
Department for Work and Pensions 2014-15 Accounts

**Report by the Comptroller and Auditor
General**

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Fraud and error in benefit expenditure

Introduction

1 The Department's total estimated expenditure on benefits in 2014-15 was some £168.1¹ billion, of which £143.8 billion was in respect of benefits paid directly by the Department and £24.3 billion in respect of benefits paid on the Department's behalf by local authorities (Housing Benefit). Benefit expenditure represents 96% of the Department's 2014-15 total net operating costs of £174.8 billion, as recorded in the Department's Annual Report and Accounts.

2 Fraud and error is a significant problem in benefit expenditure. Overpayments arising from fraud and error increase costs to taxpayers and reduce public resources available for other purposes. Underpayments mean households are not getting the support they are entitled to.

3 Benefit payments are inherently susceptible to fraud and error, because:

- Entitlement is based on a range of eligibility criteria;
- They are dependent on claimants notifying the Department of changes of circumstance; and
- The complexity of benefits can cause confusion and genuine error.

4 Note 27 to the Department's accounts sets out forecast expenditure by benefit type, and the Department's estimate of the extent of fraud and error in each type. We consider the estimate of fraud and error disclosed in the Annual Report and Accounts is the best measure currently available.

5 We acknowledge the significant challenge the Department faces in administering a complex benefits system to a high degree of accuracy in a cost effective way. Some benefits, mainly those with means-tested entitlements, are more inherently susceptible to fraud and error due to their complexity. These tend to be the ones exhibiting the highest estimated rates of fraud and error, such as Housing Benefit and Pension Credit.

¹ As per Note 27 to the accounts, the total expenditure figures quoted are the latest estimated expenditure figures available for 2014-15 at the time the Department produced the fraud and error estimates.

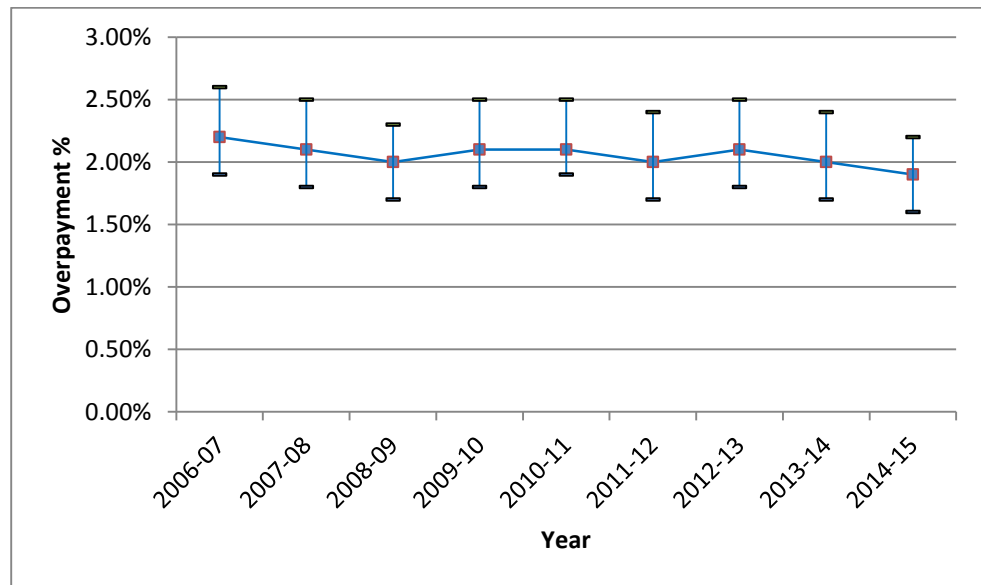
Estimated level of fraud and error in benefit expenditure

6 In Note 27 to the accounts, the Department estimates total gross overpayments due to fraud and error in 2014-15 are £3.2 billion (2013-14 – £3.3 billion). This equates to 1.9 per cent of total forecast benefit expenditure of £168.1 billion (2013-14 – 2.0 per cent on expenditure of £163.9 billion). While the reduction in the percentage overpayment is welcome, the Department acknowledges that this is not a statistically significant change from the levels of fraud and error reported in 2013-14.

