



Public Sector
Fraud Authority



NATIONAL FRAUD INITIATIVE

Report 2022 - 2024





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About the National Fraud Initiative


The National Fraud Initiative (NFI) is a significant part of the Public Sector Fraud Authority's data and analytics service, matching data to help in the prevention and detection of fraud. The NFI provides multiple solutions, ranging from real time point-of-application fraud prevention checks, through to the national batch data matching exercise which helps those that take part detect active fraud cases within systems.

Data for the NFI is provided by over 1,100 participating organisations from the public and private sectors, including local authorities, government departments, private registered providers of social housing and pension schemes. The NFI works with public audit agencies in all parts of the UK. Data matching involves comparing sets of data electronically, such as the payroll or benefit records of a body, against other records held by the same or another body, to see to what extent they match. This data is usually comprised of personal information¹.

The NFI data matching identifies inconsistencies that require further investigation and allows potentially fraudulent claims and payments to be identified. Participating organisations receive the resulting data matches for consideration and investigation where appropriate. No assumption can be made as to whether there is fraud, error or another explanation for those matches until an investigation process is completed, and an organisation can then take the appropriate action. This may be to prosecute cases of fraud, recover overpayments, correct underpayments and update records as appropriate. There is also an opportunity for participants to use data matches to identify risks and weaknesses within systems and review controls.


The NFI is conducted under the Local Audit and Accountability Act 2014. This allows the Secretary of State or the Minister for the Cabinet Office to require certain public sector bodies to provide data for NFI processing on a mandatory basis for the prevention and detection of fraud. In addition, certain bodies can also provide data for matching on a voluntary basis.

This report captures outcomes² recorded in the period
1st April 2022 to 31st March 2024 against:

 NFI 2020/21³ exercise matches

 NFI 2022/23⁴ exercise matches

 Recorded in FraudHub, AppCheck and ReCheck products

 Pilots undertaken during this period and work with the private sector

Outcomes from NFI related investigations incomplete as of the 31st March 2024 will be captured and reported in 2026, alongside outcomes from the 2024/25 NFI exercise.

The NFI services

National Exercises

Data is collected from organisations across the UK for national fraud detection batch matching. Matches are accessed through a secure web application.

The NFI matching cycle



FraudHub enables individual organisations or groups of neighbouring organisations to regularly screen more than one dataset, with the aim of detecting errors in processing payments or benefits and services.



AppCheck is a fraud prevention tool that helps organisations to stop fraud at the point of application, thereby reducing administrative and future investigation costs.




ReCheck is a flexible batch matching tool that allows an organisation to repeat national batch matching at a time that suits them.



Cost of running the NFI

Main Expenditure



Data Services provided under contract by an external supplier





Cabinet Office NFI Team staff costs



£3.3 million

Income



Fees from participants main exercise



Other fees and income



£3.2 million

£0.1 million net spend

£510.1 million outcomes



versus £3.2 million income

Example fees:



- 2022/23 National
- London Borough Council **£4,120**
 - County Council **£3,705**
 - District Council **£2,535**
 - Police **£1,240**
 - NHS Foundation Trust **£1,190**



Sliding scale from **£275** for 250 searches to **£850** for 1,000 searches, or **£1,850** annual membership (unlimited searches)



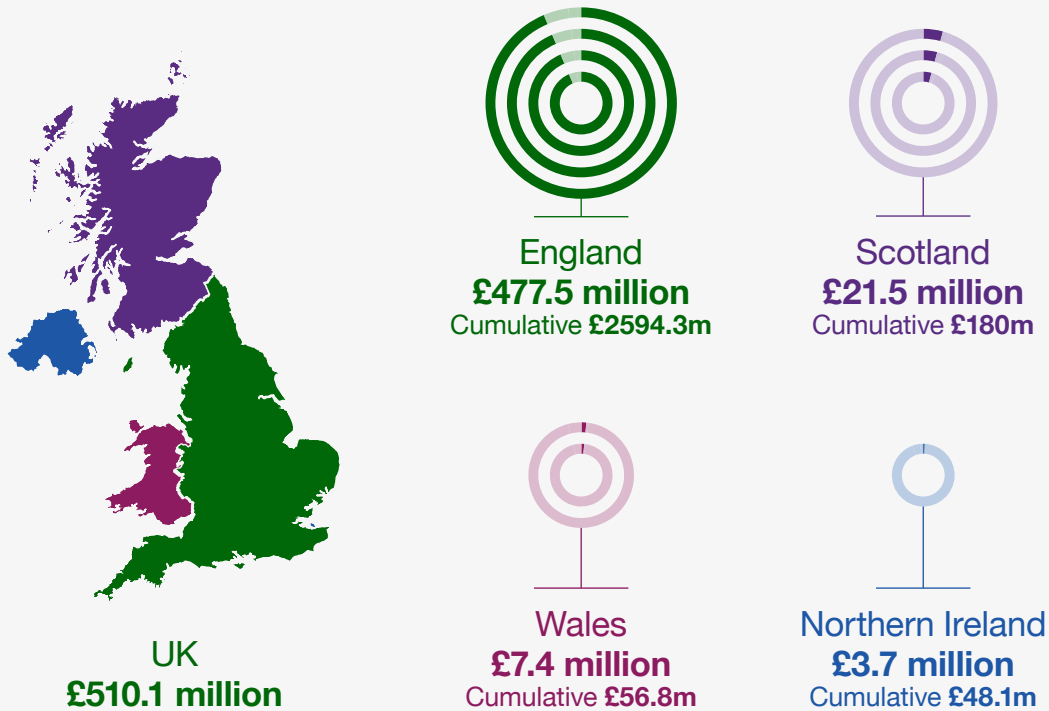
£340 per dataset for 1-20 datasets, or **£285** per dataset (20+)



£1,840 to £7,640 annual membership dependent on type of public sector body

Fraud, overpayments and errors identified and prevented across the UK (1996 to 2024)

Results for the period 1st April 2022 to 31st March 2024:

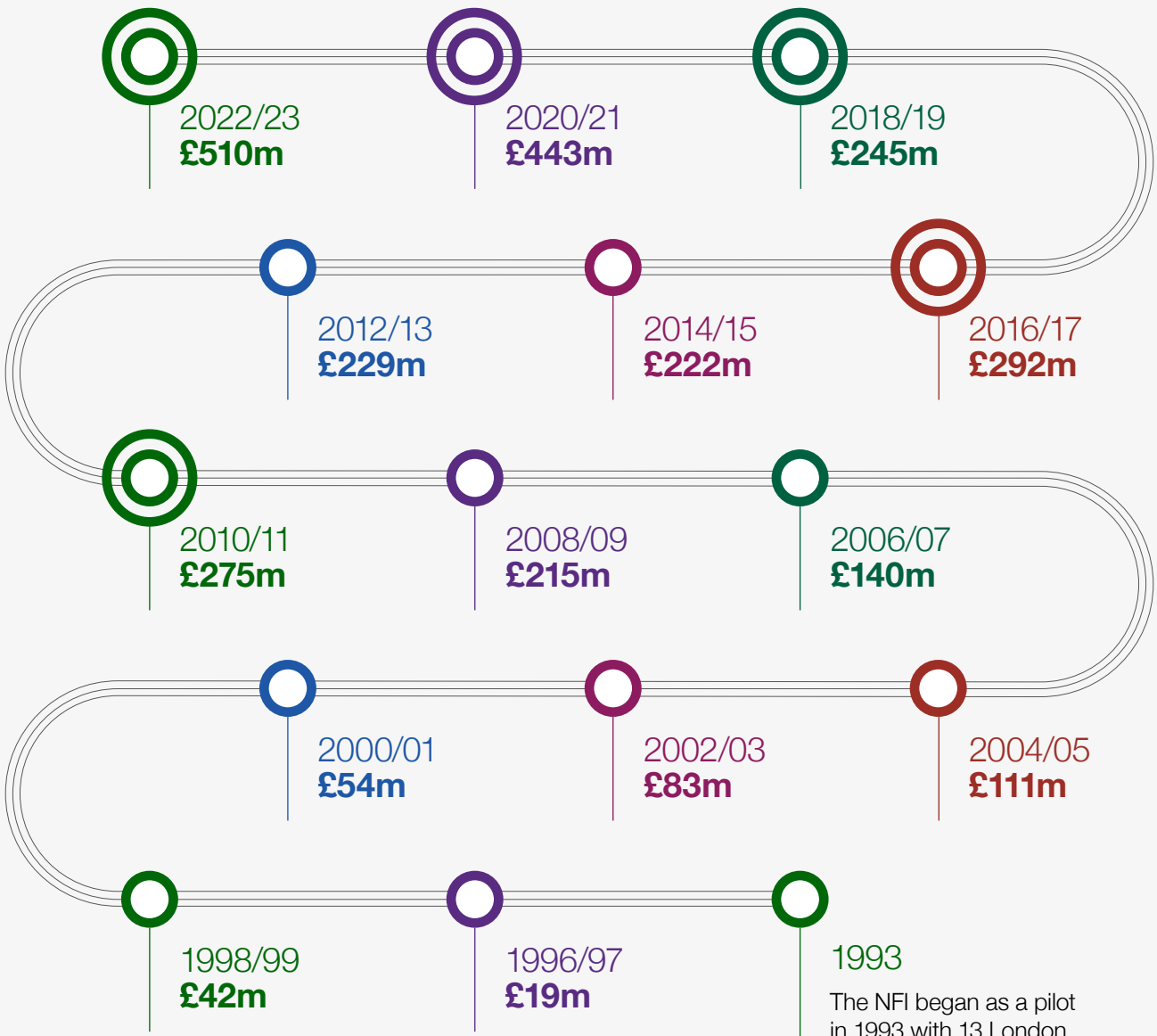


UK average financial outcomes per case 2018 - 2024

| Reporting period | Total outcomes £ million | Number of cases | Average outcomes per case | Percentage change |
|------------------|-----------------------------|-----------------|------------------------------|-------------------|
| 2018 - 2020 | 244.7 | 304,423 | £803.85 | |
| 2020 - 2022 | 442.6 | 325,332 | £1,360.51 ⁶ | 69% |
| 2022 - 2024 | 510.1 | 309,593 | £1,647.75 | 21% |

Cumulative fraud, overpayments and errors identified and prevented across the UK (1996 to 2024)

Cumulative NFI outcomes from NFI exercises 1996/1997 to 2022/2023 are £2.9 billion





Results in England for 2022 to 2024

The results in England⁷ for 2022 - 2024 total: £477.5 million

The main categories of fraud identified by the NFI in England relate to:



The exercise produced the following significant results in England:

129,135
Concessionary travel passes were cancelled as the pass holder was deceased

41,575
Blue badges were cancelled as the badge holder was deceased

103
Social housing properties were recovered as a result of illegal subletting or succession

37,059
Incorrect claims for council tax single person discount

4,168
Cases where housing benefit had been claimed fraudulently or incorrectly

6,194
Pension fraud and overpayments

4,304
False applications were removed from housing waiting lists

2,843
Cases where Council Tax reduction had been claimed incorrectly

A detailed breakdown of the £477.5 million by risk area can be found on page 32.

