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Coverage: Great Britain  
Theme: Social and Welfare

## Fraud and Error in Income Support, Jobseeker's Allowance and Pension Credit from April 2004 to March 2005

Estimates of the levels of fraud and error occurring in claims for Income Support, Jobseeker's Allowance and Pension Credit over the period April 2004 to March 2005 are published as National Statistics today.

The report can be read at the Department for Work and Pensions website at:  
[www.dwp.gov.uk/asd/asd2/fraud.asp](http://www.dwp.gov.uk/asd/asd2/fraud.asp)

### Public Service Agreement Target

The Department for Work and Pensions has a Public Service Agreement (PSA) target to reduce fraud and error 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.

For the period April 2004 to March 2005, the estimated level of fraud and error overpayment on IS and JSA was 5.4 per cent of the benefit paid over the year. This is equivalent to an estimated overpayment of £680 million in the year. Once allowance is made for factors affecting the consistency of the time series, the estimate of performance against the PSA target is a reduction of 44 per cent. Further analysis of these factors will be carried out for future reports.

### Service Delivery Agreement

The Pension Service has a Service Delivery Agreement (SDA) target to reduce fraud and error overpayments to pensioners in Pension Credit by 20 per cent by March 2006. This is measured against a baseline level of benefit overpaid on Minimum Income Guarantee (MIG) in the year April 2001 to March 2002. MIG was replaced by Pension Credit in October 2003.

For the period April 2004 to March 2005, the estimated level of fraud and error overpayment on Pension Credit was 4.6 per cent of the benefit paid over the year. This is equivalent to an estimated overpayment of £280 million in the year. Once allowance is made for factors affecting the consistency of the time series, the estimate of performance against the PSA target is a reduction of 7 per cent. This 7 per cent is small when compared with the statistical and other uncertainties surrounding the estimate.

### Interpretation of Results

The results are derived from the analysis of data collected for a sample of IS, JSA and Pension Credit claims, rather than analysis of all IS, JSA and Pension Credit 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. As a result of adjustments to deal with data quality problems, these confidence limits are wider than in previous estimates. Further sources of uncertainty have not been quantified, but are not negligible.

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 not admitted or otherwise confirmed.

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For the estimates of change over time, and so performance against targets, these uncertainties mean that small changes and differences can't be measured confidently. In addition, changes that have occurred in the design and application of the data collection methodology since 1998 may have substantially affected the comparability of the results across time. Where possible, the analysis has attempted to address this.

### **Notes for Editors**

1. "Fraud and Error in Income Support, Jobseeker's Allowance and Pension Credit April 2004 to March 2005" 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.
2. # is equivalent to pounds.