

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Third Delegated Legislation Committee

DRAFT INFECTED BLOOD COMPENSATION
SCHEME REGULATIONS 2025

Monday 24 March 2025

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The Committee consisted of the following Members:

Chair: SIR EDWARD LEIGH

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|---|---|
| † Asser, James (<i>West Ham and Beckton</i>) (Lab) | † Newbury, Josh (<i>Cannock Chase</i>) (Lab) |
| † Coyle, Neil (<i>Bermondsey and Old Southwark</i>) (Lab) | Olney, Sarah (<i>Richmond Park</i>) (LD) |
| † Dewhurst, Charlie (<i>Bridlington and The Wolds</i>)
(Con) | † Taylor, Alison (<i>Paisley and Renfrewshire North</i>)
(Lab) |
| † Fookes, Catherine (<i>Monmouthshire</i>) (Lab) | † Thomas-Symonds, Nick (<i>Paymaster General and
Minister for the Cabinet Office</i>) |
| † Gardiner, Barry (<i>Brent West</i>) (Lab) | † White, Jo (<i>Bassetlaw</i>) (Lab) |
| † German, Gill (<i>Clwyd North</i>) (Lab) | † Wood, Mike (<i>Kingswinford and South Staffordshire</i>)
(Con) |
| † Glen, John (<i>Salisbury</i>) (Con) | |
| † Holden, Mr Richard (<i>Basildon and Billericay</i>) (Con) | |
| † Jarvis, Liz (<i>Eastleigh</i>) (LD) | |
| † MacAlister, Josh (<i>Whitehaven and Workington</i>)
(Lab) | Aaron Kulakiewicz, <i>Committee Clerk</i> |
| † McCluskey, Martin (<i>Inverclyde and Renfrewshire
West</i>) (Lab) | † attended the Committee |

Third Delegated Legislation Committee

Monday 24 March 2025

[SIR EDWARD LEIGH *in the Chair*]

Draft Infected Blood Compensation Scheme Regulations 2025

6 pm

The Paymaster General and Minister for the Cabinet Office (Nick Thomas-Symonds): I beg to move,

That the Committee has considered the draft Infected Blood Compensation Scheme Regulations 2025.

It is a pleasure to serve under your chairmanship, Sir Edward. Let me first address the reason we are here today. The infected blood scandal was a profound failure of the state. It is hard to conceive the scale of the damage done and the incredible suffering of all those impacted. It is important that those people remain at the forefront of our minds. It is for them that we must do everything in our power to rectify this injustice, restore trust in the state and demonstrate that we will not allow such failures to happen again.

This scandal was allowed to go unaddressed for generations, and the onus is on us to rebuild relationships and support those impacted as they progress through the next chapter of their journey. That is why in the autumn Budget, we set aside £11.8 billion to compensate people who are infected and affected by the infected blood scandal. It is, rightly, one of the largest compensation schemes in our country's history.

The compensation scheme was first established in August last year by regulations approved by the House. The scheme is a tariff-based compensation scheme that provides compensation under both a core and a supplementary route. Under the Infected Blood Compensation Scheme Regulations 2024, the Infected Blood Compensation Authority, or IBCA, has already made progress in paying infected people. As of 14 March, 255 people have been invited to start their compensation claim and 40 people have accepted their offers, totalling over £44 million. We recognise the scale of what needs to be done, and the Cabinet Office continues to work closely with IBCA to ensure that it works as quickly as possible to deliver compensation to people for whom it is long overdue.

The draft regulations will consolidate the 2024 regulations and establish the compensation scheme in full, including for people who are affected: those loved ones of people who are infected, defined in the draft regulations as partners, parents, children, siblings and, in some instances, carers. The draft regulations will allow IBCA to begin making payments to people who are affected by the end of this year.

The draft regulations will also establish the supplementary route, for exceptional cases in which compensation under the core route was not considered sufficient. The supplementary awards for infected people include an additional autonomy award, where someone was subjected to unethical research; a severe health condition award

for financial loss and care, where someone suffered from a specific rare health condition that is likely to result in greater care needs or impact an infected person's ability to work; and an exceptional loss award for financial loss and care, where someone can evidence additional financial loss, most likely as a result of being a higher earner or having higher care costs due to their infection.