The £477.5 million also includes outcomes reported by the NFI Business Development workstream matches totalling £139.5 million⁸. More details can be found on pages 23 - 30.

Recovery rates in England 2022 to 2024

Once overpayments have been identified, public bodies can take appropriate action to recover the money.

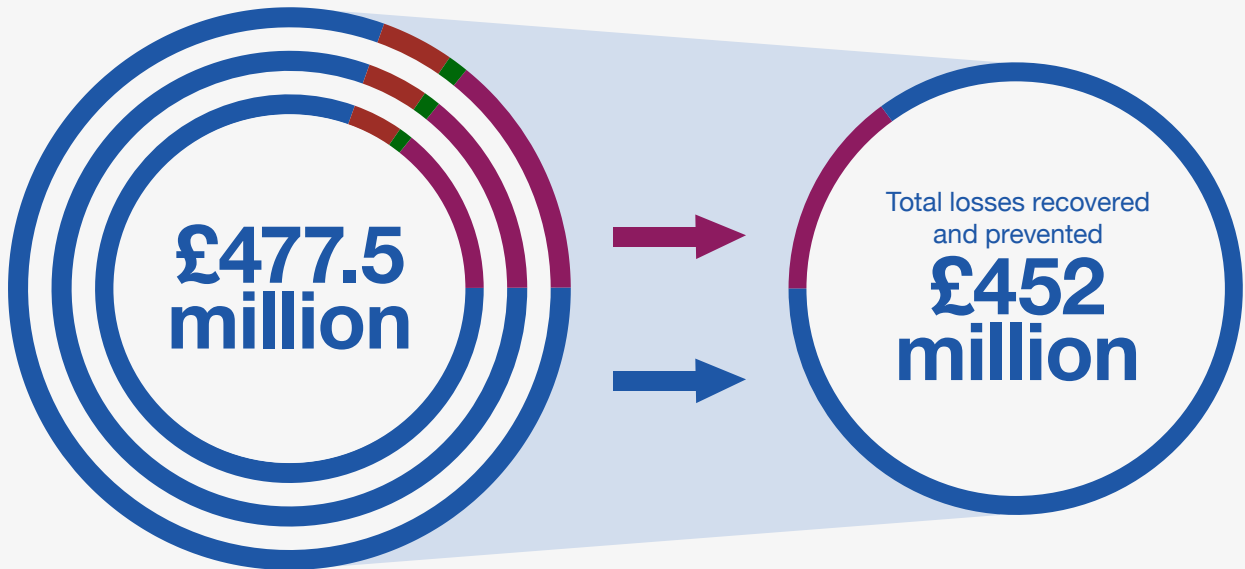
In this reporting period, public bodies had taken action to recover **92%** of total frauds detected from NFI matches (Table 1).

This is a significant achievement when considering the economic climate during the reporting period to March 2024, and is 7% higher than the equivalent period to the end of March 2022 (85%).



| Table 1 - Recovery rates in England from NFI data matches (rounded ⁹) 2022 - 2024 | | | |
|---|--------------------------------------|---------------------------------|--------------------|
| Dataset | Fraud Detected (actual) £ million | Amount in recovery £ million | Recovery Rate % |
| Housing Benefit | 24.2 | 21.3 | 88% |
| Council Tax Single Person Discount | 20.4 | 20.2 | 99% |
| Pensions | 11.7 | 10.8 | 92% |
| Creditor Payments | 11.1 | 10.3 | 93% |
| Council Tax Reduction | 4.3 | 3.9 | 90% |
| Other | 0.3 | 0.3 | 92% |
| Payroll | 0.0 | 0.0 | 97% |
| Business Validation | 1.0 | 0.7 | 78% |
| Total | 73.0 | 67.4 | 92% |

The value and percentage of fraud prevented and recovered 2022 to 2024







**£477.5
million**

Total losses recovered
and prevented

**£452
million**

=

the total amount of fraud,
overpayments and error identified
and prevented by NFI participants
in England during the period 1st
April 2022 to 31st March 2024.

-  Actual fraud detected
Not recovered = £5.6m
-  Actual fraud detected
Recovered = £67.4m
-  Estimated value of fraud
Prevented = £384.6m
-  Estimated value of fraud
Detected = £20m

Recovered and prevented as percentage of £477.5 million outcomes

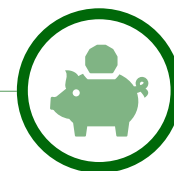
95%



Main categories of fraud for 2022 to 2024 by dataset area

This section sets out the results of the NFI in England¹⁰ by fraud category.

Pensions: **£179.4 million**



Individuals obtaining pension payments relating to a deceased person (known as mortality screening), and incorrect claims for injury benefit and pension abatements.

Office for National Statistics data finds that the membership of occupational pension schemes (active, deferred and pensioners) was 44.7 million in Q3 of 2023, split between the private sector (39.9 million) and the public sector (7.7 million)¹¹. Equivalent figures for Q3 2022 are 45.6 million (38 million private, 7.5 million public) - an 4.45% increase. By comparison, the NFI receives 7.3 million occupational pension records for matching, around 15% of total occupational scheme membership, the same as previously reported.

In England, 544,054 deaths were registered in 2023, which was 3,721 (0.7%) more deaths than 2022 and 25,895 (4.8%) above the five-year average¹². In 2023, deaths in over 65-year olds represented 84.3% of the total deaths¹³. The population during the year to mid-2023 saw the largest annual increase in at least 75 years, growing by 609,500 to 60.9 million (+1.0%) but remains at a similar level to 2022 (584,700)¹⁴.

There was a decrease in the number and value of pension cases in this reporting period from £250 million reported in 2022 to £179.4 million. The average outcomes per case, including estimates, rose by 40.2% (Table 2). An example of how this match demonstrated value to Cheshire West and Chester Council can be found in Case Study 1 below.

This reduction in outcomes was expected as the £250 million reported in 2022 included £205.1 million relating to a large public sector pension scheme that takes part in the NFI on a voluntary basis. This scheme had reported the outcome of their 2018 to 2021 work after the cut off for the 2022 report (Table 3). Throughout this reporting period the scheme has received mortality screening matches, and reported outcomes, on a monthly basis. Another large public sector scheme that participants in the NFI is the NHS Business Services Authority. This NFI match provides them with assurance that any potential overpayments created through fraud, or a late notification of death, are identified at the earliest opportunity (Exhibit 1).

Comparing the average outcomes reported in 2022 by this scheme to 2024, there is an increase of 9.2%. However, this could be due to the rise in occupational pensions of around 13.3% percent over the same period.

Table 2 - Comparison of total pension overpayments between 2018 and 2024

| | Number of cases | Total Pension Overpayments (£ millions) | Average outcomes per case (£) | Increase/ decrease % |
|-----------|-----------------|---|-------------------------------|----------------------|
| 2018-2020 | 2,876 | 55.5 | £19,289 | |
| 2020-2022 | 12,098 | 250.0 | £20,661 | 7.1% increase |
| 2022-2024 | 6,194 | 179.4 | £28,972 | 40.2% increase |



Table 3 - Analysis of outcomes between 2018 and 2024 reported by the large pension scheme (rounded)

| | 2018-2020 | 2020-2022 | Total reported in 2022 | 2022-2024 |
|--|--------------|-------------|------------------------|---|
| Number of cases | 5,180 | 2,075 | 7,255 | 3,036 |
| Actual overpayments (£ millions) | 3.7 | 0.9 | 4.6 | 2.5 |
| Estimated value of future losses prevented¹⁵ (£ millions) | 150.8 | 49.7 | 200.5 | 91.2 |
| Total (£ millions) | 154.5 | 50.6 | 205.1 | 93.7 |
| Average (£) | £29,826 | £24,385 | £28,270 | £30,868 9.2% increase against average |

Case Study 1

Next of kin failed to notified the death

Following investigation of an NFI pension to deceased data match, Cheshire West and Chester Council were able to identify an overpayment of £38,614.89 spanning 2019 to 2021, as a result of the next of kin not notifying the council of the death. The council was able to recover the overpayment.

Exhibit 1

NHS Business Services Authority mortality screening

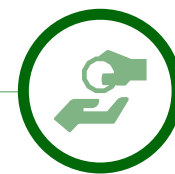
"Identifying and preventing fraud in the services that the NHS Business Services Authority administer is a priority. The regular exercises run by the NFI provide us with assurance that any potential overpayments in the NHS Pension Scheme created through fraud, or a late notification of death, are identified at the earliest opportunity. We can then take the necessary actions to prevent additional overpayments from occurring. The tools provided within the NFI web application allow us to quickly and easily update the matches with the outcome of our investigations. We look forward to continuing to work with the NFI in the future."

A spokesperson from the NHS Business Services Authority.





Revenues and Benefits



Individuals falsely declaring they live alone or who fail to notify when a second adult moves into the property. Therefore, they do not qualify for the Council Tax Single Person Discount (SPD) they have claimed.

Individuals claiming housing benefit or council tax reduction who failed to declare an income or a change of circumstances.

The current landscape of revenue and benefits fraud in England presents a significant challenge for government authorities, as it involves both complex schemes by fraudsters and unintentional errors in benefits administration.

