

Freedom of Information request 2014-414

Date received: 21st January 2014

Date of response: 14th February 2014

Information request

Regarding Table 4.1 of your report "Fraud and Error in the Benefit System: 2012/13 Estimates", could you please tell me whether the reported differences in Fraud rate (left hand column) between Income support, Jobseeker's Allowance, Pension Credit, and Housing benefit are statistically significant (if this has been calculated)? Examination of the confidence intervals would suggest that the first three categories are not different in this respect.

DWP response

In answer to your query, the following table shows a cross examination of our significance tests conducted on the four continuously measured benefits:

Table 1: Is there a statistically significant difference between fraud and error rates across the continuously measured benefits?

| | IS | JSA | PC | HB |
|-----|---------------------------|---------------------------|---------------------------|----------------------|
| IS | - | No Significant Difference | No Significant Difference | Significantly Higher |
| JSA | No Significant Difference | - | No Significant Difference | Significantly Higher |
| PC | No Significant Difference | No Significant Difference | - | Significantly Higher |
| HB | Significantly Lower | Significantly Lower | Significantly Lower | - |

Only Housing Benefit fraud rate shows any significant difference when compared to the other three benefits.

Statistically speaking, comparing confidence intervals gives a good indication of statistical significance, especially when they do not overlap. The data provided in the table used our internal significance testing method and gives a much more accurate indication of significance.

These results have been classified as statistically significant at the 95% level: this means that we are 95% certain there is a true difference between the results for each benefit. Conversely, we are not stating that the reported rates between benefits are simply affected by sampling uncertainty, but that there is not sufficiently strong enough evidence to be sure that any difference is not due to that uncertainty.