There is also a supplementary financial loss award for affected people. This will provide compensation where an affected person was financially dependent on an infected person at the time of their death and that dependency has not already been recognised through the core route. The supplementary route has a higher evidential requirement; people who are claiming will need to demonstrate that their circumstances necessitate a higher compensation award. Importantly, the draft regulations will also allow for people to return to the scheme should their condition worsen as a result of their infection, and for people to claim multiple awards in the devastating circumstances that they are both infected and affected, or affected multiple times over.

I should acknowledge that the draft regulations also amend a small mathematical error that was present in the 2024 regulations. I apologise for this, and reassure the Committee that anyone affected by the issue will receive all the compensation they are due, and resolving the issue should not cause any delays in the roll-out of compensation. The error is a result of the mathematical formula used to calculate some people's financial loss and care award in the 2024 regulations. To be clear, that means that some people who have been made an offer were offered slightly less than was intended. It will impact only a relatively small number of around 50 people who have received their offer of compensation from IBCA, and the discrepancy represents less than 1% of the claim amount. However, it is important that I draw this to the attention of Members.

Once the problem was identified, we worked quickly to identify a solution to ensure no one was negatively impacted. IBCA has reached out to claimants today to inform them of the error. In addition to IBCA ensuring that everyone receives the correct amount of compensation, the people who were impacted by this will also receive a small *ex gratia* payment. I want to reassure Members that steps were taken quickly and the draft regulations have been reviewed thoroughly to ensure that the error has been properly addressed. I also highlight that a small amendment was made to today's draft statutory instrument after it was laid to correct a very minor typographical mistake. Just to reassure Members, I note that the sub-paragraphs were (a) (b) (b) instead of (a) (b) (c), and there was an unnecessary comma. I reassure everyone that those errors have been corrected.

I recently visited the IBCA team, led by Sir Robert Francis, and I know how determined they are for compensation to be paid out to victims as soon as possible. Nothing can ever undo the decades of injustice, pain and suffering, but the draft regulations are another step towards providing full and fair compensation to the people impacted by the infected blood scandal, who have already waited too long for justice. We, as a Government, and more widely as a party and as parliamentarians, should not rest until we see this delivered. We will work closely with IBCA to ensure that it prioritises

providing payments quickly, efficiently and in a way that puts the people it is delivering for at the heart of its work. I look forward to hearing Members' contributions.

6.7 pm

Mike Wood (Kingswinford and South Staffordshire) (Con): I thank the Minister for presenting the draft regulations. I am particularly pleased that my right hon. Friend the Member for Salisbury agreed to bring his enormous expertise on this matter to the Committee. When he was Paymaster General, he worked tirelessly to make sure that victims and their families could at last receive some degree of justice. Above all, I thank those campaigners and victims who have spent years pushing for justice for this terrible tragedy, which continued for over a decade. It has taken decades more for it to begin to be put right.

This is an issue on which all parties have spoken as one, recognising the horrific harm caused to so many by this scandal. It has been a unity built around agreement with the incredible work done by Sir Brian Langstaff in his inquiry. There has been agreement across both sides of the House that we must implement the recommendations of that inquiry to begin to make right these serious wrongs. To be clear, we will not divide the Committee on the draft regulations because we do not want to do anything that jeopardises the payment of compensation that is already overdue to those who were affected or infected by contaminated blood.

The biggest concern that Members share has been the very slow pace of assessing and paying compensation claims. We welcome the progress highlighted by the Minister, but as of 14 March only 63 offers of compensation had been made and only 40 accepted. That equates to about five victims paid per week since the Paymaster General's statement last month. At that rate, it would take more than 15 years for all those infected to receive their compensation, and the draft regulations could extend compensation to perhaps 30,000 persons directly or indirectly affected by contaminated blood. It would take nearly 120 years to pay all those compensation payments at the current rate.

We recognise that part of the purpose of these regulations is to give additional powers to IBCA to pay compensation, but the current pace is clearly unacceptable, and is causing significant distress and despair to many who have already suffered more than anybody should. That raises questions about whether IBCA has the capacity needed to properly compensate those affected and those infected by contaminated blood. It looks increasingly unlikely that the £11.8 billion set aside for compensation will prove to be sufficient. Will the Minister confirm that the Government will ensure that further amounts are made available, as and when they are needed?

We have other concerns about the bureaucratic and evidential requirements in the regulations. There is a risk that those requirements prevent eligible people from applying. For example, not only partners, parents, children or siblings of infected persons but other carers of such persons can apply as "affected persons" for the care award to compensate for past and future care needs. However, they must be able to show that they provided an average of at least 16.5 hours of care per week to an infected person over a period of at least six months without reward or remuneration, show the nature of the care, and show the length of time such care was

needed. How does the Minister expect that kind of detail to be evidenced? If care was provided to a friend or family member without remuneration, as the regulations require, how likely is it that there would be written records or agreements? What evidence does the Minister expect to be available when the care might have been provided many years ago, particularly if the infected person has sadly since passed away?