Council Tax single person discount fraud is reported by local government on an individual basis, therefore, there are no national figures available. However, in 2024 Cifas reported that Council Tax single person discount fraud is increasing, with one in five (21%) of adults admitting to dishonest claims¹⁶. This is an increase from 19% in 2022.

In 2024, the Department for Work and Pensions (DWP) reported that Housing Benefit (HB) expenditure was £15.5 billion compared to £15 billion in 2023, an increase of 3.3%. The overpayment rate across 2024 was 6.3% (£980 million) compared with 5.7% (£860 million) in 2023. The overpayment rate includes overpayments due to fraud, and both official and claimant error. Overpayments due to fraud were 3.9% (£600 million) in 2024 compared with 3.5% (£530 million) in 2023. Official error and claimant error accounted for 2.5% of total HB expenditure (£370 million)¹⁷.

For working age people, HB is being replaced by Universal Credit (UC), so this group will gradually move onto UC. Working age people cannot make new claims for HB unless they are in supported, sheltered, or temporary housing. Pension age people can continue to make new claims for HB.

According to the Department for Levelling Up, Housing & Communities, as at 11 September 2023, there were 25.5 million dwellings in England, an increase of 0.8% compared with September 2022. Of these, 24.7 million were liable to pay council tax. There were 8.7 million dwellings (34.1%) that were subject to a discount, with 8.4 million entitled to a discount as a result of being occupied by a single adult or 32.9% of all dwellings¹⁸.

Since 1 April 2013, local authorities in England have been responsible for administering Council Tax Reduction Schemes (CTRS) in their own areas (also referred to as Council Tax Support)¹⁹. Councils report their annual fraud reports locally, therefore, there are no universal figures which outline overpayment rates associated with Council Tax Reduction Schemes.

Council Tax: £51.9 million



The annual NFI match between Council Tax and Electoral Register data to deal with Council Tax SPD abuse, has once again provided substantial returns for councils. Outcomes from the 2022/23 and 2023/24 exercises are £51.9 million (37,059 SPDs cancelled), compared to £44.7 million reported for the 2020/21 and 2021/22 (32,669 SPDs cancelled). In addition, this increase in cases is attributable in some part to the release of a council tax to deceased pilot. The average cost per case has increased by 2.4% (Table 4) and the number of cases recorded has increased by 13.4%.

The use of the NFI Council Tax SPD Premium Service has increased by 17%. This is available as an additional service and is charged for on a per record basis.

Council Tax to Disclosure of Death Registration Information

The Council Tax to Disclosure of Death Registration Information (DDRI) data matches released in March 2024 produced significant outcomes for the pilot bodies who took part. The majority of the outcomes were reported after 31 March 2024. As at 31st May 2024 they stood at circa £1 million across 236 cases. We would like to thank all the participants for taking part in the pilot. We have finished the evaluation period and have recommended the data match for national roll out to be included in the next NFI annual council tax single person discount exercise. Case Study 2 provides an example of the success one council had in this area.

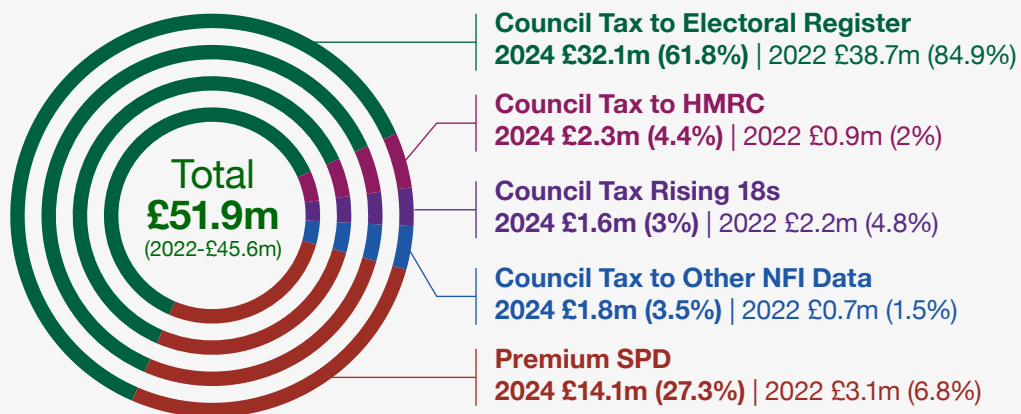
Figure 2 sets out how the total outcomes are made up over the various match types.



Table 4 - Comparison of Council Tax Single Person Discount outcomes 2020 - 2024

| Period | Volume | £ million | Average per case | Percentage Increase/Decrease |
|-------------|--------|-----------|------------------|------------------------------|
| 2020 - 2022 | 32,669 | 44.7 | £1,368 | 15.4% increase |
| 2022 - 2024 | 37,059 | 51.9 | £1,401 | 2.4% increase |

Figure 2 - Analysis of Council Tax outcomes by report area 2022 - 2024 (rounded)



Case Study 2

NFI council tax to deceased pilot identifies an exempt property that should have been full charge

Cheshire West and Chester Council took part in the NFI Council Tax to Disclosure of Death Registration Information pilot.

The Council established, from investigating the pilot matches, a property that was exempted from council tax, however the next of kin had failed to declare the death which was in August 2015. Investigations revealed that probate was granted in October 2016 and the property has since remained empty.

The total amount of council tax due for payment was £54,760.53 which was based on the application of Exemption F from the date of death until 6 months after the probate was granted, with a full charge being applied from October 2016, and in addition from October 2018, a Long-Term Empty property premium was also applied.

In total the Council received 456 pilot matches, cleared 428 and identified 2 cases of Fraud and 16 Errors. These cases resulted in outcomes of £70,659.09. The Council still has 10 cases under investigation.

A spokesperson for Cheshire West and Chester Council said 'This pilot was very worthwhile for the council as without it the above cases might have continued to have been overlooked. Once we have completed our work on the NFI matches we will assess whether any additional measures need to be put in place. We will also take part in the NFI matching again when it is rolled out as a core NFI report.



Housing Benefit: **£29.7 million**



Housing Benefit (HB) outcomes are £29.7 million, compared with £14.5 million reported in 2022. These outcomes were recorded by local councils and the DWP. Table 5 shows how outcomes have been reported by local councils and the DWP between 2018 and 2024.

This increase in outcomes of 104.8% is likely attributable to:

- Post pandemic redeployment of DWP staff now working through HB caseloads
- Increase in resources in local authorities for referring cases to DWP
- The number of claimants still receiving HB who have yet to transition to UC



The expected move to Universal Credit has not had an effect on HB outcomes as expected due to the length of the transition period along with demographics still being able to claim HB.

We are continuing to work closely with local councils and the DWP to ensure we seek to avoid duplication with the HB data matching undertaken by the DWP through the Verify Earning and Pensions Service (VEPS)²⁰. An example being, since 2020/21 HB to payroll and pensions matches have not been released to local councils as the DWP confirmed that this matching was undertaken on a regular basis through VEPS. Local authorities continue to receive funding from DWP to support the local administration of the VEPS, with that latest funding covering the period up to March 2025²¹.

HB overpayments identified through matching to student loans continue to represent a high proportion of overall HB outcomes. Excluding the cases referred to the DWP, local councils identified 1,164 cases linked to individuals in receipt of a student loan with an overpayment value of £8.3 million (excluding estimated forward savings). This represents 93.1% of the total £8.9 million HB overpayments recorded by councils, nearly a 10% increase from the previous reporting period (83.5% of £6 million).

Case Studies 3 and 4 highlight how the London Borough of Barnet and Luton Borough Council benefitted from this match.

Table 5 - Analysis of Housing Benefit overpayments by source (includes estimates) 2020 to 2024 (rounded)

| Reporting period | 2020 - 2022 | | 2022 - 2024 | |
|--|-------------------------------------|---|-------------------------------------|---|
| | 2018/19 reported after 4 April 2020 | 2020/21 reported between 5 April 2020 and 31 March 2022 | 2020/21 reported after 1 April 2022 | 2022/23 reported between 1 April 2022 and 31 March 2024 |
| £ million | | | | |
| Outcomes from Local Councils ²² | 3.0 | 6.7 | 7.4 | 5.0 |
| Outcomes from DWP | 3.1 | 1.6 | 5.6 | 11.7 |
| Total | 6.1 | 8.3 | 13.0 | 16.7 |



Case Study 3

Housing benefit to student loans matches yield over £1 million

The London Borough of Barnet used the NFI Housing Benefit to Student Loans reports to identify students that were not declaring their student finance payments.

A spokesperson from Barnet Council said “Without access to these matches, this particular area of non declared income would be both difficult and time consuming to identify and investigate”.

One hundred per cent of the matches were investigated, 340 in total, and were all found to be undeclared income. In all of these cases, the Housing Benefit claims were corrected, which eliminated any further lost revenue. The successful matching and subsequent recovery efforts resulted in the recovery of over £1 million of overpayments.

Case Study 4

Significant overpayment found from a housing benefit to student loans match

Luton Borough Council identified an individual that had not declared they were a full time student receiving student finance. The claimant confirmed they were a full time student but had not reported this for HB purposes as they were unsure if they were continuing studying.

The council contacted the claimant but they failed to respond within the one month period so the claim was suspended. The council requested the evidence that had been provided to the DWP i.e. course dates, student finance, proof of student status and income.

What was received related to a one year course from 20 June 2022 to 19 February 2023. This resulted in a HB overpayment of £27,474 for the period 26 July 2022 to 20 February 2023. CTRS was also ceased for the period 20 June 2022 to 26 July 2022 in reference to a previous address.

This overpayment was classified by the council as claimant error and is being recovered from claimant. The case was referred to the DWP for a claimant income review. A Single Fraud Investigation Service referral was subsequently issued.



Council Tax Reduction: **£7.4 million**



Outcomes from Council Tax reduction matching have increased to £7.4 million in 2024 across 2,843 cases from £5.2 million in 2022 (3,000 cases). Despite a decrease in the number of cases, the average reported saving per case has increased to £1,517²³ compared to £1,247 in 2022.