7 Figure 1 below shows the estimated overpayments of benefit expenditure due to fraud and error as a percentage of benefit expenditure since 2006-07.

Figure 1

Estimated overpayments of benefit expenditure due to fraud and error



NOTES

1. Vertical bars equal confidence levels around the most likely estimate.

Figure Source: Department for Work and Pensions Annual Report and Accounts 2006-07 to 2014-15

8 The Department estimates total gross underpayments in 2014-15 are £1.4 billion (2013-14 – £1.4 billion), which equates to 0.9 per cent of total benefit expenditure (2013-14 – 0.9 per cent).

The Comptroller and Auditor General's audit opinion

9 Under the Government Resources and Accounts Act 2000, I am required to give an opinion on whether, in all material respects:

- The financial statements give a true and fair view of the state of the Department for Work and Pensions' affairs as at 31 March 2015 and of its net operating costs for the year then ended; and
- The financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

10 In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and revenue recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them (my regularity opinion).

11 Legislation specifies entitlement criteria for each benefit and the method to be used to calculate the amount of benefit to be paid. Where fraud and error result in over or underpayment of benefit to an individual who is either not entitled to that benefit, or is paid at a rate which differs from that specified in the legislation, the transaction is not in conformity with Parliament's intention and is irregular. In determining whether this should lead to a qualification of my audit opinion, I have chosen to apply a materiality judgement.

12 In respect of the 2014-15 financial statements of the Department for Work and Pensions, I have therefore qualified my opinion on regularity due to the material level of fraud and error in benefit expenditure, other than State Pension where the level of fraud and error is significantly lower. For State Pension, the Department estimates that fraud and error in 2014-15 resulted in gross overpayments of £0.13 billion (2013-14 – £0.11 billion), which is 0.2 per cent of related expenditure (2013-14 – 0.1 per cent), and gross underpayments of £0.15 billion (2013-14 – £0.12 billion), which is 0.2 per cent of related expenditure (2013-14 – 0.1 per cent).

13 The Department's accounts, and those of predecessor departments administering this expenditure, have received similar qualified audit opinions since 1988-89. Issuing an audit qualification is a serious matter, and the fact that similar qualifications have been in place for such a long period of time does not lessen that seriousness. I consider that the overall value of fraud and error in benefit expenditure remains unacceptably high, and the qualification of my audit opinion reflects that.

14 This report sets out the reasons and context for my qualified audit opinion by commenting on the key causes of fraud and error in benefit expenditure and the actions the Department is taking to try to reduce it.

Fraud and error measurement

15 The Department analyses overpayments and underpayments into three categories, which it defines as follows:

- Official error, which arises when a benefit is paid incorrectly due to inaction, delay or a mistaken assessment by the Department, a local authority or Her Majesty's Revenue and Customs (HM Revenue and Customs);
- Claimant error, which occurs when claimants make inadvertent mistakes with no fraudulent intent; and
- Fraud, which arises when claimants deliberately seek to mislead the Department or local authorities which administer benefits on the Department's behalf to claim money to which they are not entitled.

16 The Department has reported the estimated overpayments and underpayments against each category in Note 27 to the accounts. The Annex to this report summarises that categorisation, and further analyses overpayments and underpayments into those benefits administered directly by the Department and those administered by local authorities.

17 Caution should be exercised when examining the estimates for trends, due to the measurement uncertainties explained in Note 27. In particular, estimated levels of fraud and error in some benefits are a number of years old. For example, Disability Living Allowance, which accounted for £13.8 billion of expenditure in 2014-15, has not been measured for fraud and error since 2004-05, and the Department does not plan to measure its successor benefit, Personal Independence Payment, until 2016-17. We believe that the absence of up-to-date information on error rates in such a large benefit stream creates a risk that the Department is making decisions based on out-of-date measurements. Furthermore, some smaller value benefits have never undergone a measurement exercise. The levels of fraud and error in these benefits are calculated through proxy rates from other measured benefits, either continuously measured or historically measured.

