

7 July 2016

Dear Anita Bellows,

Thank you for your Freedom of Information request received on 10 June 2016.

You asked:

**“I would like some further information regarding your release on Fraud and error in the benefit system.**

**[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/524227/fraud-and-error-prelim-estimates-2015-16.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/524227/fraud-and-error-prelim-estimates-2015-16.pdf)**

**The document is stating: We changed the way we categorise overpayments after 2013/14. This change in methodology means some overpayments have switched to being categorised as fraud rather than claimant error. This is driving recent trends: fraud is now at its highest recorded rate; claimant error is at its lowest recorded rate.**

**1) I would like to know which category(ies) of claimant's error have been recategorised as fraud.**

**2) If that does not apply to Abroad Fraud overpayments, I would like to know which action DWP has taken which has led to an increase from £3m to £27m in ESA fraud. If that applies to Abroad Fraud overpayments, what was the rationale for changing the category from error to fraud? If you have any internal documents about this, could you forward them to me?**

**In the light of the Express article saying : ESA fraud rocketed, driven by people who are living abroad but still claiming handouts.**

**<http://www.express.co.uk/news/uk/672023/Crackdown-benefit-fraud-NHS-debt>**

**3) I would like to know the median duration of ESA benefit being claimed unlawfully, beyond the initial period of 4 weeks? (in weeks if possible)”**

We have numbered your questions for ease of reference. In response to question 1, we can confirm the change in methodology means that the case review process is more probing and robust – we no longer accept ignorance of benefit rules as an excuse for a claimant not reporting a change in circumstances. This change in categorisation was applied to all categories and has led to a shift from Claimant Error to Claimant Fraud in a number of instances.

In response to question 2, the change in categorisation can affect abroad fraud cases as this is consistent with the definition above. The increase in abroad fraud was not due to the ‘action DWP has taken’, but because the number of cases found with an abroad fraud overpayment

has increased between the sample period covering the 14/15 estimates to the sample period covering the 15/16 estimates. Our estimates are based on a sample population and are grossed to reflect the whole population. The estimates are therefore subject to sampling uncertainty.

There have been no methodological changes between the two sample periods. Further details of the methodology can be found within our Technical Appendix for Income Support, Jobseeker's Allowance and Pension Credit which can be accessed via the following link: <https://www.gov.uk/government/publications/fraud-and-error-in-the-benefit-system-supporting-documents-for-statistical-reports>

Details of our sample sizes can be found within the Background and Methodology document which can be accessed via the following link: <https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-201516-preliminary-estimates>

In response to question 3, the information you have requested is not held by the Department.

If you have any queries about this letter please contact us quoting the reference number above.

Yours sincerely,

DWP Central Fol Team

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### **Your right to complain under the Freedom of Information Act**

If you are not happy with this response you may request an internal review by e-mailing [freedom-of-information-request@dwp.gsi.gov.uk](mailto:freedom-of-information-request@dwp.gsi.gov.uk) or by writing to DWP, Central Fol Team, Caxton House, Tothill Street, SW1H 9NA. Any review request should be submitted within two months of the date of this letter.

If you are not content with the outcome of the internal review you may apply directly to the Information Commissioner's Office for a decision. Generally the Commissioner cannot make a decision unless you have exhausted our own complaints procedure. The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow Cheshire SK9 5AF <https://ico.org.uk/>