We strongly support the IBCA framework document published two weeks ago and agree that there are sound reasons why it is appropriate, and arguably necessary, to initially second civil servants to allow IBCA to begin its important work without delay. However, as the Minister will be aware, some campaign groups have expressed concern about IBCA's level of independence. Although the tight tariff-based approach set out in the draft regulations clearly has benefits in fairness and consistency—and we strongly agree that this approach is appropriate in the vast majority of cases—is there a risk that such a framework could fail to provide fairness in some unusual cases that do not easily fit within the categories and levels set out? Will the Minister look at how IBCA could be given discretion to take into account atypical personal or health impacts, such as infertility? IBCA could, for example, be allowed to consider individual cases for injury, autonomy and social impact awards, as well as for financial loss and care awards.

The Minister will know that particular concerns have been raised about how those who developed hepatitis and haemophilia are treated under the draft regulations. Will he set out why haemophilia and hepatitis C cases were not included under the special cases mechanism in the supplementary route? How many infected people does he expect to be worse off as a result? Can he explain which experts decided which medical conditions would be recognised through the supplementary route and who among them had clinical experience of hepatitis and haemophilia?

Some of the requirements to qualify for further compensation, beyond core payments, look particularly onerous. While it is, of course, essential to be careful when dealing with such large amounts of taxpayers' money, I know that the Minister would not want the scheme to preclude people who have genuinely suffered different forms of harm and loss. Can the Minister give the Committee a clear idea of what kind of proof might be sufficient to demonstrate, for example, psychological damage caused by contaminated blood, which might then enable someone to access additional compensation?

Turning to the estates of affected people, while recognising there might be circumstances in which the restriction could be harsh, we agree with Sir Brian's recommendation, which is reflected in the draft regulations, that affected persons should be compensated in their own right but to go further and allow a claim by their estate would draw the circle too widely. However, can the Minister clarify what the position would be were an affected person to die after submitting an application for compensation, or possibly between receiving an offer of compensation and accepting it? Might their estate be able to benefit from a claim that had already been made, for which the affected person had been eligible before they passed away?

The partners of infected people registered on support schemes to date stand to lose their right to receive 75% of their partner's payments if they are bereaved, after

[Mike Wood]

the end of this month when the schemes officially end. Can the Minister explain why that decision has been made, and what assessment he has made of the extent to which other provisions within the draft regulations will make up for those amounts being lost by the bereaved partners of infected people who die after the end of this month?

As I said at the beginning, we will not divide the Committee because we do not want to do anything that risks delaying payments to people who have already had to wait for far too long. The draft regulations will be a huge relief and an enormous help to many affected people. However, we all want an effective, equitable and comprehensive scheme. I urge the Minister, who I know cares deeply about this issue, to work with his officials and look at how some of the gaps and apparent unintended consequences might be resolved, so that all those infected or affected by contaminated blood can receive the compensation that they need and deserve.

6.17 pm

John Glen (Salisbury) (Con): It is a pleasure to speak in this debate. I want to make a few points and to provide some context around how we got to this point, and also to ask the Paymaster General a few questions about the regulations.

As far as I can see, the regulations are identical to what I would have done had I continued in the role of Paymaster General and taken them forward. Notwithstanding the careful and forensic observations of my hon. Friend the Member for Kingswinford and South Staffordshire, which I am sure the Minister will wish to respond to, it is important to put on the record that the regulations were not just cooked up by myself or the Minister, with officials, without regard to the report and expectations of Sir Robert Francis. Indeed, I commissioned an independent expert—and they were an independent expert—using the best advice available, and the regulations were designed to capture all the difficult trade-offs in calibrating a scheme with five heads of loss and for a large number of conditions, while seeking, at every opportunity, to make good on the expectations of those who have suffered so much.

For clarity, I would like the Minister to acknowledge that that work was not just left and then translated into the regulations. There was a careful period of reflection with representatives of many of the infected and affected communities last summer before the Minister accepted the vast majority of the recommendations from that consultation. Will he therefore confirm that he stands by the outcome of that consultation?

