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Fraud and Error in Housing Benefit April 2002 to March 2003 – Part 2

On 11 December 2003, a National Statistics report was published showing that an estimated £750m (6.2 per cent) of total Housing Benefit (HB) was overpaid due to fraud and error from April 2002 to March 2003. Today a new report is published which provides further details of the types and causes of fraud and error in HB for the same period. Both reports can be found at the following website address:

www.dwp.gov.uk/asd/asd2/fraud_hb/fraud_hb.asp

Analysis shown in the this report

This report gives a breakdown of the main results for Great Britain, with levels of fraud and error shown by:

- Detailed component of the HB assessment that was incorrect
- Detailed causes of incorrectness, for official errors
- Over- and underpayments
- Duration and value of incorrectness
- Distinct groups of customer

Summary of some main findings

- The December 2003 report shows that the largest amount of incorrectness occurs in the means test for customers who were not passported onto HB by either IS or JSA. A further breakdown of this figure shows that this is related mostly to earnings, other benefits, capital, or other income being used incorrectly in or missing from the HB assessment, but on average the individual errors involved were small in value.
- For claims where the HBR process would prove non-residency, the majority of expenditure overpaid was due to customers moving between residential addresses, smaller amounts were due to customers moving to hospitals, nursing homes or prisons or not having moved into the HB address in the first instance. A very small amount of the total estimated expenditure was paid directly to the customer, most going directly to housing associations, local authorities or private landlords.
- In general, durations of overpayments are relatively short: around half of all overpayments being made at any one time had lasted for less than 6 months. A considerable percentage of incorrect claims (10 per cent) being made at any one time had lasted for longer than a year.
- On average, errors tend to account for a smaller proportion of the total weekly HB paid than cases of fraud and non-residency. No correlation between the incorrect weekly benefit paid and duration of incorrectness was identified.

- Among working age customers, those with no passporting benefit were more than twice as likely to be incorrectly paid as those with a passporting benefit. This will be largely a consequence of the fact that, for many of the non-passported cases (but not for passported cases), more or less every small change of circumstance will have resulted in a need for HB to be reassessed. The rate of expenditure overpaid to customers claiming IS was around half the rate for customers claiming JSA or having no passporting benefit.

Interpretation of Results

As the results are derived from an examination of a sample of Housing Benefit claims rather than all claims, they are subject to statistical uncertainties as well as other uncertainties. Detailed material on the complexities and potential limitations and uncertainties were presented in the December 2003 report and should be read in conjunction with this report.

Note to Editors

“Fraud and Error in Housing Benefit April 2002 to March 2003 – Part 2” is a National Statistics publication and is produced to the high professional standards outlined in the National Statistics code of practice. National Statistics publications undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.