

Reforms to Companies House to clamp down on fraud and give businesses greater confidence in transactions

- Compulsory identity verification to be introduced to help trace people who are committing fraud or money laundering
- Companies House will be given greater powers to query, investigate and remove false information
- changes will give businesses confidence in who they are doing business with, with greater accuracy of data on the register, without impacting the speed of service

The UK's register of company information will be reformed to clamp down on fraud and money laundering, the government has announced today (Friday 18 September).

Under the plans, directors will not be able to be appointed until their identity has been verified by Companies House.

The changes aim to increase the reliability of the data showing who is behind each company so that businesses have greater assurance when they are entering transactions with other companies, such as when small businesses are consulting the register to research potential suppliers and partners.

It will also improve the ability of law enforcement agencies, such as the National Crime Agency, to trace their activity for suspected fraud or money laundering. Identity verification will take place through a fast, efficient, digital process and is expected to take a matter of minutes.

These reforms will not impact on the typical speed at which a company or organisation is formed and other filings are completed. Most companies will be able to be incorporated easily within 24 hours as is the case now.

Data on Companies House informs many transactions between businesses and underpins credit scores and lending decisions. Register data was accessed 9.4 billion times in the last year, and research suggests it is worth up to [£3 billion per year](#) to users.

The government's full response to the [Corporate Transparency and Register Reform](#) consultation has been published today. The reforms will give Companies House more powers to query and reject information, to improve the quality of data on the register, as well as affording users greater protections over their personal data, to help protect them from fraud and other harms.

Minister for Corporate Responsibility Lord Callanan said:

We are committed to making the UK the best place in the world to

start and grow a business. The reforms we are making to the Companies House register will provide businesses with greater confidence in their transactions.

Mandatory identity verification will mean criminals have no place to hide – allowing us to clamp down on fraud and money laundering and ensure people cannot manipulate the UK market for their own financial gain, whilst ensuring for the majority that the processes for setting up and running a company remain quick and easy.

Where any new controls are introduced, Companies House will keep the burden on business as low as possible and will continue to look for ways to make incorporation and access to its services as smooth as they can be.

For example, to facilitate the new identity verification requirement, Companies House will develop a fast, efficient, 24/7 digital verification process to minimise any strain on business, and prevent delays in incorporations and filings.

The government will consult on further changes to make Companies House more useful and usable, including reforms to the filing of company accounts.

Broader transformation of Companies House systems and processes will bring further business benefits through streamlining and digitising processes and improving the user experience.

The government will bring forward legislation to enact the reforms to the register when Parliamentary time allows.

Louise Smyth, chief executive of Companies House, said:

We are pleased that these significant and far-reaching changes are being announced.

We know how valuable our data is, not just to businesses but to law enforcement and these reforms will unlock that value even further.

Driving confidence in the UK economy is at the very heart of our plans to modernise Companies House, and we already have a substantial transformation programme in place to bring the government's ambition to life.

Security Minister James Brokenshire said:

We must use all the tools at our disposal to stop criminals profiting from their offending.

These changes will give law enforcement and the private sector more accurate information to crack down on dirty money and financial exploitation, to protect our security and prosperity.

The changes are a result of the government's 2019 consultation on Corporate Transparency and Register Reform. The government response is available on the [consultation page](#).