18 For the 2014-15 estimates, the Department has aligned the Housing Benefit fraud and error measurement methodology with the measurement methodology for the other continuously measured benefits (Jobseeker's Allowance, Employment and Support Allowance, State Pension Credit and Income Support). If the measurement methodology had remained the same as in previous years, Housing Benefit fraud and error would have increased from 5.8 per cent in 2013-14 to 6.1 per cent in 2014-15. The Housing Benefit measurement methodology change has not impacted the total estimated level of overpayments due to fraud and error of 1.9 per cent.

19 The overpayment and underpayment figures quoted in this report all relate to the gross level of fraud and error in benefit expenditure. The Department does recover some overpayments as and when it becomes aware of them. As reported in Note 27,

in 2014-15 the Department expects to recover around £900 million from overpaid claimants.

The Department's work to reduce fraud and error

20 The Department recognises that the level of fraud and error in benefit expenditure is too high and has, over the years, made many efforts to reduce it. The 2014-15 preliminary estimates suggest that these efforts have had some success, as the level of fraud and error in benefits directly administered by the Department has reduced since 2013-14. However, fraud and error within Housing Benefit, which is administered by local authorities, has increased over the last two years.

21 2014-15 was the last year of a five year Departmental fraud and error strategy. The strategy, set in October 2010, proposed to deliver a reduction in overpayments of some £600 million per year from existing benefits, with a further £200 million per year to be saved through the introduction of Universal Credit. The Department aimed to reduce the estimated level of overpayments to 1.7 per cent by April 2015. The Department did not set a target for reducing underpayments.

22 During 2014-15, the Department has undertaken work in a number of areas to reduce fraud and error. These include:

- Launching advertising campaigns to:
 - encourage the public to report known perpetrators of fraud, and
 - make claimants aware of the need to keep the Department informed of any changes in circumstances which would affect their benefit payments;
- Using real-time information (RTI) income and earnings data held by HM Revenue and Customs to identify inconsistencies in earnings data provided by claimants;
- Addressing abroad fraud by greater use of data-sharing to verify the continued entitlement of UK state pensioners living overseas;
- Additional case cleanse activity, using risk rules and data matching to identify potential error and fraud;
- Implementing a Quality Framework for new telephone claims, which is designed to improve both benefit claim accuracy and claimant experience;
- Enforcing stronger penalties. Since 2012, the Department and local authorities have imposed nearly 70,000 penalties for fraud and more than 150,000 penalties for identified claimant error;

- Developing specific initiatives to work with local authorities to reduce fraud and error in Housing Benefit (further details at paragraph 39); and
- Implementing the Single Fraud Investigation Service, which is designed to coordinate the investigations previously managed individually by the Department, HM Revenue and Customs and local authorities. The Department intends that by pooling expertise and information, it will be able to address fraud more efficiently.

23 Over the last five years, the Department has developed new insight and analysis on fraud and error. This includes work we undertook with the Department in 2012 and 2013 to identify the root causes of fraud and error in benefit expenditure and the characteristics required for a robust fraud and error response.

24 One of the principal findings of this work was that the largest proportion of error enters the benefits system due to changes in claimants' circumstances after a correct initial award. As a result, during 2014-15, the Department increasingly focussed on identifying and correcting errors in existing claims arising from previously unidentified changes in claimants' circumstances. This work was concentrated on Pension Credit, Disability Living Allowance and a range of working age benefits. This work uses data scans and matching rules to identify cases with potential fraud and error for further investigation. Building on this, the Department is developing an analysis and intelligence hub to improve its analytical capability by using a wider range of data sources. The Department is building the hub for Universal Credit, but it will also be helpful for legacy benefits.

