



# First Release

9th May 2013

Coverage: Great Britain  
Theme: Social and Welfare

## Fraud and Error in the Benefit System: Preliminary 2012/13 Estimates (Great Britain)

The preliminary estimate of the levels of fraud and error in the benefit system in Great Britain are published today. These are available on the Department for Work and Pensions website at:

[http://statistics.dwp.gov.uk/asd/asd2/index.php?page=fraud\\_error](http://statistics.dwp.gov.uk/asd/asd2/index.php?page=fraud_error)

The publication presents the preliminary 2012/13 estimates of total overpayments and underpayments across the benefit system in Great Britain. This release also covers individual preliminary estimates for Income Support, Jobseeker's Allowance, Pension Credit and Housing Benefit for 2012/13.

### Headline results

#### **Preliminary estimates of Fraud and Error across all benefits in 2012/13**

The preliminary estimate of total overpayments due to fraud and error across all benefits is £3.5bn; this is 2.1% of the total benefit expenditure, which is estimated to be £166.8bn in 2012/13.

The preliminary estimate of total underpayments due to fraud and error across all benefits is £1.4bn; this is 0.9% of the total benefit expenditure in 2012/13.

#### **Preliminary estimates of Fraud and Error by type of error in 2012/13**

- 0.7%, or £1.2bn, of total benefit expenditure is overpaid due to fraud;
- 0.9%, or £1.6bn, of total benefit expenditure is overpaid due to claimant error;
- 0.4%, or £0.7bn, of total benefit expenditure is overpaid due to official error.
  
- 0.6%, or £0.9bn, of total benefit expenditure is underpaid due to claimant error;
- 0.3%, or £0.5bn, of total benefit expenditure is underpaid due to official error.

#### **Preliminary estimates of Fraud and Error by individual benefits in 2012/13**

Key findings for the individual benefits that are measured on a continuous basis are that:

- 4.6%, or £250m, of Income Support expenditure (£5.5bn) was overpaid;
- 4.2%, or £220m, of Jobseeker's Allowance expenditure (£5.3bn) was overpaid;
- 5.5%, or £420m, of Pension Credit expenditure (£7.6bn) was overpaid;
- 5.3%, or £1,270m, of Housing Benefit expenditure (£23.8bn) was overpaid.
  
- 1.1%, or £60m, of Income Support expenditure (£5.5bn) was underpaid;
- 0.3%, or £10m, of Jobseeker's Allowance expenditure (£5.3bn) was underpaid;
- 2.1%, or £160m, of Pension Credit expenditure (£7.6bn) was underpaid;
- 1.3%, or £300m, of Housing Benefit expenditure (£23.8bn) was underpaid.



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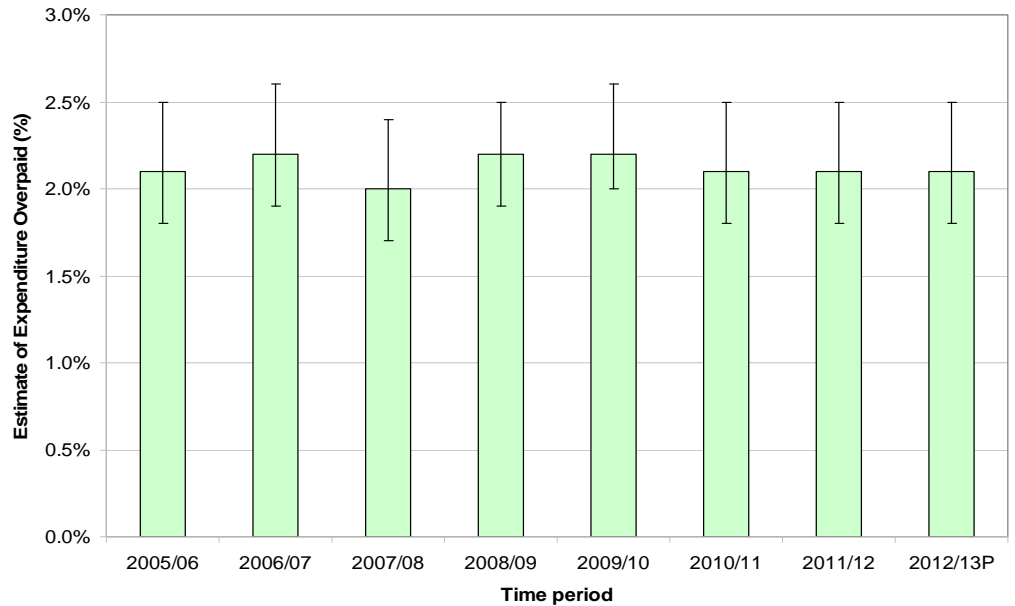
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## Overpayments

