



Department
for Work &
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Debbie Abrahams MP
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15 May 2025

Dear Debbie

FRAUD AND ERROR ESTIMATES AND UNFULFILLED ELIGIBILITY IN THE BENEFIT SYSTEM RELEASE – MAY 2025

I am writing to draw your attention to the Fraud and Error Statistics and the Unfulfilled Eligibility in the Benefit System Statistics that were published today.

Today's figures show the overall rate of overpayments for 2024-25 was 3.3% (£9.5bn) for 2024-25, compared to 3.6% (£9.7bn) in 2023-24. This comprises overpayments due to fraud at 2.2% compared to 2.7% last year, and claimant error and official error at 0.7% and 0.4% respectively (compared to 0.6% and 0.3% last year). Within these figures is a reduction in the Universal Credit overpayment rate of over a fifth, from 12.4% in 2023-24 to 9.7% in 2024-25. Total underpayments remained at 0.4% (£1.2bn), the same rate as last year.

We know we need to go further, and as you will be aware on 22nd January the Secretary of State for Work and Pensions introduced the Public Authorities (Fraud, Error and Recovery Bill) which reaches second reading in the House of Lords today. It will safeguard public money by reducing public sector fraud and error and allowing the more effective recovery of money owed to the government, including reducing incorrect payments through non declaration of capital and living abroad, and it is estimated to deliver benefits of £1.5bn over the next five years. This is part of a larger suite of measures, announced at Autumn Budget 2024 and Spring Statement 2025, which will deliver £9.6bn in scored savings out to 2029-30. Some of these measures will have contributed to the reduction in Universal Credit overpayments, for example the Targeted Case Review, and measures to remind claimants to declare changes in the household such as children moving out of education, as well as targeted counter fraud activities.

Today we have also published our unfulfilled eligibility statistics, following last year's reclassification from customer error underpayments. Unfulfilled eligibility measures how much a customer could have been eligible for had they told us their correct circumstances. The total unfulfilled eligibility rate in 2024-25 was 1.3% (£3.7bn) compared with 1.2% (£3.1bn) in 2023-24.

I will provide further details on the levels of overpayments, underpayments and unfulfilled eligibility, plus our future plans in our Annual Report and Accounts.

A handwritten signature in black ink, appearing to read 'Sir Peter Schofield'.

Sir Peter Schofield KCB
Permanent Secretary