25 Going forward, the challenge for the Department will be to move such analysis and investigation into its business as usual processing of benefits. As part of this, we consider the Department should consider applying its recently introduced Quality Framework to processing teams dealing with claimants' changes in circumstances, as well as just new claims.

26 Our previous work with the Department also identified the major causes of overpayments. A breakdown of these for the continuously measured benefits in the 2014-15 preliminary estimates is set out in Figure 2. This clearly shows that misreporting of income is the largest cause of overpayments. In response, the Department has increasingly used data matching. In 2014-15, it carried out a bulk exercise to match RTI data against legacy benefits. The Department states that this work has generated savings of some £114 million, and is now integrating such data matching into business as usual activity for Pension Credit. The Department continues to use RTI data to provide information on earnings as part of the calculation of claimants' Universal Credit entitlement.

Figure 2

Where overpayments arise

Error Type	£m
Income and earnings - misreporting and incorrect processing	£1,120m
Living arrangements - undisclosed and incorrect processing	£340m
Living abroad and untraceable - undisclosed and incorrect processing	£230m
Capital held - misreporting and incorrect processing	£220m
Departmental errors - in application of controls and processing of premiums	£130m
Other conditions of entitlement - misreporting and incorrect decisions	£80m
Tax Credit income - misreporting	£50m
Other	£190m
Total	£2,360m

NOTES

1. DWP is able to assess the causes of overpayments on its continuously measured benefits: Jobseeker's Allowance, Pension Credit, Housing Benefit, Income Support and Employment and Support Allowance. It can not undertake this analysis on the benefits which are not continuously measured.

Figure Source: Department for Work and Pensions Accounts, Fraud and Error in the Benefit System: Preliminary 2014-15 Estimates

27 In March 2015, the Department published a report *'Tackling Fraud, Error and Debt in the benefits and tax credits system'*. This recorded the progress made over the last five years against the 2010 strategy and the measures that it has put in place to secure further improvements. It also reiterated that the 'levels of fraud, error and debt in the benefits and tax credits system are unacceptably high'.

28 The Department's preliminary estimate for 2014-15 shows that it has slightly reduced overpayments due to fraud and error from 2.0 per cent of benefit expenditure (2013-14 final estimate) to 1.9 per cent. The Department notes that this is a non-statistically significant change. As noted above, in 2010 the Department agreed a target to reduce the estimated level of overpayments due to fraud and error to 1.7 per cent of benefit expenditure by April 2015. Whilst the final estimates of fraud and error for 2014-15 will not be published until November 2015, in my view the Department is not on track to achieve this target. The Department also set its own target to reduce the levels of overpayments and underpayments caused by its own mistakes (Official Error) by £200 million between October 2010 and March 2015. The 2014-15 preliminary estimates indicate that it has not met this target.

29 Furthermore, the Department has reduced the pace of the roll out of Universal Credit, on which I commented in my report *'Universal Credit: Progress Update'* (HC786 2014-15). As a result, Universal Credit has not yet realised the £200m annual

fraud and error savings originally expected by March 2015. However, the Department expects that once fully rolled out, the implementation of Universal Credit will reduce annual fraud and error overpayments by around £0.5 billion. Before that happens, the Department should not neglect the existing levels of fraud and error on those legacy benefits which will continue to be in operation until fully replaced by Universal Credit.

30 In April 2015, the Department issued a new fraud, error and debt strategy for the period 2015 to 2020. The strategy details a range of interventions planned by the Department to address overpayments. This new strategy is designed to be supported by benefit level fraud, error and debt reduction strategies. In March 2015 the Department produced such strategies for Housing Benefit and Pension Credit; two of the benefits with the largest levels of fraud and error. These two strategies set out specific success criteria and envisage the development of detailed activity plans setting out exactly what work will be done in support of the strategies, including new initiatives and process reviews.