Our research indicates that, excluding outcomes from HM Revenue and Customs (HMRC) data matches, the increase in outcomes and the value per case, is likely linked to a shift in resources within councils back to investigating NFI matches post COVID-19 as the average per case was £1,578 in 2020. Case Study 5 provides an example of how the NFI helped Southend on Sea Council identify an individual claiming council tax reduction at two different addresses.

HMRC information sharing undertaken as part of the 2022/23 exercise, identified £1.3 million overpayments of Council Tax reduction. This is lower than the £3.2 million from the initial pilot between 2018 and 2022 due to a delay in the release of the 2022/23 matches. Outcomes have continued to be reported since 1 April 2024 with around £2.5 million recorded so far.

Case Study 5

Council tax reduction scheme claimed at two different addresses

Southend on Sea City Council were able to identify a person who was claiming council tax reduction in two different Council areas not local to each other. A suspension letter was sent to the Southend on Sea City Council address. A relative of the claimant contacted the Council to confirm that the claimant was actually living in the other area. The council tax reduction claim was subsequently cancelled leading to an overpayment of £2,497.60 which was fully recovered.



Transport



Potential misuse of badges, passes and permits belonging to someone who had died. This may be continued use of the pass by relatives of the deceased, forgery of a pass in the name of a deceased person, or use of a stolen badge.

As at 31st March 2023, there were 2.6 million Blue Badges held in England according to Department for Transport statistics²⁴. Blue Badge prosecutions were not collected for the year ending 31 March 2022, but in 20/21 there were 698 prosecutions for misuse of Blue Badges since 2020.

In England, for the year ending March 2023, the Department for Transport reported there were 8.7 million older and disabled concessionary travel passes. The number of concessionary bus journeys were 567 million (15% increase). The net current expenditure on concessionary travel was £877 million is down 19%, however net current expenditure in metropolitan areas and non-metropolitan areas has steadily declined since the year ending March 2011²⁵.

Blue Badges: £26.8 million



During this reporting period, the number of blue badges cancelled decreased slightly from 42,393 in 2022 to 41,575 in 2024. The estimated value of blue badges cancelled was £26.8 million a 9.8% increase from the previously reported £24.4 million. The increase is due to the increase to the forward saving estimate from £575 to £675.

Case Study 6 provides an example of how one council identified multiple applications for a replacement blue badge after the death of the badge holder.

The number of local authorities that recorded outcomes had however decreased by 15% as some are using third party providers as an alternative to the NFI (Table 6).

Table 6 - Analysis of the number of passes cancelled by participants 2018 - 2024

| Reporting period | Number of passes cancelled | Percentage increase/decrease in number of passes cancelled | Number of participants reporting these cases | Percentage increase/decrease in number of bodies reporting cases |
|------------------|----------------------------|--|--|--|
| 2018 - 2020 | 46,750 | 50% increase | 109 | 21% increase |
| 2020 - 2022 | 42,393 | 9% decrease | 132 | 21% increase |
| 2022 - 2024 | 41,575 | 2% decrease | 112 | 15% decrease |



Concessionary Travel Passes: £4 million



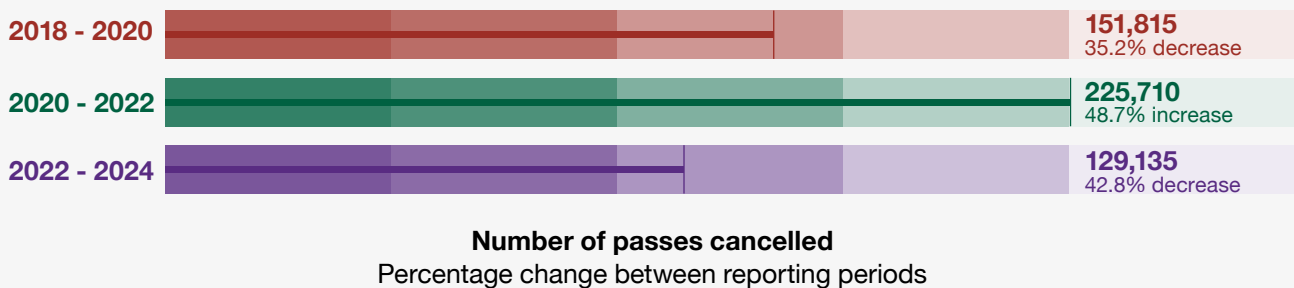
The number of concessionary passes cancelled²⁶ in this reporting period was 129,135 - a decrease from 225,710 reported in 2022. The estimated value of fraud losses prevented in the same reporting period in turn decreased from £5.5 million to £4 million in 2022. Figure 3 shows the number of passes cancelled between 2018 and 2024.

The fluctuations in the number of passes cancelled between reporting periods reflects the influence a large voluntary participant has when they use the NFI mortality screening service more frequently and the timing of recording the outcome of their investigations.

The passes cancelled by this body in this reporting period represent 20% of all passes cancelled. However, a further 46,000 passes with an estimated value of £1.4 million, have since been recorded by this voluntary participant, after 31 March 2024 so these will be reflected in the next national report in 2026.

A further 58% of passes cancelled were recorded by four Passenger Transport Executives²⁷, who are mandatory participants.

Figure 3 - Analysis of concessionary passes cancelled between 2018 and 2024



Residents parking permits



A second residents parking permit pilot was undertaken in 2022 with nine councils. The pilot was designed to identify applicants who had failed to disclose information about themselves affecting their eligibility for a residential parking permit. For example, individuals that had a permit in one council area, but had moved to a different council area and applied for a second permit without returning the previous permit. The pilot also matched to disclosure of death registration information data (DDRi).

This second phase identified £61,194 in outcomes and will now be included as a permanent report in the 2024/2025 National Exercise.

Case Study 6

Multiple applications for a blue badge from a deceased person

Using the NFI blue badge to deceased report, the London Borough of Camden identified a blue badge where the badge holder had not been cancelled or returned following their death. The family had however submitted an application for a replacement Blue Badge claiming the badge had been damaged and another application claiming it had been lost, both applications were made after the death of the blue badge holder. As a result of NFI information the Blue Badge was cancelled and replacements were not issued.



Social Housing



Social housing waiting list applicants who were not entitled to social housing because they had misrepresented their circumstances, social housing tenants who were subletting or had multiple tenancies unlawfully and social housing tenants who were not entitled to right to buy because they had multiple tenancies unlawfully.

In April 2023, the Tenancy Fraud Forum and Fraud Advisory Panel published a report on Social housing fraud in England²⁸. The report claimed that housing tenancy fraud is rising and it has never been more important to maximise use of the existing housing stock. The report states that there are around 95,000 families in temporary accommodation and more than 1.2²⁹ million families on housing waiting lists. The pandemic is said to have had a dramatic effect on already-low levels of tenancy fraud detection, reducing them by 67% in 2020/21. An increase in activity the following year still left detections 31% below the pre-Covid level.

During COVID-19, measures were taken to protect tenants from being evicted³⁰ by extending the notice

periods. Repossessions were very low during most of 2020 and 2021 and the number of properties recovered by NFI participants decreased. While possessions have increased recently, they remain below pre-Covid levels.

Mortgage and Landlord possession statistics for April to June 2024³¹ show that landlord possession actions have shown a general increase since Q2 2021. Within the landlord possession actions, claims have increased across all procedures with social landlord claims up 12% compared to the same quarter in 2023.

Housing Waiting List: £17.6 million



Housing waiting list matching has resulted in the removal of 4,304 ineligible applications for social housing. These applications were removed by 96 councils, 5.9% less councils than in 2020/21, which led to the decrease overall. The NFI has targeted housing waiting lists as a preventative data match since NFI 2016/17. Therefore, this suggests that the majority of historic cases relating to ineligible applications have been successfully removed and the match continues to assist participants to maintain accurate lists.

Applying the Cabinet Office fraud or loss prevented estimate³² per property, this equates to £17.6 million for 2022/23 compared to £21.8 million for 2020/21.



Table 7 - Analysis of the number of ineligible applications removed by participants 2020 - 2024 (rounded)

| | 2020 - 2022 | 2022 - 2024 |
|--|-------------|-------------|
| Number of ineligible applications removed from waiting lists | 6,736 | 4,304 |
| Number of participants reporting these cases | 102 | 96 |
| Estimated value of future losses prevented | £21.8m | £17.6m |



Housing Tenancy: **£7.8 million**



Tenancy matching resulted in 103 properties being recovered which can be reallocated to those in genuine need. This is an increase of over 300% from the 23 reported in 2020/21. This is partly due to an increase in the use of products such as FraudHub and AppCheck. Of the 103 cases, 46 were from the use of FraudHub and 12 from AppCheck. Case Study 7 demonstrates how the City of London Corporation detected an undeclared ownership of a property to gain social housing using through the NFI data matching.

Although the number of properties recovered is higher and outcomes significant, we acknowledge that more can be done to deal with housing tenancy fraud through

the national exercise. We will continue to identify ways to help councils fight social housing fraud, such as prioritising the second phase of our tenancy pilot.

In phase 1 of this pilot we brought together public and private sector data to work together on tenancy fraud, in a new and innovative way for the NFI. This enabled better investigation of household composition and prioritised and presented the matches in a different way resulting in 8 properties recovered (£744,000 estimate of fraud detected and prevented). Phase 2 builds on this success by bringing together more participants and a wider range of data sources.

Right to Buy: **£1.7 million**



Right to Buy (RTB) annual sales remain consistent at over 10,000 per year. Local authorities continue to manage the risk of fraudulent claims using the NFI's prevention and detection products to identify individuals that are ineligible under the RTB scheme.

The outcomes from RTB data are £1.7 million, which can all be attributed to matching undertaken using the NFI AppCheck prevention product. The fact that some local authorities are voluntarily matching RTB data indicates that there is still value in using data matching to address fraud risks in this area.

RTB data continues to be beneficial when used as a match against other datasets, in particular for means tested benefits and discounts such as housing benefit and council tax reduction. This helps identify capital savings, which may exceed thresholds for benefit entitlement, as demonstrated by Case Study 8.

