

National Rollout of Credit Reference Agency Data-matching in Housing Benefit and Council Tax Benefit

Equality Impact Assessment

June 2011

Equality impact assessment for National Rollout of Credit Reference Agency Data-matching in Housing Benefit and Council Tax Benefit

Introduction

1. The Department for Work and Pensions has carried out an equality impact assessment on the proposal to introduce the national rollout of the Credit Reference Agency Data-matching in Housing Benefit assessing it in line with the current public sector equality duties.
2. This process will help to ensure that:
 - the Department's strategies, policies and services are free from discrimination;
 - the Department complies with current equality legislation;
 - due regard is given to equality in decision making and subsequent processes; and
 - opportunities for promoting equality are identified.

Scope of this assessment

3. The equality impact assessment will demonstrate how the Department has demonstrated it has paid due regard when developing new services or processes to protection against discrimination on the grounds of race, disability, gender, age, gender reassignment, sexual orientation, pregnancy and maternity, and religion and belief (the protected characteristics).

Brief outline of the policy or service

4. Fraud as a result of undeclared Living Together (LT) is one of the top causes of overpayment in the benefit system. In the period April 2009 – March 2010 it accounted for £99m in IS/JSA benefits and £81m in working age HB.
5. Credit Reference Agencies hold useful data about individuals and their access to financial services. Jobcentre Plus already uses such information following an earlier successful pilot exercise as a source of identifying living together fraudulent claims.
6. However, LAs do not have access to data-matches against financial information that would identify HB customers who are claiming to be single but are possibly living with a partner at the same address. LAs normally rely on

allegations from the public. Matching with CRA data provides a new method for identifying customers who are potentially living together as husband and wife using data not otherwise available to LAs, which in some cases reduces the need for surveillance.

7. A pilot to data-match Credit Reference Agency data with Housing Benefit/Council Tax Benefit (HB/CTB) records was conducted between June 2008 and September 2009. Our aim was to identify living together, non-residence; undeclared non-dependents; landlord/tenant relationships; and possible sub-letting.
8. For the pilot, Experian provided a bespoke data matching solution that took data from LAs via DWP, compared this with the information it holds and performed a risk assessment to highlight cases that would be worth investigating further using Experian's Investigator Online (IOL) service.
9. The pilot, which ended in September 2009, was a success in identifying 'hard to find' frauds, such as LT fraud, helped to identify cost savings and provided an estimate of potential benefit overpayments. On this basis the Department decided to implement a national rollout of these data-matches in all LAs.
10. The national rollout of the Credit Reference Agency data-matching in Housing and Council Tax Benefit will provide a set of data-matches to assist local authority investigators detect and prosecute fraud and error in Housing Benefit/Council Tax Benefit.
11. This data-match is a nationwide financial match on working age non-passported Housing Benefit/Council Tax Benefit claimants regardless of race, age, gender, transgender, disability, sexual orientation, pregnancy and maternity or religion and belief (the protected characteristics). Non-passported Housing Benefit/Council Tax Benefit cases on those not automatically entitled to Housing Benefit/Council Tax Benefit from receipt of another income related eg Income Support.
12. The Credit Reference Agency will provide a data matching solution that will take working age non-passported caseload data from local authorities via DWP, compare this with the information it holds to check for a financial association between a claimant and another adult in the household and perform a risk assessment to highlight cases for further investigation.
13. Where inconsistencies are found that suggest that data held by a local authority may be incorrect, they will be referred to the relevant local authority for further action. Although local authorities are independent bodies, the DWP would expect these cases to be investigated in accordance with existing law and guidance.
14. This initiative should help to reduce fraud and customer error in Housing Benefit/Council Tax Benefit. This data-match will also adhere to the DWP Data-matching Code of Practice.

Consultation and involvement

15. Data-matching within DWP already occurs and this initiative will provide an additional set of data-matches to assist local authority investigators detect and prosecute fraud and error in Housing/Council Tax Benefit.
16. However, this initiative now forms the part of the Government's publication "Tackling fraud and error in the benefit and Tax Credits systems", published on 18 October 2010¹.
17. The Department has consulted with LAs throughout the pilot and for national rollout of this initiative such as the Security Operational Group (SOG) and LAA Steering Group. This was done on a regular basis.