31 We welcome the Department's move towards preparing strategic approaches on an individual benefit basis. This should provide greater focus on the specific risks and challenges in each benefit, allow the development of benefit specific interventions and provide greater prioritisation of activity. However, these strategic approaches need to be supported by:

- Clear operational plans, which set out expectations, activity, and accountability for various teams within the Department, including those responsible for front-line operations;
- Clear baselines and success criteria, against which the Department can regularly and robustly measure and monitor progress; and
- As planned interventions are rolled out, the Department must collate information and undertake rigorous measurement so that each intervention can be assessed to determine if it works and is actually delivering the planned savings and outcomes.

Housing Benefit

32 Estimated overpayments in Housing Benefit due to fraud and error have continued to rise in 2014-15. This contrasts to most other continuously measured benefits where levels are reducing or remaining similar. As referenced in paragraph 18 above, in 2014-15 the Department has amended the measurement methodology for Housing Benefit to align it with the methodology used for other continuously measured benefits. The estimated overpayments in Housing Benefit due to fraud and error for 2014-15 based on the old methodology is 6.1%, however based on the new methodology the estimated level is 5.7%.

33 Housing Benefit is administered by local authorities on behalf of the Department. Nevertheless, the Department has a key role in setting the framework within which local authorities manage Housing Benefit. The funding arrangement between the Department and local authorities contains a formula intended to encourage local authorities to make accurate payments by affecting the amounts paid to them based on accuracy targets.

34 Many of the reasons for overpayments in Housing Benefit are similar to those of other benefits. In particular, Housing Benefit is means-tested, which means entitlement can be based on complex, interlinked or subjective evidence, which is sometimes difficult to obtain or verify. This is more challenging for Housing Benefit, which because of its high caseload of in-work claimants, is particularly susceptible to fraud and error arising from misreporting of earnings and income.

35 Errors also arise from poor or non-timely exchange of information between the Department and the local authority regarding whether a claimant is in receipt of, or entitled to, a qualifying benefit. In practice, given the lack of direct integration between the Department's systems and those of all local authorities, such errors will be difficult to eliminate.

36 In response to the high error rate, my staff undertook and published a detailed study, *'Housing Benefit fraud and error'* (HC720 2014-15), which focused on the Department's ownership and oversight of the administration of Housing Benefit and its associated fraud and error.

37 In my report, I recommended the Department set clearer responsibilities for reducing fraud and error, improve incentives for local authorities to prevent and identify fraud and error and improve the quality of information about fraud and error in oversight and assurance processes. As noted earlier in this report, in March 2015 the Department designed a Housing Benefit fraud and error strategy, by which it aims to address the key findings identified in my report.

38 The key elements of the Department's revised strategy are:

- To utilise data and analytics to ensure a quality exchange of claimant data;
- Review the end to end claimant journey to understand where processes, guidance, learning and claimant engagement could be improved;
- Consider further incentives for local authorities to support them to reduce the monetary value of fraud and error; and
- Better understand local authority performance.

39 This will build on previous initiatives by the Department to enhance the sharing of data. These include:

- In February 2012, the Department started supplying daily updates of changes in benefit entitlements to local authorities through Automated Transfers to Local Authority Systems (ATLAS). Whilst ATLAS provides a

welcome opportunity for data sharing, the Work and Pensions Select Committee has recommended that the Department and local authorities jointly review ATLAS so that local authorities can access the information they need to verify Housing Benefit claims more easily;²

- In November 2014, the Department launched the Fraud and Error Reduction Incentive Scheme (FERIS). The scheme aims to encourage local authorities to identify changes of circumstances which will lead to a reduction in the Housing Benefit fraud and error. Financial rewards are offered to local authorities that identify reductions above a set threshold. FERIS is intended to run through 2014-15 and 2015-16 with 98% of local authorities, covering 99% of the Housing Benefit caseload, having enrolled to participate in the scheme.

40 In due course we intend to review the success of the Department's revised strategy for fraud and error in Housing Benefit.

Conclusion

41 The estimated value of fraud and error overpayments in benefit expenditure in 2014-15 is £3.2 billion, or 1.9 per cent of expenditure. This is a non-statistically significant reduction in the level of fraud and error from 2013-14 (2013-14 – £3.3 billion and 2.0 per cent respectively).