I visited IBCA in Newcastle, and I recognise the ongoing concern around the speed of delivery—the Minister will no doubt feel exactly the same as Opposition Members do. Will he say a little about how he will ensure that the activation of the affected route and the supplementary route by these regulations will not impede but accelerate the expectations around securing payments?

A number of points were made in the “Infected Blood Compensation—Getting it Right” document and in the documents from the Haemophilia Society and the Hepatitis C Trust about the calibrations, and my hon. Friend the Member for Kingswinford and South

Staffordshire mentioned them in his questions. It would be helpful if the Minister could answer those concerns, because I echo them and they need to be dealt with.

Will the Minister also put on record that the myths out there about a large number of officials from the Cabinet Office or the Treasury—God forbid—being sent up to Newcastle to deliver this scheme in a constrained way are absolutely false? Will he acknowledge that it is the will of both sides of the House to deliver it as quickly as possible within the agreed framework, at arm’s length from Ministers and officials from whichever Department? Indeed, he is now in the invidious position of setting out the regulations for an arm’s length body to deliver something that he is not running day to day. He therefore has my enormous sympathies, and I hope we will have the integrity to continue this cross-party process, because it is important that IBCA, under David Foley’s experienced and able leadership, accelerates the delivery of these payments to the affected community and makes the supplementary route clear as quickly as possible.

I will finish by saying that 40 payments and £44 million do not sound like large numbers, and we do need to see that hockey stick. I am not dismissive of the concerns around speed of delivery, but the recommendation was that this would go to an arm’s length body, and it is fair for us all to acknowledge that the Minister cannot be held responsible for operational matters. However, he can be responsible for the regulations that he has set out so well this afternoon.

6.21 pm

Nick Thomas-Symonds: I am grateful for both those contributions. I repeat on record my tribute to my predecessor as Paymaster General, the right hon. Member for Salisbury. When I was in opposition, I always sought to work on a constructive, cross-party basis. I say to the shadow Minister, the hon. Member for Kingswinford and South Staffordshire, that I am pleased to see that continuing today. That does not mean that the Opposition do not ask appropriate and searching questions—of course they do—but that cross-party support is really important for the signal we send to the infected blood victims and for the delivery of this scheme, as we stand behind IBCA.

On the questions posed by the former Paymaster General, he will know that, during the general election campaign, when he and I were on various doorsteps around the country, Sir Robert Francis carefully conducted a consultation exercise with the victims. The first thing I found on my desk when I went into Whitehall was a report with 74 recommendations about changes to the scheme. Had the previous Government been re-elected, the document would have been waiting for the right hon. Gentleman. I accepted 69 of the 74 recommendations, including on the continuation of the regular payments and the payment of a lump sum. A significant set of changes were made to the scheme.

I am pleased that the right hon. Gentleman has visited IBCA and seen the work that is going on. I encourage the shadow Minister and other Members of Parliament with an interest in this matter to visit it to see that work. In the other place, Baroness Anderson undertook to place the “Infected Blood Compensation—

Getting it Right” document that the right hon. Gentleman referenced in the House Library so that everybody can see it. I support her undertaking.

The right hon. Gentleman is entirely correct that IBCA is an operationally independent arm’s length body. That is what it is set up to be. That is how it will conduct its day-to-day business. As the Minister, I stand ready to help and assist in any way I can to speed up the payments. I am restless for the speed of delivery to increase, but I respect that operational independence goes forward, as it is important that I do.

To the point made by the right hon. Gentleman around myths and misinformation, which I am afraid are just a fact of life in the age of social media, it is important for hon. and right hon. Members to go to IBCA’s website and see the newsletters and updates that it publishes on payments. We must also ensure that that is on the Government website, and I take the view that publishing things and putting them in the public domain is by far the better way to go. I will come to the issue the shadow Minister raised about tariffs in a minute, but the explanations for the decisions the Government have made are there in the documents on the website. I say to hon. and right hon. Members that they should go to them so that they can best assist constituents who raise questions.

The point about speed is important. IBCA is adopting a “test and learn” approach. In other words, it has a set of cases that are representative of the general body of cases for which it is paying out. That means that there should be—the right hon. Member for Salisbury referred to it as a hockey stick, which is essentially what it is—an exponential growth in payments. I am as restless as anybody in this room to get to that vertical part of the hockey stick as soon as possible.

To the shadow Minister’s point about money, we will make available the money that is required. We have already made that £11.8 billion available. He also asked a really good question about the level of evidence, and we recognise two things in that respect. First, so much of this happened a very long time ago now—particularly the importation of infected blood, which obviously ceased a long time ago. Secondly, we know from Sir Brian Langstaff’s report that there was deliberate document destruction. Those two things have to be taken into account in terms of evidence.

