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Dame Meg Hillier
Chair, Public Accounts Committee
House of Commons
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Sent electronically

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Dear Meg

FRAUD AND ERROR ESTIMATES AND UNFULFILLED ELIGIBILITY IN THE BENEFIT SYSTEM STATISTICS RELEASE – MAY 2024

I am writing to let you know that we have today published our annual Fraud and Error statistics and our new Unfulfilled Eligibility in the Benefit System statistics for the financial year 2023-24.

Today's figures show the overall rate of overpayments of DWP benefits in the year 2023-24 is 3.7% of spending compared to 3.6% last year. Overpayments due to fraud are 2.8% compared to 2.7% last year while claimant error and official error remained at 0.6% and 0.3% respectively.

Universal credit overpayments reduced from 12.7% last year to 12.4% this year. PIP overpayments fell from 1.1% to 0.4%. Pension Credit accounted for the largest increase in overpayment, rising from 6.8% to 9.7%. Over half of the overpayments in Pension Credit were accounted for by under declaration of Capital assets and customers remaining abroad for too long.

I also wish to draw your attention to the fact that this publication includes changes to our reporting on claimant error underpayments. A planned review of the fraud and error statistics determined that claimant error underpayments did not reflect the legal definition of underpayments. As a result, these have been removed from the fraud and error statistics and reclassified and published separately as Unfulfilled Eligibility in the Benefit System statistics. Underpayments under this new definition dropped from 0.5% to 0.4% on a like for like basis. Unfulfilled eligibility rose from 1.0% to 1.2%.

This week the Government also published an update to DWP's Fraud Plan, *Fighting Fraud in the Welfare System: Going Further* and this has highlighted measures we are taking to prevent and stop fraud. Since 2022 we have delivered on commitments to invest in our front line, hiring over 4,400 people across our counter fraud and targeted case review programmes combined. In 2023-24, based on our initial savings estimates, we have saved £1.35bn from counter-fraud activities exceeding the £1.3bn target we set. We have prioritised new powers to improve our access to vital third-party data and are preparing a new fraud bill for the next Parliament to align our powers with HMRC.

There will be more detail on the statistics and our future plans, including the AME savings target for the next year, set out in our Annual Report and Accounts. I look forward to discussing the statistics with the Committee following its publication in the Summer.

I am sending a similar letter to the Chair of the Work and Pensions Select Committee and copying this letter to the Comptroller and Auditor General.

Yours sincerely
Peter Schofield

Peter Schofield CB
Permanent Secretary