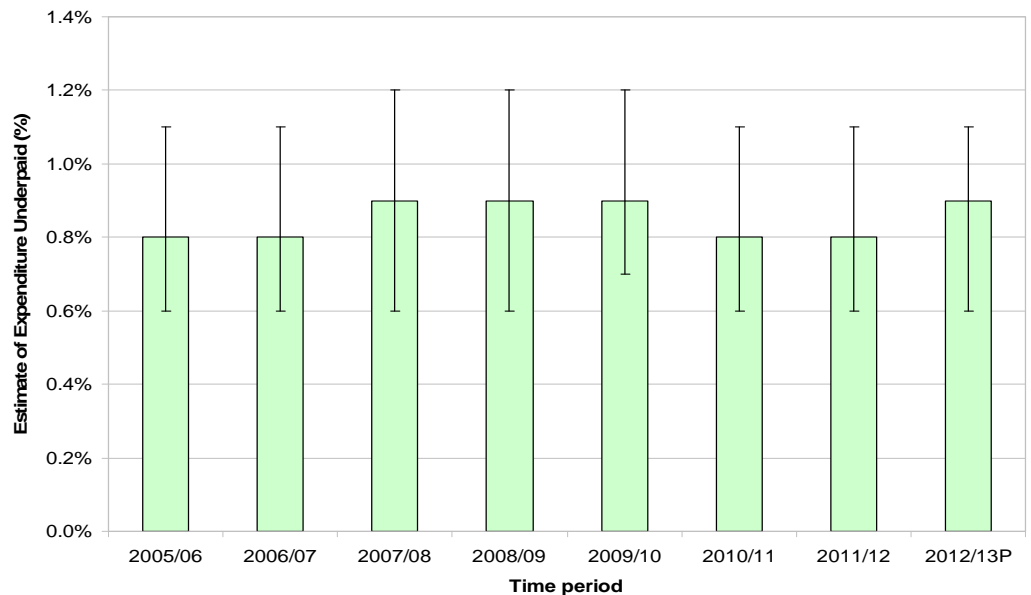
The preliminary estimate for the percentage of total benefit expenditure overpaid in 2012/13 is the same when compared to the 2011/12 estimate and the 2010/11 estimate, 2.1%. This estimated percentage overpaid has remained between 2.0% and 2.2% since 2005/06.



The preliminary estimated value of overpayment in 2012/13 is £3.5bn which is an increase compared to previous estimates. In 2011/12, the value of overpayment was estimated to be £3.4bn and in 2010/11 it was estimated to be £3.2bn. This is due to an increase in overall DWP benefit expenditure.

## Underpayments

The preliminary estimate for the percentage of total benefit expenditure underpaid in 2012/13 is 0.9%, which is an increase compared to those in 2011/12 and 2010/11, 0.8%. The estimated percentage underpaid has remained between 0.8% and 0.9% since 2005/06.



The preliminary estimated value of underpayment in 2012/13 is £1.4bn which is an increase compared to previous years. In 2011/12, £1.3bn was estimated to have been underpaid and in 2010/11, £1.2bn was estimated to have been underpaid.