Case Study 8

Undeclared ownership of a property to gain social housing

A housing tenants to council tax reduction scheme match enabled The City of London Corporation to identify a tenant who failed to declare part ownership of a property on 3 different social housing application forms. Had he declared this ownership he would not have been entitled to housing from The City of London Corporation. In a formal interview the individual claimed that he had not intentionally made a false claim. However, the case was taken to the City of London Magistrates court where the individual was found guilty under Section 1 of The Fraud Act 2006.

Case Study 7

Housing benefit to right to buy match identified undeclared capital

West Northamptonshire Council investigated a Housing Benefit to Right to Buy match that identified undeclared savings and capital. When the Council carried out a compliance visit, it was discovered that the claimant had savings and capital that would remove her entitlement to Housing Benefit for the previous six years. An overpayment of £15,347.49 is being recovered.



Other Fraud categories

Trade Creditors (including Procurement): **£11 million**



Trade creditors reports aim to either identify duplicate creditor reference numbers that increase the potential for suppliers to obscure fraudulent activity, or duplicate payments for the same goods/services, which may have arisen as a result of fraudulent activity by suppliers and/or staff.

Procurement matching looks for employees that have potentially not declared interests in companies that have given a pecuniary advantage or employees who appear to be registered directors of companies that the employing body has traded with.

Local authority net current expenditure on services is budgeted to be £127.1 billion in 2024-25³³. This is £18.8 billion (17.4%) higher in real terms than was budgeted for 2022-23³⁴. A significant proportion of this expenditure will pass through local authorities' payments systems.

HM Treasury reported in 2024³⁵ NHS England Total Departmental Expenditure Limits for 2024/25 outturn was £171.4 billion with health and social care procurement expenditure for 2023/24 of £87.4 billion. 2024/25 planned expenditure of £97.2 billion, an 11.2% increase. Expenditure in this area has increased by 37.3% between 2018/19 and 2023/24.

The NHS Strategic Intelligence Assessment 2023³⁶ assessed that the NHS is vulnerable to fraud, bribery, and corruption to an estimated £1.264 billion.

It has been estimated that around 1.5%³⁷ of an organisation's total outgoing cash flow can be attributed to duplicate payments. In this case local authority duplicate payments could total £1.9 billion and the NHS £1.31 billion.

In this reporting period, 819 duplicate payments totalling £11 million were identified, £10.3 million of which were recovered (93%). This is an increase from the 2022 reported amount of £6.1 million, but comparisons between reporting periods cannot usually be made due to the nature of this match in that it is aimed at identifying duplicate payments that might have bypassed internal controls. Case study 9 provides an example of how the NFI matching helped a council find a large duplicate payment.

A further 548 duplicate supplier standing data records have been corrected or deleted, which also helps to improve the efficiency with which organisations maintain their creditor payment systems.

Case Study 9

Duplicate invoices identified by the NFI

Luton Borough Council identified a duplicate trade creditor payment had been made following some confusion with similarly named creditors amounting to £34,000. Thanks to the NFI match the Council was able to act quickly to recover the funds that were only returned following the threat of legal action.





Table 8 - Analysis of trade creditor duplicate payments 2022 - 2024

| Reporting period | 2022 - 2024 | | 2020 - 2022 | |
|--------------------|-----------------------------|---------|-----------------------------|---------|
| | 2020/21 reported in 2022/23 | 2022/23 | 2018/19 reported in 2020/21 | 2020/21 |
| £ million | | | | |
| Duplicate Payments | 0.4 | 10.6 | 1.8 | 4.3 |

Other case studies



Case Study 10

Dual employment identified by the NFI

The Department for Environment, Food and Rural Affairs (DEFRA) have been participating in the National Fraud Initiative (NFI) since 2018. The 2022/23 exercise identified a DEFRA employee who had been paid by both DEFRA and the Department of Health and Social Care (DHSC) for full time roles.

Following an investigation, it was found out that this person held three roles in three government departments during two separate time frames. This individual also held two different vetting clearances (CTC and SC) concurrently with different departments, unbeknown to the Vetting team or departments. To gain new employment within the Civil Service, the individual had withheld his Civil Service employment history.

After concluding the investigation, this individual was dismissed from DEFRA and the two other current CS employers with immediate effect. He had already resigned from DHSC.

A spokesperson from DEFRA said,

'We concluded that by taking part in the NFI, DEFRA was able to find and stop this simultaneous employment'.

Case Study 11

Dual employment case taken to Magistrates Court

Barnsley Council identified a dual full time employee irregularity following examination of the payroll to payroll, between local government bodies report, in the 2022/23 NFI exercise. An investigation commenced with the other local authority identified on the match. It was established, the same employee had been employed on two 37 hour per week contracts for a period of 10 months.

Whilst the investigation was ongoing the employee resigned voluntarily from both positions. Following the outcome of the investigation it was agreed by both local authorities that the case would be taken forward for prosecution. The defendant pleaded guilty to three counts of fraud. The monetary amounts of overpaid wages considered for sentencing totalled £16,950.

On 14th June 2024, the Magistrates court sentenced the defendant to 12 months imprisonment, suspended for two years and was also ordered to pay a costs contribution of £1,226 and a victim surcharge of £156.



The NFI information sharing, products pilots, innovation and future plans

During this reporting period the NFI Business Development workstream has helped public and private sector participants prevent and detect £139.5 million. This section of the report outlines the work done during 2022 - 2024 through pilots, innovation work, etc.

Table 9 - Analysis of NFI Business Development outcomes 2022- 2024 (rounded)



Over the last two years, the NFI has continued to carry out a comprehensive innovation programme. This has included redesigned screens within the web-based application to improve the user experience, an overhaul of the management information available to the NFI Team to assist with support and outcomes maximisation, additional functionality within the FraudHub tool and further work to refine match risk scoring.

A further programme of work will continue for 2024/25 and beyond underpinned by the recent commencement of a contract for 2024 to 2028 with our IT Supplier and the launch of the NFI Strategy 2024 - 2028. A high-level summary of the Strategy can be found at Appendix 4.

The strategy sets out five ambitious objectives which, over the next four years, will put the NFI on a strong footing to help deliver benefits to public sector bodies in their fight against fraud. These objectives are:

- Evolve Our Products Through Innovation
- Increase Data Access and Insight
- Uphold the Highest Standards of Service Quality and Data Security
- Improve Training and Support
- Enhance Engagement to Maximise Outcomes

One of our priorities will be to look at how additional datasets, such as those held by other government departments or new private sector participants, can help us to better target fraud as well as continuing to undertake pilot matching using new and existing datasets.

We will also look at how we can expand voluntary participation of central government departments and Housing Associations that can choose whether to submit e.g. payroll, trade creditor or housing tenancy data on a voluntary basis. We are pleased to say that following a period of engagement with central government departments in England there will be an even greater number taking part in NFI 2024/25.



HMRC information sharing

Information sharing with HMRC commenced in spring 2019 under the Digital Economy Act 2017, and for the period to 31 March 2024, it has successfully helped NFI participants identify £16.8 million in fraud and error overpayments. In this reporting period, £4.6 million has been identified.

HMRC data targets the following three fraud risks across council tax reduction, housing benefit, housing tenancy and council tax single person discount datasets:



Undeclared property ownership



Undeclared earnings & capital



Undeclared persons in a household

The NFI HMRC data matching meant Rushcliffe Borough Council were able to identify a large benefit overpayment as a result of undeclared earnings (Case Study 12).

This information sharing has now moved into business as usual after the successful evaluation of the second phase of piloting. We are continually improving how we work with HMRC and listening to your feedback. For example, as we receive data for the 2024/25 exercise it will be passed across to HMRC securely in smaller batches rather than waiting for submission of e.g. all council tax reduction data. This should allow HMRC to generate the matches sooner and thus allow us to release some matches back to participants sooner.

Table 10 - Analysis of outcomes from the HMRC information sharing - England 2022 to 2024 (rounded³⁸)

| Dataset | Number of Fraud and Error cases | Actual Outcomes £ million | Estimated Outcomes £ million | Total Outcomes £ million | Amount under recovery £ million |
|------------------------------------|---------------------------------|------------------------------|---------------------------------|-----------------------------|------------------------------------|
| Council Tax Reduction | 321 | 1.1 | 0.3 | 1.3 | 1.0 |
| Housing Benefit | 21 | 0 | 0 | 0 | 0 |
| Housing Tenancy | 15 | 0 | 1.0 | 1.0 | 0 |
| Council Tax Single Person Discount | 1,710 | 0.9 | 1.3 | 2.2 | 0.8 |
| Other | 8 | 0 | 0 | 0 | 0 |
| Total | 2,075 | 2 | 2.6 | 4.6 | 1.9 |

Case Study 12

HMRC Earnings and Capital match helps identify benefits overpayments

A NFI Council Tax Reduction to HMRC Earnings and Capital report helped Rushcliffe Borough Council identify an individual claiming full Housing Benefit and Council Tax Reduction Scheme based on his wife's Employment Support Allowance (ESA) entitlement.

Initial enquiries established that the individual had not declared he was working full-time since 2018. This case was referred to the DWP because of the Housing Benefit and ESA elements, for a full investigation.

The claimant failed to attend interviews, but was prosecuted for the offence and given an 8-month sentence suspended for 18 months.

Overpaid Housing Benefit of £19,881.79 and Council Tax Reduction of £4,825.58 is being recovered from the individual's salary through an attachment of earnings.

The DWP also found his wife was overpaid ESA of £35,204.49, which is being recovered, but no criminal action was taken against her as she failed to attend any interviews.



Working with the private sector to target fraud

The Economic Crime Plan 2023-2026³⁹ is clear on the need for enhanced exploitation of available data across public and private sectors to better prevent, detect and pursue economic crime.

