

# Freedom of Information request 0719/2011

Received: 7 March 2011

Published 1 April 2011

## Information request and DWP response:

**1. How many people claiming or applying to claim benefits have been subject to investigation or checking by private agencies (e.g. Experian) working to identify benefit fraudsters on behalf of the Government. (Please break this data down by month if possible.)**

The Department for Work and Pensions (DWP) has a contract with Equifax to match the Income Support Lone Parent caseload against their data on a quarterly basis. The contract with Equifax has been running since 2006 and it involves data matching 800,000 Income Support cases every three months.

DWP also has a contract with Experian to data match Housing Benefit and Council Tax Benefit data on a quarterly basis. The contract with Experian to data match 1.2 million Housing Benefit cases every three months will go live on 1 April 2011.

Both these data sharing arrangements are aimed at identifying 'Living Together' fraud.

A short pilot exercise was conducted in January 2011 where 10,000 Income Support and 10,000 Jobseeker's Allowance cases were data matched by both Equifax and Experian. The purpose of the pilot was to explore the possibility of expanding the use of Credit Reference Agency (CRA) data to look at benefit fraud as a result of undeclared income, capital or earnings. The results of the pilot are being evaluated.

The data matching process involves comparing data held on the Department's systems with that held by CRAs to identify discrepancies. The CRA notifies the Department of the cases it believes are at risk of fraud, and the Department carries out further investigative work to identify if fraud is being committed.

**2. Which companies have been engaged to investigate claimants and how much they are being paid to do so. Please state the duration of any contracts, and include as a separate figure any payments made by results.**

DWP does not have any contracts with any third parties to investigate DWP customers. All DWP investigations are carried out by DWP's Fraud Investigation Service.

**3. What kinds of fraud these companies are checking for and the methods used to investigate suspect claimants (e.g. Checking of mobile phone bills, spending patterns, utility bills). Please list any Government databases to which they will have access, e.g. register of those claiming housing benefit.**

The Equifax and Experian contracts allow DWP data to be matched against the data to which those companies have access in order help the Department identify Living Together, undeclared income, undeclared earnings and undeclared capital frauds. The CRAs do not have any access to Government databases.

**4. How many benefit fraudsters have been uncovered, and how much this has saved the Government.**

In 2009/10 the Equifax contract produced 700 fraud cases with savings of £9.3m. It is estimated that in 2011/12 the contract with Experian will produce savings of approximately £16m in Housing Benefit cases.

**5. If possible, please give details of the five most lucrative frauds thwarted (anonymised if necessary for the purposes of data protection), and how they were uncovered.**

Information on the top five frauds in terms of total amount overpaid detected by data matching with CRAs is not available.

DWP publishes yearly estimates of the level of overpayments by benefit and type. This can be accessed by following the link below:

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