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### **Fraud**

The percentage overpaid due to fraud in the preliminary 2012/13 estimate is the same as the 2011/12 estimate, 0.7%. However, this is a slight decrease compared to the 2010/11 estimate, 0.8%. The monetary value of fraud overpayments in the preliminary 2012/13 estimates is the same as those in the 2011/12 and 2010/11 estimates, £1.2bn.

The preliminary 2012/13 estimates show that underpayment due to fraud was 0.0% of total benefit expenditure, the same as in 2011/12 and 2010/11.

### **Claimant Error**

The percentage overpaid due to claimant error in the preliminary 2012/13 estimates remained the same when compared with the 2011/12 estimate, 0.9%, but has increased when compared to the 2010/11 estimate, 0.8%. The monetary value of claimant error overpayments in the preliminary 2012/13 estimate is £1.6bn which is an increase compared to the 2011/12 and 2010/11 estimates, £1.4bn and £1.3bn respectively.

The preliminary 2012/13 estimates show that 0.6% of total benefit expenditure, £0.9bn, was underpaid due to claimant error which is the same when compared to the 2011/12 estimate. The 2010/11 estimate was 0.5% and £0.8bn.

### **Official Error**

The percentage overpaid due to official error in the preliminary 2012/13 estimate is 0.4% which is a decrease compared to the 2011/12 and 2010/11 estimate, 0.5%. The monetary value of official error overpayments in the preliminary 2012/13 estimate has also decreased to £0.7bn compared to 2011/12 and 2010/11, which was £0.8bn.

The preliminary 2012/13 estimates show that 0.3% of total expenditure, £0.5bn, was underpaid due to official error. The 2011/12 and 2010/11 estimates were 0.3% and £0.4bn.

### **Individual Benefits**

#### **Income Support – Overpayment**

The preliminary estimate of Income Support benefit expenditure overpaid for 2012/13 has increased to 4.6% when compared to the 2011/12 and 2010/11 estimate of 4.4%. The overpaid value has decreased to £250m in 2012/13 compared to £310m in 2011/12 and £350m in 2010/11. The decrease between 2011/12 and 2012/13 is caused by an overall fall in Income Support expenditure.

#### **Jobseeker's Allowance – Overpayment**

The preliminary estimate of Jobseeker's Allowance benefit expenditure overpaid for 2012/13 is 4.2%, which is a decrease when compared to the 2011/12 estimate of 4.6% and the 2010/11 estimate of 6.1%. The overpaid value in 2012/13 is £220m. This is a decrease when compared to £230m in 2011/12 and £270m in 2010/11.

## **Pension Credit – Overpayment**

The preliminary estimate of Pension Credit benefit expenditure overpaid for 2012/13 has decreased to 5.5% when compared to the 2011/12 estimate of 5.7% and the 2010/11 estimate of 5.6%. The overpaid value in 2012/13 is £420m, which is a decrease from £460m in 2011/12 and £470m in 2010/11.

## **Housing Benefit – Overpayment**

The estimate of Housing Benefit expenditure overpaid for 2012/13 is 5.3% which is an increase when compared to the 2011/12 estimate of 4.9% and the 2010/11 estimate of 4.6%. The overpaid value in 2012/13 is £1,270m. This is an increase compared to the overpaid value in 2011/12 of £1,130m and the overpaid value in 2010/11 of £980m.

None of the changes above are statistically significant at a 95% level of confidence unless specifically stated. This suggests that any changes are more than likely to be due to sampling variation and that these estimates are stable over time and little change occurs year on year.

### **Notes to Editors**

1. The estimates being published are National Statistics and as such are produced to the high professional standards set out in the National Statistics Code of Practice. These estimates have regular quality assurance reviews to ensure that they continue to meet customer needs.

2. The full National Statistics report “Fraud and Error in the Benefit System: Preliminary 2012/13 Estimates” is published at:  
[http://statistics.dwp.gov.uk/asd/asd2/index.php?page=fraud\\_error](http://statistics.dwp.gov.uk/asd/asd2/index.php?page=fraud_error) (see ‘Latest Publication’ section).



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