Sir Peter Schofield KCB
Permanent Secretary
Department for Work and Pensions
Caxton House, Tothill Street
London
SW1H 9DA
pso@dwp.gov.uk

Sir Geoffrey Clifton Brown,
Chair of the Public Accounts Committee
House of Commons
London
SW1A 0AA

Sent electronically

17 December 2025

Dear Sir Geoffrey

DWP Public Accounts Committee Hearing – 4 December 2025 - Tackling fraud and error in benefit expenditure 2024-25

Thank you for your time at the Public Accounts Committee (PAC) hearing on 4 December to discuss 'Tackling benefit overpayments due to fraud and error'. I was grateful for your suggestion that we meet to discuss the qualification of DWP's Annual Reports and Accounts, given the improvement to the Department's latest fraud and error figures. My office has scheduled a meeting in January with the Comptroller and Auditor General.

At the hearing I committed to writing back to you on two items: the Department's approach to UC advances data, including fraudulent cases prevented, and the processes for responding to external fraud referrals. I have set out some information on these points below.

UC Advances Fraud

In the NAO's report on UC advances in 2020 (Universal-Credit-advances-fraud.pdf), they set out that the Department had experienced around 100,000 fraudulent advances claims across an 18-month period, worth an estimated £100m - £150m.

Since then, the Department has put a range of controls and protections in place, some of which were documented in the NAO report. However, we do not have a formal random enquiry programme in place to measure the exact proportion of advance requests that are fraudulent, so we cannot give precise statistics. Instead, we infer the level of advances fraud from our wider fraud statistics.

In 2021/22, we estimated that the level of advances fraud, using a wider definition than had been used in the NAO report, was in the range of £20m - £85m (Annual Report and Accounts 2021-22, page 69). In 2024/25, we estimated that the level was in the range of £0m - £60m (DWP Annual Report and Accounts 2024 to 25 page 398).

Our UC advances machine learning model, which was discussed at the PAC, has directly saved less than £5.0m over the last 3 years, by identifying around 7,000 high risk advance requests that were rejected by a DWP agent following a review of the request. However, the above evidence demonstrates that our overall control improvements have indirectly prevented a considerably larger volume and value of fraudulent advance claims.

External Fraud Referrals

The committee asked whether we could provide acknowledgment and updates to individuals external to the Department who make a fraud referral. Any member of the public may report an allegation of benefit fraud to DWP by completing a Fraud Referral Form. Where a fraud referral is received, DWP confirms receipt of it and explains in that acknowledgement that no details on the outcome of the case can be provided.

Generally, we are not able to provide updates as there is no lawful basis to disclose this information to a third party. However, we are sympathetic to the position set out in the hearing, so we will explore what is possible within the confines of the legislation. I will write back once the Department has explored this further.

Yours sincerely

Peter Schofield

Sir Peter Schofield KCB
Permanent Secretary