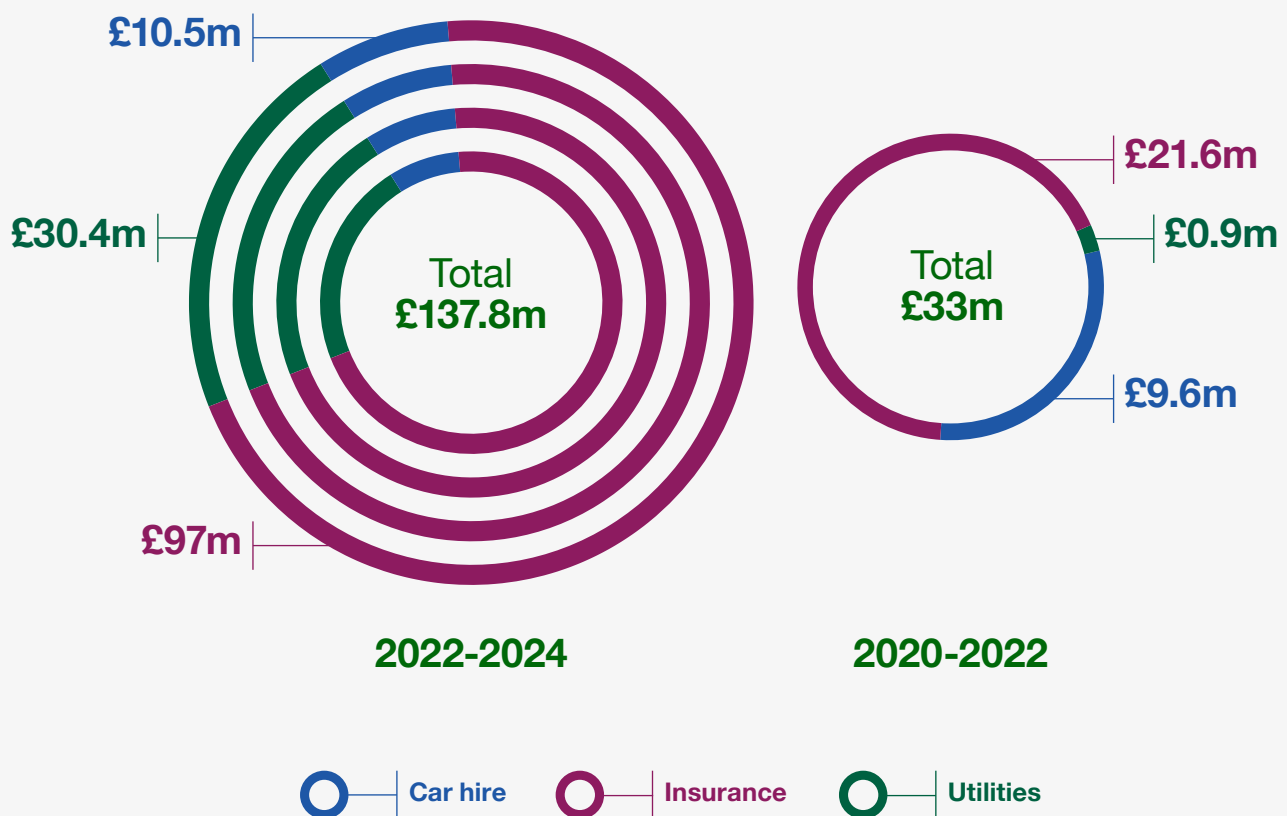
The NFI continues to contribute to an effective solution for a growing number of private sector organisations by providing real-time access to public sector data thus helping private sector bodies flag potential fraud at the point of application.

The NFI recognises the value of the insight that NFI data can bring, using the latest technology to ensure data is shared efficiently and proportionately. Car hire businesses,

insurance companies and the water industry have used insights from the NFI data in this way and continue to make use of the data as part of their normal business processes to counter fraud. This includes highlighting where applicants for services misrepresent their identity, or their residency. This work has resulted in £117 million of fraud being prevented or detected (Figure 4).

We will continue to explore the ways in which data held by the private sector can also further help to target fraud in the public sector, such as the housing tenancy pilot mentioned below.

Figure 4 - Analysis of losses prevented/detected through work with the private sector 2020 - 2024 (rounded)





NFI FraudHub

The NFI FraudHub provides local authorities and other public sector organisations with the opportunity to work together and share data in the existing secure NFI environment.

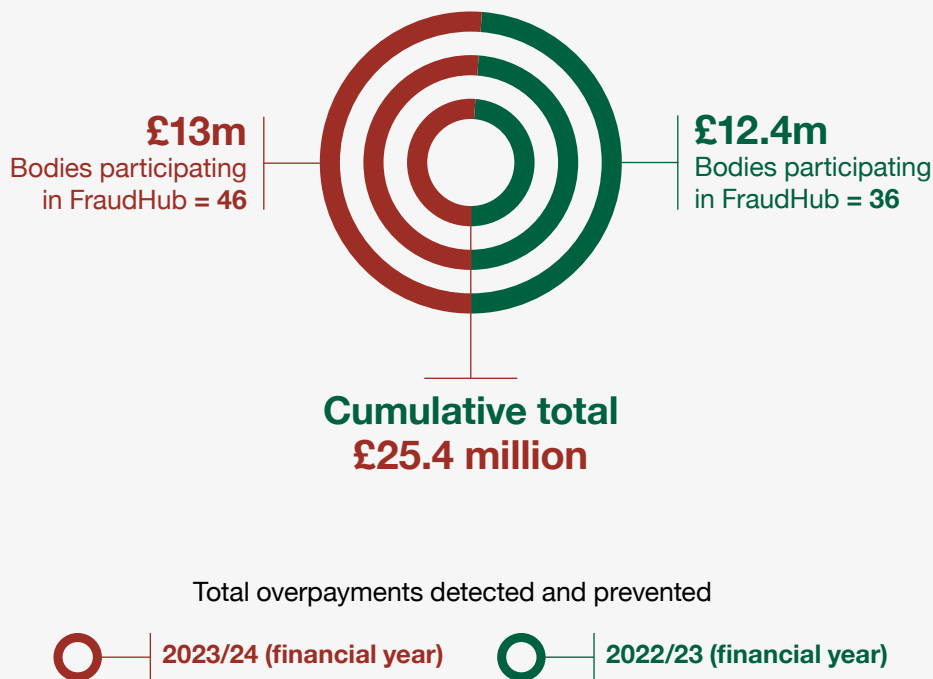
FraudHub take up has continued to grow during 2022 to 2024 with 46 active members on 31 March 2024.

FraudHubs are vital to the continued growth of the NFI through FraudHub centric pilots, the User Group that supports the sharing of good practice and identification of emerging fraud risks. We will continue to communicate the advantages of FraudHub across the UK and look forward to further expansion and continued participation in 2024/25 and beyond.

The outcomes generated from FraudHub for 2023/24 are £12.3 million reported (Figure 5) of which £8.8 million can be attributed to mortality screening matching. This is often the first fraud problem new FraudHub members target due to the potential for significant results.



Figure 5 - Analysis of overpayments detected and losses prevented 2022 - 2024





The NFI pilot pipeline

The NFI continues to maintain a pipeline of pilots which are prioritised based on the risk and work is scheduled according to available resources. We have continued to undertake pilot data matching using existing and new types of data to address a broad range of existing and new fraud risks. For example, the Council tax to DDRI pilot, agency staff to payroll pilot and a second phase tenancy fraud pilot that included a new lettings data source.

We will be scheduling further pilots during 2024/25 and beyond, aiming to identify issues facing our participants such as in the areas of housing and adult social care. Adult social care pilots will be scheduled as soon as possible after the Legislative Reform Order is passed (see page 30).

Targeting tenancy fraud during 2023-24

The 2023 Lost Homes, Lost Hope report⁴⁰ from the Tenancy Fraud Forum and Fraud Advisory Panel, suggests that homelessness is on the increase and the stock of social homes has been shrinking for decades⁴¹, with at least 148,000 social homes in England subject to some form of tenancy fraud. This is 1 in 20 social homes in London and 1 in 30 elsewhere in England. With this evidence suggesting that housing tenancy fraud is on the increase, it is notable that the outcomes from NFI matches have decreased steadily. In the last national report in 2022 only 23 properties were reported as being recovered by social landlords.

Some of the decrease can be attributed to COVID-19 and the measures taken to protect tenants from being evicted, however it was evident that the NFI needed to improve and enhance the housing tenancy matching on offer to participants.

This was done through Phase 1 of a tenancy fraud pilot launched in 2022 with 17 participants. This brought public and private sector data together to target subletting and illegal succession in a new and innovative way. The aim of the pilot was to enable better investigation of the make-up of a household by identifying cases where:

- data showed that the tenant appeared to be living elsewhere and not at the tenancy address; and
- other individuals appeared to be residing at the tenancy address

The NFI came together with the councils taking part in the pilot to develop a better way to present the matches. A single view of the tenant was developed with dynamic links to other individuals who appear to be linked to the tenancy address.

This resulted in 8 properties recovered (or £744,000 estimated fraud detected and prevented). Phase 2 builds on the success of Phase 1 by bringing together more participants and a wider range of data sources. We expect that the data sources used for this pilot phase will be valuable additions to NFI tenancy matching. Beyond phase 2, we will continue to source other datasets that can be integrated into the final solution. Our aim is to provide a comprehensive tool that will be applicable to other fraud risks. Case Study 13 provides an example of how the Tenancy pilot helped to prevent a succession fraud.

Case Study 13

Housing tenancy pilot stopped an attempt to commit succession fraud

As a result of taking part in the NFI housing tenancy fraud pilot, City of London were able to prevent a succession fraud. An individual attended the housing estate offices asking to succeed a tenancy, claiming to have lived at the property for the last 18 months with their mother who had passed away a few days prior.

The NFI intelligence showed financial links for this individual at another address spanning across the last three years where they were on the electoral register and still had bank accounts and other utilities in their name. The individual had only registered their bank account at the property they wished to succeed less than one month before. Succession was denied.





Polygamous working

The NFI already matches employee data to identify potential polygamous working, traditionally looking at employees working within and between mandatory participants.

For this specific pilot we wanted to understand the impact of polygamous working in a defined geographic area, across permanent employees and those employed through an agency to identify if the matching would yield increased results. This was highlighted as an emerging risk area following changes to working practices since COVID-19, where many organisations now allow staff work remotely or on a hybrid basis as normal operating procedures⁴².

Linked to considerable usage of temporary staff to cover vacancies, often through an array of recruitment agencies, there is even more opportunity for individuals to commit fraud by gaining employment with several local authorities at the same time but failing to fulfil all of the roles. For example, in quarter 2 of 2024, temporary/casual employees represented 11.6%⁴³ of all local government staff.

