



First Release

29th November 2012

Coverage: Great Britain
Theme: Social and Welfare

Fraud and Error in the Benefit System: 2011/12 Estimates (Great Britain)

Estimates 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

The publication includes the 2011/12 estimate of total overpayments and underpayments across the benefit system as well as individual estimates for Income Support, Jobseeker's Allowance, Pension Credit and Housing Benefit for 2011/12 (based on April 2011 to March 2012 sample data and 2011/12 expenditure).

Headline results

Estimates of Fraud and Error across all benefits in 2011/12

The estimate of total overpayments due to fraud and error across all benefits is £3.4bn; this is 2.1% of the total benefit expenditure, which was £159.2bn in 2011/12.

The estimate of total underpayments due to fraud and error across all benefits is £1.3bn; this is 0.8% of the total benefit expenditure in 2011/12.

Estimates of Fraud and Error by type of error in 2011/12

- 0.7%, or £1.2bn, of total benefit expenditure is overpaid due to fraud;
- 0.9%, or £1.4bn, of total benefit expenditure is overpaid due to claimant error;
- 0.5%, or £0.8bn, 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 £0.4bn, of total benefit expenditure is underpaid due to official error.

Estimates of Fraud and Error by individual benefits in 2011/12

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

- 4.4%, or £310m, of Income Support expenditure (£7.2bn) was overpaid;
- 4.6%, or £230m, of Jobseeker's Allowance expenditure (£5.0bn) was overpaid;
- 5.7%, or £460m, of Pension Credit expenditure (£8.2bn) was overpaid;
- 4.9%, or £1,130m, of Housing Benefit expenditure (£22.8bn) was overpaid.
- 0.9%, or £70m, of Income Support expenditure (£7.2bn) was underpaid;
- 0.3%, or £20m, of Jobseeker's Allowance expenditure (£5.0bn) was underpaid;
- 1.8%, or £150m, of Pension Credit expenditure (£8.2bn) was underpaid;
- 1.4%, or £310m, of Housing Benefit expenditure (£22.8bn) was underpaid.



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Comparisons with previous estimates

We now compare the 2011/12 fraud and error estimates with the previously published 2010/11 and 2009/10 fraud and error estimates. With one exception, changes are not statistically significant, meaning any changes in the figures could be due to natural variations as the estimates are based on a sample.

All benefits

- The estimate for the percentage of total benefit expenditure overpaid in 2011/12 is 2.1% which is the same when compared to the 2010/11 estimate, but is a decrease compared to the 2009/10 estimate of 2.2%. It is worth noting that this estimate has remained between 2.0% and 2.2% since 2005/06.
- The estimated value of overpayments is £3.4bn in 2011/12. This is an increase when compared to the 2010/11 estimate of £3.2bn and the 2009/10 estimate which was £3.3bn. This is due to an increase in overall DWP benefit expenditure.
- The estimate for the percentage of total benefit expenditure underpaid in 2011/12 is 0.8%. This is the same as the estimate for 2010/11, but is a decrease when compared to the 2009/10 estimate of 0.9%. It is worth noting that this estimate has remained between 0.8% and 0.9% since 2005/06.
- The estimated value of underpayments is £1.3bn in 2011/12. This is an increase when compared to the 2010/11 estimate of £1.2bn, but is the same as the 2009/10 estimate.

Type of error (Overpayments)

- The estimate for the percentage of total benefit expenditure overpaid due to fraud in 2011/12 is 0.7%, which is a decrease when compared to the 2009/10 and 2010/11 estimates of 0.8%. The overpaid value in 2011/12 is £1.2bn which is the same as the 2010/11 estimate. In 2009/10 it was £1.1bn.
- The estimate for the percentage of total benefit expenditure overpaid due to claimant error in 2011/12 is 0.9% which is an increase when compared to the 2009/10 and 2010/11 estimates, 0.8%. The estimated overpaid value in 2011/12 has increased to £1.4bn from the 2010/11 estimate of £1.3bn. This is also an increase from £1.2bn in 2009/10.
- The estimate for the percentage of total benefit expenditure overpaid due to official error in 2011/12 has remained the same when compared to the 2010/11 estimate, at 0.5%. This is a decrease when compared to the 2009/10 estimate of 0.6%. The overpaid value in 2011/12 has also remained the same as the 2010/11 estimate of £0.8bn, but is a decrease compared to £1.0bn in 2009/10.

Individual benefits (Overpayments)

- The estimate of Income Support benefit expenditure overpaid for 2011/12 has remained the same when compared to the 2010/11 estimate of 4.4%. This is a decrease when compared to the 2009/10 estimate of 5.4%. The overpaid value has decreased from £460m in 2009/10 to £350m in 2010/11 and then to £310m in the 2011/12 results.
- The estimate of Jobseeker's Allowance benefit expenditure overpaid for 2011/12 is 4.6% which is a **statistically significant** decrease when compared to the 2010/11 estimate of 6.1%. It is also a decrease compared to the 2009/10 estimate of 5.8%. The overpaid value has decreased from £270m in 2009/10 and 2010/11 to £230m in the 2011/12 results. For more information on factors that have contributed to this statistically significant decrease, please see the Jobseeker's Allowance section within chapter 5 of our full National Statistics Report (see below for where this can be found).



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- The estimate of Pension Credit benefit expenditure overpaid for 2011/12 has increased to 5.7% when compared to the 2010/11 estimate of 5.6%. However, this is a decrease when compared to the 2009/10 estimate of 5.9%. The overpaid value has decreased from £480m in 2009/10 to £470m in 2010/11 and then to £460m in the 2011/12 results.
- The estimate of Housing Benefit expenditure overpaid for 2011/12 is 4.9% which is an increase when compared to the 2010/11 estimate of 4.6% and the 2009/10 estimate of 4.7%. The overpaid value has also increased to £1,130m for the 2011/12 results when comparing to 2009/10 and 2010/11 (£950m and £980m respectively).

Notes for 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: 2011/12 Estimates" is published at:
http://statistics.dwp.gov.uk/asd/asd2/index.php?page=fraud_error (see 'Latest Publication' section).
3. A minor revision is also being made to the National Statistics report "Fraud and Error in the Benefit System: 2010/11 Estimates (Revised Edition)". For further details on this revision please see our website's 'Latest News' section at:
http://statistics.dwp.gov.uk/asd/asd2/index.php?page=fraud_error.



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