42 Over the period in which the Department has measured them, fraud and error rates have consistently remained high. As a result, both I and my predecessors have qualified our audit opinion on the Department's accounts on the grounds of material amounts of fraud and error in benefit expenditure since 1988-89. I consider that this view remains consistent with the views expressed by the Government in the March 2015 Cabinet Office Fraud, Error and Debt Taskforce document '*Tackling Fraud, Error and Debt in the benefits and tax credits system*', that the level of fraud and error in the benefit system is unacceptably high.

43 In order to develop effective ways of reducing fraud and error in benefits expenditure, the Department needs to further enhance its understanding of how and why overpayments arise in individual benefits. This requires the collection and analysis of quantitative and qualitative data on fraud and error to identify key risk areas and an understanding of how it will exploit this data to direct operational activity. The Department needs to use this data to develop fraud and error strategies for individual benefits, as it has started to do with Pension Credit and Housing Benefit. The strategies then need to be put into effect, which will need to include designing controls to tackle the inflow of fraud and error into the benefits system, as well as removing the fraud and error already in the system. To make this work will require

² Work and Pensions Committee Report *Fraud and error in the benefits system* HC 1082 2013-14 para 37

commitment and focus on behalf of the whole Department, including operational teams.

44 The 2010 Spending Review ended in March 2015. We have taken this as an opportunity to take stock of the work that has been done by both the Department and HM Revenue and Customs to reduce the levels of fraud and error in benefits during the Spending Review period. I will shortly issue my report, *'Fraud and Error Stocktake'* in which we look at the Departments' progress in reducing fraud and error in the 2010 Spending Review period, and their emerging plans to tackle fraud and error.

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13 July 2015

Annex

Overview of fraud and error estimates

1 The tables below report fraud and error rounded to the nearest £100 million, and rows and columns may not sum due to rounding. The percentages are, however, calculated on the basis of unrounded figures.

Figure 3

Estimated overpayments and underpayments by category

Category	2014-15	2014-15	2014-15	2013-14	2013-14
	Total expenditure £ million *	Overpayments £ million * (% of related expenditure)	Underpayments £ million * (% of related expenditure)	Overpayments £ million * (% of related expenditure)	Underpayments £ million * (% of related expenditure)
Official error		700 (0.4)	500 (0.3)	700 (0.4)	500 (0.3)
Claimant error		1,300 (0.8)	900 (0.6)	1,500 (0.9)	900 (0.6)
Fraud		1,100 (0.7)	- -	1,100 (0.7)	- -
Total	168,100	3,200 (1.9)	1,400 (0.9)	3,300 (2.0)	1,400 (0.9)

NOTES

Figure Source: Unrounded estimates provided by the Department for Work and Pensions for the purposes of our financial audit work. The same estimates were used by the Department to produce the report *Fraud and Error in the Benefit System: Preliminary 2014-15 Estimates* (for the 2014-15 estimates) and *Fraud and Error in the Benefit System: Preliminary 2013-14 Estimates* (for the 2013-14 estimates).

*Rounded to the nearest £100 million. Rows and columns may not sum due to rounding.

2 Overall, the level of fraud and error within benefits directly administered by the Department has fallen in 2014-15. However, fraud and error within Housing Benefit (which is administered on the Department’s behalf by local authorities) has increased. As stated in paragraph 18, if the measurement methodology had remained the same as in previous years, Housing Benefit fraud and error would have increased from 5.8 per cent in 2013-14 to 6.1 per cent in 2014-15. I comment specifically on Housing Benefit in paragraphs 32 to 40.

3 We set out in figure 4 below the split of overpayments and underpayments between those benefits administered directly by the Department, and those administered by local authorities.

