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Coverage: Great Britain
Theme: Social and Welfare

Fraud and Error in Pension Credit from October 2003 to September 2004

Estimates of the levels of fraud and error occurring in claims for Pension Credit over the period October 2003 to September 2004 are published as National Statistics today. Equivalent figures for Income Support and Jobseeker's Allowance were published on 25th August.

The report can be read at the Department for Work and Pensions website at: www.dwp.gov.uk/asd/asd2/fraud.asp

Service Delivery Agreement Target

The Pension Service has a Service Delivery Agreement (SDA) target to reduce fraud and error by 20 per cent by March 2006. The SDA target measure is the estimated percentage of benefit overpaid due to fraud and error, including official error, in Minimum Income Guarantee (the precursor to Pension Credit) and Pension Credit.

The baseline from which progress is measured is the level over the 12 months from April 2001 to March 2002 published in a National Statistics report in November 2002.

For the period October 2003 to September 2004, the estimated level of fraud and error overpayment on Pension Credit was 4.9 per cent of the benefit paid over the year. This is equivalent to an estimated overpayment of £280 million in the year. The estimate of performance against the SDA target is a reduction of 2 per cent.

Interpretation of Results

The results are derived from the analysis of a sample of Pension Credit claims, rather than of all Pension Credit claims, so they are subject to statistical uncertainties. These uncertainties have been quantified and are presented in the results as 95 per cent confidence limits. As a result of adjustments to deal with data quality problems, these confidence limits are wider than in previous estimates. Further sources of uncertainty have not been quantified, but are not negligible.

Fraud is by its nature a covert activity, and it is possible that some frauds and errors on sample cases will not have been uncovered. In addition, there are instances where fraud was suspected but not admitted or otherwise confirmed.

Notes for Editors:

1. "Fraud and Error in Pension Credit from October 2003 to September 2004" 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.

2. # is equivalent to pounds.

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