What I found at IBCA was that there will be that caseworker—that person—for each of these cases. What I also saw was the culture that Sir Brian Langstaff is insisting staff adopt, which is an enabling culture—a helpful culture. Many factors in particular cases are important, including whether someone was a carer or where people lived at the relevant point. People will have that sympathetic, enabling approach of asking what types of evidence might be helpful and where it could be obtained from.

Let me deal with the points about the framework document and about hepatitis C and hepatitis B versus HIV. First, the framework document sets out the timelines agreed between IBCA and the Cabinet Office. The bulk of infected people are to be paid by the end of 2027, and the bulk of affected people are to be paid by the end of 2029, but let me just make it clear that those are not targets: it is as soon as possible and not later than those dates.

John Glen: I can say this now: it is quite frustrating when, as a Minister, you are given those dates and you know that the significant likelihood and probability is that it will be faster than that, but you are not permitted to say so, because you cannot give false hope. I know the Paymaster General is seeking to move those to the left at every opportunity, but his wonderful officials will be constraining him and giving him some concerns around doing so.

Nick Thomas-Symonds: The right hon. Gentleman has particular insight into the workings of the Cabinet Office. Like everyone in the room, he and I are restless for progress. We want these payments out of the door as soon as possible.

The shadow Minister raised the issue of HIV, on the one hand, and hepatitis B and C, on the other. In terms of our tariff rates for hepatitis C, the impact of a hepatitis infection can obviously range from very mild to very severe, through to liver failure and death, as a direct result of the infection. The expert group—appointed by the right hon. Member for Salisbury—provided the Government with clinical advice on the distinctions between those impacts. That meant that we could set severity bands for hepatitis based on clear clinical markers. Therefore, where someone’s experience of hepatitis—whether historical or now—has been more severe, they will get more compensation.

The expert group also recommended a single severity band for those infected with HIV. Sadly, most people infected with HIV due to infected blood have already died, and in most cases the death was as a result of that HIV infection. Those who survived will continue to be severely impacted by their infection. The view of the expert group, which the Government accepted, is that it is disproportionately complex to break down the HIV category into different severity bands. That is why there is a distinction in the bands.

The shadow Minister rightly asked about affected estates. As he indicated, the Government are following Sir Brian Langstaff’s recommendation about how widely we draw the circle. Where an affected estate will have a claim is where there is a claim on a debt. What that means is that an offer was accepted while the affected person was alive. If there has been the offer and the acceptance, then the affected estate has a claim on the debt. We think that that is a reasonable place to draw the line, and it is in line with Sir Brian Langstaff’s recommendation.

I am grateful for both contributions to the debate. There is huge importance to getting this right. It is about achieving fair and comprehensive compensation that is simple enough to deliver quickly without diminishing the individual harm that people have faced. That is the purpose of a tariff-based scheme: it is to get that balance right between swiftness of delivery and not diminishing individual harm. As the shadow Minister will know, if we look at an infected person, there is the injury award, the social impact award, the autonomy award, the financial loss award and the care award, and indeed the core route and the supplementary route. It is a scheme that is trying to strike that balance.

No one is suggesting that this is a straightforward task, but if we look at the recommendations of the infected blood inquiry, at the work of Sir Robert Francis, the advice of the infected blood inquiry response expert group that was led so well by Sir Jonathan Montgomery—

[Nick Thomas-Symonds]

appointed by the right hon. Member for Salisbury—they have all made a significant contribution to where we are today. No amount of compensation will make up for the pain and suffering that the victims have faced, and the Government recognise that. Now, however, we need to focus on supporting the Infected Blood Compensation Authority, so I hope we get support for the draft regulations in a few moments; they will enable IBCA to provide that compensation swiftly and compassionately.

I welcome and thank all Members who are interested in this topic. I appreciate the cross-party work on seeking justice, but I also say to all Members present—just

as the right hon. Member for Salisbury did—that the door is open for them to raise individual cases and issues with me. Members should please raise them with the Cabinet Office, and I will do my best to ensure that they get a swift response. I hope all colleagues will join me in supporting the draft regulations, and I commend them to the Committee.

Question put and agreed to.

Resolved,

That the Committee has considered the draft Infected Blood Compensation Scheme Regulations 2025.

6.33 pm

Committee rose.