Figure 4

Breakdown of estimated overpayments and underpayments by category

	2014-15			2013-14		
	Benefits administered directly by the Department	Housing related benefits administered by Local Authorities**	All DWP benefits	Benefits administered directly by the Department	Housing related benefits administered by Local Authorities**	All DWP benefits
Total expenditure £ million *	143,800	24,300	168,100	140,000	23,900	163,900
Official error overpayments £ million * (% of related expenditure)	600 (0.4)	100 (0.6)	700 (0.4)	600 (0.4)	100 (0.6)	700 (0.4)
Official error underpayments £ million * (% of related expenditure)	400 (0.3)	100 (0.3)	500 (0.3)	400 (0.3)	100 (0.3)	500 (0.3)
Claimant error overpayments £ million * (% of related expenditure)	500 (0.4)	800 (3.2)	1,300 (0.8)	600 (0.4)	900 (3.8)	1,500 (0.9)
Claimant error underpayments £ million * (% of related expenditure)	700 (0.5)	200 (0.9)	900 (0.6)	600 (0.4)	300 (1.2)	900 (0.6)
Claimant fraud overpayments £ million * (% of related expenditure)	700 (0.5)	500 (1.9)	1,100 (0.7)	800 (0.5)	300 (1.4)	1,100 (0.7)
Claimant fraud underpayments £ million * (% of related expenditure)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)

NOTES

Figure Source: Unrounded estimates provided by the Department for Work and Pensions for the purposes of our financial audit work. The same estimates were used by the Department to produce the report *Fraud and Error in the Benefit System: Preliminary 2014-15 Estimates* (for the 2014-15 estimates) and *Fraud and Error in the Benefit System: Preliminary 2013-14 Estimates* (for the 2013-14 estimates).

*Rounded to the nearest £100 million. Rows and columns may not sum due to rounding.

**In 2014-15 DWP introduced changes to the way it measured Housing Benefit fraud and error.

- 4 **Official error** arises where the Department or the local authority makes a mistake in administering a benefit. In the benefits administered directly by the Department, official errors are proportionately higher in means-tested or disability related benefits, where entitlement depends on the Department collating and assessing a wide range of information. In general, the more complex the data requirements required to establish entitlement to a benefit, the more difficult it is to administer and therefore the higher the inherent risk of an official error being made.
- 5 **Claimant error** accounts for just under half the total cost of the Department's overpayments and around two thirds of the total cost of underpayments. As with official error, those benefits with the highest claimant error rates are means-tested benefits, such as Pension Credit, Jobseeker's Allowance and Income Support, which have entitlement conditions that relate to the level of income and/or savings of claimants. Mistakes can arise here as a result of the claimant failing to provide accurate or complete information to the Department, or having failed to report a change in their circumstances, which leads to an incorrect assessment being made.
- 6 Claimants have a responsibility, as a condition of receiving benefit, to provide the Department with accurate and complete information and to tell the Department promptly about any changes in their personal circumstances that might affect the amount of benefit to which they are entitled. This relies on claimants being pro-active in notifying changes. In the past the Department has adopted this approach because it did not have routine access to verifiable third party sources of information, or the information may not exist that would allow them to track such changes. This is now changing with the increased use of income and earnings information from HM Revenue and Customs.
- 7 Overpayments due to **fraud** again arise primarily in the means-tested benefits that require claimants to supply complete and accurate information in order to establish entitlement to benefit. Most commonly, fraudulent claimant statements relate to the claimant's living arrangements where the claimant has a partner but is claiming and receiving benefit as a single person, or falsely stating the level of their earnings or savings, whether those are legitimate earnings or from the grey economy. There are also instances where the claimant has provided a false address in order to claim benefit.
- 8 The Department's research indicates that claimant difficulties in reporting changes in their circumstances, and concerns about potential changes or disruptions to benefit payments, contribute to fraud³. The complex administration of benefits also allows potential fraudsters the opportunity to present themselves differently to different administering agencies, which are not always sufficiently integrated to identify those instances. The introduction

³ 'Tackling fraud and error in the benefit and tax credits system', October 2010.

of RTI is seeking to tackle the disparity between information provided to the Department and HM Revenue and Customs.