This is not isolated to local authorities as the NHS uses internal “banks” of staff and external agencies to fill vacancies, spending £2.3 billion up to 2023/24 (quarter 3)⁴⁴. NHS staff vacancies, reported to be around 120,000⁴⁵, are expected to fall significantly by 2028, which should in turn lower the reliance on agency staff, but the risk is still substantial.

Working with the London Boroughs Fraud Investigators Group (Exhibit 2), we collected data for this pilot from 22 London Borough Councils (LBCs) and 4 employment agencies/managed service providers. Potential anomalies were presented back to the relevant LBCs for review and investigation. Work is still ongoing on the pilot matches, with 22 employees so far dismissed (to 16 September 2024), and plans are already in place to extend this match to more local authorities in 2025.

Exhibit 2

“London Borough Council Fraud Teams identified a new and emerging fraud risk across all staff grades. Permanent and agency staff were believed to be working across multiple jobs and failing to fulfil their contractual obligations. In response to this risk, LBFIG supported 26 London Borough Council FraudHub members and worked with NFI colleagues, in-house Human Resources, legal and information teams, and with our managed service providers, to secure agency staff data.

This data, and data relating to permanent staff was matched through the London NFI FraudHub to identify where staff may be working across more than one contract. Investigations would reveal those that were failing to work their contracted hours.

LBFIG is proud to have facilitated this highly successful and innovative collaboration across London Borough Councils. This work has so far identified half a million pounds in overpaid salary payments and removed the risk of this continuing in 23 cases. This initiative will serve as a benchmark for further collaboration to tackle fraud across London and other regions.”

Chris Keesing, Chair of the London Borough Fraud Investigators Group (LBFIG)





How the NFI innovates

The NFI programme of innovation has concentrated on several distinct areas:

User Interface and User Experience

More of the findings from the user experience review of the web application have been implemented with newly designed screens available in the FraudHub tool. During 2024/25 the new design will be extended out to other parts of the web application.

Improved Management Information

An overhaul of the management information within the NFI web application is underway and will continue into 2024/5. This will enable users and the NFI Team to better segregate and analyse the metrics behind the NFI matches to identify case outcomes reported against different NFI products, match reports, dataset types and date periods. This can be used to better monitor participants activity and help assess where resources could be directed to maximise NFI returns.

FraudHub functionality

We have continued to invest time and resources into the development of the NFI FraudHub listening to users' feedback through regular user group sessions. As a result, several major developments have been rolled out during 2022 - 2024 such as the ability to assign matches to users and monitor activity against them, the introduction of Key Contact dashboards and refreshing the look and feel of the product in line with advice from a user experience consultant and providing the ability for users to perform matching under own powers. We are committed to working with existing and new FraudHubs into the future to ensure the product continues to meet their needs. We are committed to look at new fraud areas, expanding the datasets we can match to and providing increased flexibility to its users.

Risk Scoring

Continuing work on how we can present matches to users with risk scores. The methodology behind risk score calculations will be reviewed again for NFI 2024/25 alongside any presentational changes displayed to users.



User engagement and communication

Throughout 2022 - 2024 the NFI has continually reviewed its communications and engagement activities to ensure they are providing up-to-date and comprehensive information and meet the needs and requirements of participants. Suggestions and feedback have been requested on an ongoing basis and were reviewed and evaluated quickly to ensure the most effective use was made of available resources.

The NFI team engaged regularly with users through a broad range of channels, including the provision of an email queries inbox and a technical helpdesk for participants, responding to feedback and providing extensive support and advice. In April 2024, the NFI conducted a full consultation on fees and the work programme for 2024/25. This consultation provided users with a formal opportunity to feed back on the NFI and suggest improvements.

The NFI produced four newsletters that raised awareness of ongoing work, communicated operational updates and training opportunities, and provided other relevant information. The newsletters are sent by email to all users and all editions are available within the secure web application for reference. The NFI received positive feedback on the newsletter and will continue to develop it in line with user feedback.

Regular user engagement events were undertaken during 2022 - 2024, including workshops and training sessions for key contacts and system users; speaking and exhibiting at conferences and forums; FraudHub user groups and surveys to seek opinion and further explore user needs.

Our NFI Strategy for 2024 - 2028 sets out how we will develop and deliver an engagement plan for the future that will outline how we will engage with the NFI community to share best practices, co-design our products and pilots, enhance collaboration and maximise outcomes.

Pursuing legislative change

The NFI is committed to exploring all opportunities to identify, prevent and recover fraud. It is because of this that the NFI is pursuing secondary legislation, in the form of a Legislative Reform Order, to enable the recommencement of the matching and sharing of adult social care data across local authorities in England and Wales.

Adult social care data matching was previously undertaken by the NFI on behalf of local authorities, but ceased when an amendment to the NHS Act 2006 in 2016 meant that local authority social care data became aligned with 'patient data'. This meant that the results of data matching using patient data could only be shared with 'relevant NHS bodies' - which did not include local governments in England and Wales. This consequence was wholly unintended.

This legislative amendment will help protect and ensure the correct use of adult social care funding - assisting local authorities to fairly investigate and, if the outcome warrants, recover fraud and error so funding can be redirected for those who need it most. Without this amendment, fraud and error loss will persist and is expected to increase in the adult social care sector.





Appendix 1 - Comparison of NFI outcomes by case 2022 to 2024 - England

| | 2022 - 2024 Number of cases | 2020 - 2022 Number of cases |
|---|--------------------------------|--------------------------------|
| Pensions payments stopped/ adjusted | 6,194 | 12,098 |
| Council Tax Single Person Discount | 37,059 | 32,669 |
| Housing benefit fraud, error and overpayments relating to: | | |
| DWP referrals | 2,624 | 521 |
| Students | 1,164 | 966 |
| Taxi Drivers | 46 | 69 |
| Housing benefits | 34 | 21 |
| Housing tenants | 13 | 11 |
| Council tax | 234 | 154 |
| LG employees | 0 | 80 |
| LG pensioners | 0 | 95 |
| NHS employees | 0 | 40 |
| Central Government pensioners | 0 | 77 |
| Other | 53 | 135 |
| Social housing | | |
| Properties recovered | 103 | 25 |
| Right to Buy | 21 | 5 |
| Housing waiting list applicants | 4,304 | 6,736 |
| Transport | | |
| Blue badges cancelled | 41,575 | 42,393 |
| Concessionary travel passes | 129,135 | 225,710 |
| Residents parking permits | 415 | 332 |
| Social care | | |
| Residential care homes | 0 | 68 |
| Personal budgets | 0 | 6 |
| Payroll employees dismissed or resigned | 38 | 19 |
| Creditor payments | 819 | 955 |
| Council tax reduction | 2,843 | 3,000 |
| Private sector/pilots | 63,648 | 33,561 |
| Business validation | 86 | 1,486 |
| Other | 419 | 174 |
| Total | 290,817 | 361,406⁴⁶ |



Appendix 2 - Reported outcomes by risk area 2022 to 2024 - England

| Dataset | 2022 - 2024 | | | 2020 - 2022 | | |
|--------------------------------------|-----------------|--|--------------|-----------------|--|-------------------|
| | Amount Detected | Estimated value of future losses prevented | Total | Amount Detected | Estimated value of future losses prevented | Total |
| | | £ million | | | £ million | |
| Pensions | 11.7 | 167.8 | 179.5 | 9.3 | 240.6 | 250.0 |
| Council tax single person discount | 20.4 | 31.5 | 51.9 | 17.2 | 27.6 | 44.7 |
| Blue badges | - | 26.8 | 26.8 | - | 24.4 | 24.4 |
| Housing waiting lists | - | 17.6 | 17.6 | - | 21.8 | 21.8 |
| Housing benefits | 24.3 | 5.4 | 29.7 | 11.2 | 3.2 | 14.4 |
| Trade creditors | 11.1 | - | 11.1 | 6.1 | - | 6.1 |
| Concessionary travel passes | - | 4.0 | 4.0 | - | 5.5 | 5.5 |
| Council tax reduction | 4.4 | 3.0 | 7.4 | 3.7 | 1.5 | 5.2 |
| Housing tenancy | - | 7.8 | 7.8 | - | 2.3 | 2.3 |
| Residential care homes ⁴⁷ | - | - | - | 0.3 | 0.6 | 1.0 ⁴⁸ |
| Right to Buy | - | 1.7 | 1.7 | - | 0.2 | 0.2 |
| Other | 0.3 | 0.1 | 0.4 | 0.4 | - | 0.4 |
| Payroll / Procurement | - | 0.2 | 0.2 | 1.0 | 0.1 | 1.1 |
| Pilots | - | 0.7 | 0.7 | - | 0.3 | 0.3 |
| Business validation | 1.0 | - | 1.0 | 6.9 | - | 6.9 |
| Private sector | - | 137.8 | 137.8 | - | 32.4 | 32.4 |
| Grand Total⁴⁹ | 73.0 | 404.4 | 477.5 | 56.2 | 360.6 | 416.8 |



Appendix 3 - Basis of the estimated value of future losses prevented - 2022 to 2024

| Dataset area | Estimate methodology |
|------------------------------------|--|
| Pension mortality screening | <p>National Exercise: Annual pension multiplied by the number of years until the pensioner would have reached the age of 85.</p> <p>Appcheck: Average annual pension (£5,225) multiplied by the number of years until the pensioner would have reached the age of 85.</p> |
| Pension injury benefit | <p>National Exercise: Weekly reduction in pension multiplied by 260 weeks.</p> |
| Pension abatement | Provided by the participant. |
| Council tax single person discount | <p>National Exercise: Annual value of Council Tax Single Person Discount multiplied by two years.</p> <p>Appcheck: Average annual council tax SPD discount (£492) multiplied by two years.</p> |
| Blue badges | <p>National Exercise: £675 per blue badge cancelled to reflect the estimated annual cost of blue badge fraud, the likelihood that badges are misused and the duration that fraudulent misuse will continue.</p> <p>Appcheck: £2,033 per pass application cancelled to reflect potential annual misuse.</p> |
| Housing waiting lists | <p>National Exercise and Appcheck: £4,283 per applicant removed from the waiting list, based on the annual cost of temporary accommodation, the likelihood that individuals on the waiting list would be provided a council property, and the duration for which fraud or error may continue undetected.</p> |
| Housing benefit | <p>National Exercise: Weekly benefit reduction multiplied by 19 weeks.</p> <p>Appcheck: Average weekly benefit reduction (£91) multiplied by 19 weeks.</p> |
| Concessionary travel passes | <p>National Exercise: Number of passes cancelled multiplied by £31, based on the cost of reimbursement to bus operators for journeys made under the concessionary pass scheme and the duration of fraudulent pass misuse.</p> <p>Appcheck: £116 per pass application cancelled to reflect potential annual misuse.</p> |



