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Coverage: Great Britain
Theme: Social and Welfare

Further information on the levels of fraud and error in Income Support and Jobseeker's Allowance

Further details of the levels of fraud and error occurring in claims for Income Support (IS) and Jobseeker's Allowance (JSA) over the period April 2002 to March 2003 are published as National Statistics today. Figures for this period measuring progress towards the Public Service Agreement (PSA) target on fraud and error have already been published on 12th February 2004. These showed that for the period April 2002 to March 2003, 6.4 per cent of the benefit paid on IS and JSA was overpaid due to fraud and error, equivalent to £1.09 billion annually. Both reports can be read on the Department for Work and Pensions website at:

www.dwp.gov.uk/asd/asd2/fraud.asp

Targets

The Department for Work and Pensions has Public Service Agreement (PSA) targets to reduce fraud and error by 10 per cent by March 2002, by 25 per cent by March 2004 and by 50 per cent by March 2006. The PSA target measure is the estimated percentage of benefit overpaid due to fraud and error, including official error, in Income Support and Jobseeker's Allowance.

The baseline from which progress is measured, is the level over the 12 months from October 1997 to September 1998 published in a Government Statistical Service report in October 1999.

New Target

In the Spending Review 2002 the PSA target was changed with effect from April 2003 so that it covered working age cases only, with a target reduction of 33 per cent by March 2004 and 50 per cent by March 2006. The report contains full information relating to the new target.

Analysis of Results

As well as repeating the main national results and measurement for the PSA targets, this report gives a further breakdown of the results, with figures for each Government Office Region across the country and showing the most common types of fraud, customer error or official error.

Estimates indicate that the IS Lone Parents client group (followed by JSA) has the highest rate of fraud in terms of proportion of cases, monetary value and percentage of expenditure. IS Pensioners continue to make the most mistakes and the value now exceeds that for fraud due to the drop in pensioner fraud. The highest proportion of cases with official error occurs for IS Lone Parents. However the highest monetary percentage rate for official error is attributed to JSA despite having the lowest number of official error cases.

As for previous years there are considerable variations in levels of fraud and error between regions. The main areas of fraud are where people are working full time while claiming, particularly JSA, and where they are claiming as Lone Parents when they are actually living with a partner. The main areas of customer error are customers incorrectly reporting their income and existing capital which would affect the amount of benefit they receive. The main areas of official error relate to decisions over whether claimants are entitled to receive benefits or not, particularly in JSA.

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Interpretation of Results

The results are derived from the analysis of a sample of IS and JSA claims, rather than of all IS and JSA claims, so they are subject to statistical uncertainties. These uncertainties have been quantified and are presented in the results as 95 per cent confidence limits. Further sources of uncertainty have not been quantified. Fraud is by its nature a covert activity, and it is possible that some frauds and errors on sample cases will not have been uncovered. In addition, there are instances where fraud was suspected but was not admitted and could not be proven.

Notes to Editors:

1. “Fraud and Error in Income Support and Jobseeker’s Allowance from April 2002 to March 2003: Full Annual Report” is a National Statistics publication and is produced to the high professional standards outlined in the National Statistics Code of Practice. National Statistics publications undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.
2. # is equivalent to pounds.