Impact of data-matching with CRA data for Housing Benefit

18. To improve fraud and error detection DWP will be providing non passported working age data to a third party to identify people who claim to be single but are living with a partner. The third party will perform a risk assessment to highlight cases that would be worth investigating further and they will also provide an On-line information service to assist LAs in this action.
19. It should be noted that the Credit Reference Agency data-matching is a nationwide data-match on working age non-passported working age Housing/Council Tax Benefit claimants regardless of race, gender, disability or sexual orientation.
20. We are satisfied that the exercise is compliant with the Data Protection Act and European Convention of Human Rights and there is no negative impact identified.
21. The data collected also doesn't show any disproportionate or adverse impact on LAs' staff.

Age

22. This data-matching initiative applies equally to all standard working age claimants whatever their age. Data on age is available by way of the Single Housing Benefit Extract (SHBE) and the Department has checked this data and established that there will not be any adverse affect on claimants in any specific age groups.
23. However, when the high risk referrals are issued to local authorities and they are progressed to establish potential LT fraud or error, the Department will not

¹ <http://www.dwp.gov.uk/docs/tackling-fraud-and-error.pdf>

be able to determine if any of these cases have any adverse affect on claimants in the different age groups as this information is not available.

Gender, including pregnancy and maternity

24. This initiative applies equally to either gender. Data on the gender split of standard working age cases that are sent to a third party is available through the SHBE data. Evidence suggests that there are more women than men in the standard working age category. However, on receipt of the high risk referrals, the LA will make further enquiries and gather additional evidence for all referrals before establishing if the case is a potential LT fraud or error regardless of gender.
25. Once these cases have been considered, the Department will not be able to determine if any of these cases have any adverse affect on claimants in the gender groups as this information is not available.

Disability

26. Data on disability is unavailable. Data that might be available would include limited administrative data, based on whether a person was in receipt of a benefit related to disability, although not receiving such a benefit would not be considered conclusive that a person did not have any disability. Data that would be available might also include survey data obtained generally about the number of claimants who, when completing an equal opportunities monitoring form at the same time as making a benefit claim, identify a disability. Survey data would be anonymised, meaning that it is not recorded in relation to individual claimants. It is therefore not possible to disaggregate what the position is for a specific individual who has claimed benefit. This limits the extent to which such survey data could be used to monitor whether or not individuals committing LT fraud would have a stated disability.

Race

27. The Department does hold data about the race of individual claimants. Claimants are encouraged to complete an equal opportunities form when making a claim for benefit, however, this is not required as part of the benefit claim and is therefore voluntary. Data obtained is survey data and anonymised, meaning it cannot be identified in relation to individual benefit claimants.
28. The high risk referrals that are issued to local authorities and are progressed to establish potential LT fraud or error, the Department will not be able to determine if any of these cases have any adverse affect on claimants in this group as this information is not available.

The Equality Act 2010

29. The new public sector duty came into effect from 6 April 2011; the Department has not routinely collected certain data – for example on claimants' religion or

beliefs, gender reassignment or sexual orientation. Such data would not be required as part of a benefit claim and would therefore not be available in relation to specific individual claimants. The Department therefore does not hold data about these characteristics in relation to individual claimants who are in the non passported working age group.

Gender reassignment, religion or belief and sexual orientation

30. The Department does not currently collect information on gender reassignment, religion or belief and sexual orientation. The policy for dealing with living together fraud will in future apply equally irrespective of whether people are in these groups. Similarly the potential for these to be mitigated would also apply in an equal way.

Monitoring and evaluation

31. The Department will monitor and evaluate this in Housing Benefit initiative by:

- Using administrative datasets to monitor trends in the benefit caseloads for the protected groups where details are available and in the level and distribution of benefit entitlements. SHBE is the Department's main source of real time data on Housing Benefit and is collected on a monthly basis. This will contain information on caseloads.
- We will collect other information through existing stakeholder engagement arrangements. These networks will be used to gather qualitative evidence on the impact on claimants and local authorities. We will draw on broader DWP research where appropriate.

Next steps

32. This policy will be introduced from 27 June 2011. It will be monitored to make sure there is no adverse affect on claimants as stated above in paragraph 33.

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