

Freedom of Information request 225/2015

Received 19/1/15

Published

Information request

For the 2013/14 financial year please state the number of cases and the total amount of compensation provided by the Department of Work and Pensions as compensation of benefit claimants, broken down by department or executive agency responsible, tabled by category of payment similar to previous Fol request [Ref: Fol 341/12] and [148/13].

DWP response

We consider a special payment if a customer complains we have maladministered their case, or if the business considers financial redress might be due after correcting a case. Information about the total number of special payments authorised by the Department's benefit-related business strands in the 2013/14 financial year is detailed in Annex A. There has been a drop in the benefit related special payment expenditure, from £1,232,000 in 2012/13 to £1,155,000 in 2013/14.

By way of context, DWP is the biggest delivery Department in the UK but less than 1% of customers who have direct contact with us make a complaint. We saw a reduction in the overall number of benefit-related complaints recorded by DWP from 72,978 in 2012/13 to 52,138 in 2013/14, spending on compensation payments is less than 0.001% of the amount we spend on benefits and has reduced steadily since 2009/10. We attribute this to the continual improvement in the complaints resolution process, which focuses on early resolution and consideration of full and appropriate financial redress, thereby reducing costs arising from escalated, unresolved complaints.

Annex A

Special payments authorised by DWP benefit-related business strands in 2013/2014

Category of Payment	DWP benefit-related business strands							
	Jobcentre Plus		Disability and Carers Service		The Pensions Service		Debt Management	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Actual Financial Loss	930	£99,000	150	£7,000	190	£78,000	20	£600
Interest for delay	220	£110,000	330	£143,000	1510	£441,000	0	0
Consolatory payments for other impacts	2,900	£194,000	440	£42,000	650	£34,000	90	£6,000
Total	4,050	£403,000	920	£192,000	2,350	£553,000	110	£6,600
DWP Total Number Authorised	7,430							
DWP Total Amount Paid	£1,154,600							

Notes:

1. The amounts are rounded to the nearest £thousand and the numbers of payments authorised in each category are rounded to the nearest ten.
2. Data is recorded according to whether a payment was authorised for financial loss, interest for delay, or for other impacts of maladministration on the customer, such as causing them gross inconvenience. The table excludes financial redress paid in respect of loss of statutory entitlement. (LOSE). The total cost of LOSE paid in 2013/14 was £0.5m. This amount is excluded as it is not an additional cost arising from maladministration – it is money that would have been paid anyway if no maladministration had occurred. It also excludes special exercises which may be necessary to address the fact that current legislation does not provide for payments as intended by Ministers/Parliament.
3. It is not possible to provide the number of customer cases involved. Information is collated on the number and amount of payments authorised in each category, rather than who they are paid to. Many customers receive a payment which covers more than one category, and some receive more than one payment (for example a second payment following a review of an initial decision). The number of customer cases will therefore be lower than the total set out above.