both peers and MPs. The APPG on Fair Business Banking is a platform through which businesses, professionals and trade bodies can discuss issues regarding commercial banking and its role in the life cycle of a business, and through which parliamentarians can access information on banking, finance and related issues, including business rescue and insolvency, on behalf of constituents. As a cross-party group, the APPG is an effective vehicle to effect meaningful change via the Parliamentary system. The Group's status is that of an APPG is bound by the rules set out by [The Office of the Parliamentary Commissioner for Standards](#). It does not have charitable status, or official status in the House, nor is it funded by Parliament. It relies wholly on the participation and contribution of parliamentarians, industry members and stakeholders committed to creating a strong platform for business in the UK to thrive. The APPG is coordinated and administered via the APPG on Fair Business Banking Secretariat.

The APPG on Fair Business Banking processes personal data. Further information on the processing of personal data for constituents is found on our [Data Protection Privacy Notice for Constituents](#) and for members and affiliates of the APPG on our [Data Protection Privacy Notice](#). We hold your information securely on Parliament's digital network and keep your information for one year after the current Parliament ends (maximum of 5 years). We will not share your personal data with a third party unless we have your express consent. You have the right to access your data, withdraw consent for the APPG to hold your data, to have your data corrected or to restrict the use of your data at any time. Please contact buchananh@parliament.uk in order to do so. The data controller is the Chair of the APPG.

The All-Party Parliamentary Group on Anti-Corruption & Responsible Tax is a unique campaigning organisation with strong cross-party support that works to influence political debate and deliver real world change. Our aim is to develop and advocate for policies which promote fair taxation and put a stop to corruption or financial crime. We work not only for the headline fiscal purpose of increasing public revenue, but also for the wider purpose of ensuring that the public at large continues to have faith in the system. We are non-partisan and work to build consensus across the political divide. The APPG was established in June 2020 with the merger of two existing backbench Parliamentary groups on responsible taxation and anti-corruption. The group has a secretariat and specialist research function based out of the Policy Institute at King's College London that supports our Parliamentary campaigns. The group is funded by grants from The Joffe Trust and the Chartered Institute of Public Finance and Accountancy.