Appendix 3 - Basis of the estimated value of future losses prevented - 2022 to 2024

| Dataset area | Estimate methodology |
|----------------------------|---|
| Council tax reduction | <p>National Exercise: Weekly change in Council Tax discount multiplied by 33 weeks.</p> <p>Appcheck: Average weekly council tax reduction (£21) multiplied by 33 weeks.</p> |
| Housing tenancy | <p>National Exercise: £78,300 per property recovered based on an average four-year fraudulent tenancy and an estimate of the duration that the fraud may have continued undetected. This includes temporary accommodation for genuine applicants; legal costs to recover property; re-let cost; and rent foregone during the void period between tenancies.</p> <p>Appcheck: £36,300 per housing application cancelled.</p> |
| Right to Buy | <p>National Exercise and Appcheck: £87,200 per application withdrawn based on average house prices and the minimum right to buy discount available. A regional variation applies in London of £112,300 per application withdrawn, to reflect the maximum value of Right to Buy discount available.</p> |
| Payroll | <p>National Exercise and Appcheck: £5,685 per case where the employee is dismissed or resigns.</p> |
| Pilots | Varies dependent on the pilot. |
| Private Sector - Water | Water utility companies - £413 per property where NFI identifies an individual is resident despite the property being declared as empty. |
| Private Sector - Insurance | £12,000 per insurance application/claim declined where individual cannot be verified to an address. |
| Private Sector - Car Hire | £7,510 per car hire declined as a result of individual not being verified at address by NFI data. |



Appendix 4 - Summary of the NFI Strategy 2024 - 2028

Our vision statement aims to articulate the NFI's ambition to tackle fraud and error through improved access to data and analytics techniques via sophisticated fraud prevention and detection solutions.



To better detect and prevent fraud by utilising data and technology from the public and private sector”

The NFI vision statement

Exploring the opportunities and challenges

The strategy demonstrates how we can evolve and build upon what the NFI has already delivered with a focus on addressing the future landscape of fraud, including the following:

- 
Artificial Intelligence (AI) and other technological developments
 The role AI and technology will play in the prevention and detection of fraud will undoubtedly be significant. The NFI is committed to identifying how to best utilise AI methodologies.
- 
Private sector collaboration
 The importance of partnerships between public and private sector actors is highlighted in the Economic Crime Plan. The NFI endorses, and is committed to following this approach, and will continue to pursue data-sharing with private sector partners.
- 
NFI public sector engagement and capability
 The NFI will launch an engagement strategy for 2024-28 and will work with the wider PSFA to identify ways in which counter fraud capacity and capability for public sector organisations can be better supported.

Our five objectives to achieve our vision

The strategy sets out five ambitious objectives which, over the next four years, will put the NFI on a strong footing to help deliver benefits to public sector bodies in their fight against fraud. These objectives are:

-  Evolve Our Products Through Innovation
-  Increase Data Access and Insight
-  Uphold the Highest Standards of Service Quality and Data Security
-  Improve Training and Support
-  Enhance Engagement to Maximise Outcomes

Implementation and governance

The NFI will be accountable for the delivery of the strategy. The NFI will publish annual targets, where applicable, for the five objectives in a PSFA annual delivery plan. Progress against the delivery of each action in the strategy will be overseen by a governance process within the NFI and PSFA.



References

- ¹ The data requirements for the NFI exercise are set out in published [data specifications](#).
- ² The NFI financial outcomes are made up of actual overpayments detected and estimated future losses prevented.
- ³ NFI 2020/21 is the national data matching exercise. Data is collected in October 2020 and matches released in January 2021. This report captures outcomes recorded against 2020/21 matches in the period from 1st April 2022 to 31st March 2024. 2020/21 estimates will apply to this period.
- ⁴ NFI 2022/23 is the national data matching exercise. Data is collected in October 2022 and matches released in January 2023. 2022/23 estimates will apply to this period.
- ⁵ Scottish bodies are mandated every two years
- ⁶ The significant increase in the number and value of pension cases in 2018/19, contributed to this higher than usual average outcome per case.
- ⁷ Scotland, Wales and Northern Ireland publish their own NFI results and are available at www.audit-scotland.gov.uk, www.wao.gov.uk and www.niauditoffice.gov.uk
- ⁸ This figure excludes HMRC, AppCheck and FraudHub outcomes as they are attributed to existing datasets e.g. CTSPD
- ⁹ Amounts shown as zero are less than £100,000
- ¹⁰ The NFI results in Scotland are available at www.audit-scotland.gov.uk, in Wales at www.wao.gov.uk, and in Northern Ireland at www.niauditoffice.gov.uk
- ¹¹ ONS, [Dataset Funded occupational pension schemes in the UK](#), March 2024
- ¹² ONS, [Death registration summary statistics, England and Wales: 2023](#), May 2024
- ¹³ Figures were only available for England and Wales combined.
- ¹⁴ ONS, [Population estimates for England and Wales: mid-2023](#), July 2024
- ¹⁵ The NFI estimate for future losses prevented is based on the annual pension multiplied by the number of years until the pensioner would have reached the age of 85
- ¹⁶ Cifas, [Single Person Discount fraud increases as 1 in 5 admit to dishonest claims](#), February 2024
- ¹⁷ DWP, [Fraud and error in the benefit system, Financial Year Ending \(FYE\) 2024](#), May 2024
- ¹⁸ DHLUC, [Local authority Council Taxbase in England: 2023](#), February 2023
- ¹⁹ HMG, [The Council Tax Reduction Schemes \(Prescribed Requirements\) \(England\) Regulations 2012](#), November 2012
- ²⁰ The Verify Earning and Pensions service (VEPS) allows councils to verify earnings and pensions information from claimants using real-time information from Her Majesty's Revenue and Customs
- ²¹ DWP, [S6/2024 Funding for the Verify Earnings and Pensions service for the financial year ending March 2025](#), April 2024
- ²² Includes £0.5m from ReCheck.
- ²³ This excluding NFI estimated forward savings
- ²⁴ Department of Transport, [Blue Badge Scheme Statistics - Data tables \(DIS\)](#), January 2024
- ²⁵ Department for Transport, [Concessionary travel statistics: year ending March 2023](#), November 2023
- ²⁶ This includes passes that are updated, stopped or 'hot-listed' (a term used where a pass has been deactivated for a specific reason), in this case as the person is believed to be deceased
- ²⁷ Passenger Transport Executives (PTEs) are local government bodies which are responsible for public transport within large urban areas. They are accountable to Combined Authorities, which were created between 2011 and 2016 and took the role of Integrated Transport Authorities (ITAs)
- ²⁸ Tenancy Fraud Forum, [Lost Homes Lost Hope](#), April 2023
- ²⁹ Department of Levelling Up, Housing and Communities, [Table 600: numbers of households on local authorities' housing waiting lists, by district, England, from 1987](#), 27 June 2024
- ³⁰ A section 21 notice under the Housing Acts of 1988 and 1996
- ³¹ Ministry of Justice, [Mortgage and landlord possession statistics: April to June 2024 - GOV.UK](#), 8 August 2024
- ³² See 'Appendix 3 - Basis of the estimated value of future losses prevented - 2022 to 2024' for more details about the NFI estimate methodology. The estimate for 2020/21 was £3,243. The £17.6m includes 611 cases from 2020/21 reported after 31st March 2022
- ³³ Department for Levelling Up, Housing & Communities, [Local authority revenue expenditure and financing: 2024-25 budget, England](#), June 2024
- ³⁴ Department for Levelling Up, Housing & Communities, [Local Authority Revenue Expenditure and Financing: 2022-23 Budget, England](#), July 22
- ³⁵ HM Treasury, [Public Expenditure Statistical Analyses 2024](#) (1.32 & Table 2.2), July 2024
- ³⁶ NHS Counter Fraud Authority, [Strategic Intelligence Assessment 2023](#), September 2023
- ³⁷ Fiscal Technologies, [The risks of duplicate payments to your organisation](#), February 2024
- ³⁸ Amounts shown as zero are less than £100,000
- ³⁹ HM Treasury/Home Office, [Economic Crime Plan 2 2023 - 2026](#), March 2023
- ⁴⁰ Tenancy Fraud Forum, [Lost Homes Lost Hope](#), April 2023
- ⁴¹ Shelter England, [The Social Housing Deficit](#), 2023
- ⁴² ONS, [Is hybrid working here to stay?](#), May 2022
- ⁴³ LGA, [ONS Quarterly Public Sector Employment Survey \(Q2, 2024\)](#), September 2024
- ⁴⁴ NHS England, [Financial performance report 2023/24: Quarter 3](#), August 2024
- ⁴⁵ NHS England, [NHS Vacancy Statistics England, April 2015 - September 2023](#), November 2023
- ⁴⁶ Restated from 360,885 to allow comparison to increased DWP referrals in 2022-24
- ⁴⁷ Includes personal budget cases reported late from NFI 2018/19 matches, i.e. after 4 April 2020
- ⁴⁸ These are cases reported late from NFI 2018/19 matches, i.e. after 4 April 2020. Due to a legislative change, the NFI stopped processing patient data in 2020
- ⁴⁹ Due to rounding, numbers presented throughout this report may not add up precisely to the totals indicated and percentages may not precisely reflect the absolute figures for the same reason



Contact us

For more information about the NFI please visit our website:

<https://www.gov.uk/government/collections/national-fraud-initiative>

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