



Work and Pensions Committee

04 February 2026

Sir Peter Schofield

Permanent Secretary

Department for Work and Pensions

(By e-mail only)

Dear Sir Peter

Oral evidence: Annual Report and Accounts 2024-25

I am writing to thank you, Catherine Vaughan and Barbara Bennett for your [evidence](#) to the Committee on Wednesday 21 January and to follow up on further questions and concerns arising from the session.

DWP culture

Whilst the Committee recognises that there has been some constructive change to the culture in your Department, we believe that this is incremental and too slow. Fundamentally, we believe that the Department is failing to put the needs of vulnerable people first, that it is unwilling to learn from its mistakes and that it shows a lack of urgency to bring about change. Until the Department changes its culture, it will always struggle to build trust with the people it is meant to serve.

A culture of complacency is most apparent in DWP's response to its mistakes. The Committee raised several issues with you where, for various reasons and to different extents, DWP has made mistakes. Administering welfare for millions of people is a complex and challenging task, and mistakes will happen. However, when things go wrong, we expect the Department to accept its faults, swiftly provide redress and to learn from its errors. The Department has shown repeated inadequacy in its response to mistakes and a lack of urgency when it comes to righting wrongs. You told the Committee that DWP has "a great track record of putting right when we get things wrong" (Q10) – I disagree, as I explain below.

Responding to overpayments of carers allowance

The [Sayce Review](#), published in November 2025, found:

- a high rate of carers allowance overpayments, with 86,900 carers having an outstanding overpayment debt as at February 2025;

- that the prevalence of overpayments was not caused by widespread individual errors by carers but by systemic issues within the Department;
- that these debts had a profound impact on people's lives, and
- that DWP had missed multiple opportunities over many years to resolve these problems.¹

It concluded that "DWP has failed to demonstrate the ministerial and senior focus needed to resolve these persistent injustices and reform CA to implement its core purposes in the modern world."² It also concluded that some of DWP's guidance (relating to averaging earnings and allowable expenses) was flawed, with these failings being so serious that it recommended DWP cancel related outstanding debts and refund related repayments.³

During the session, I asked how you explain the findings of the Sayce Review. You acknowledged that the Department had made mistakes that led to carers building up overpayment debts, apologised to those affected and said that you will fix this (Q4). I, along with thousands of carers, welcome this apology. However, you did not address the more fundamental issues the report raised about DWP's culture.

Soon after the publication of the Sayce Review, [The Guardian](#) reported on an internal blogpost by a DWP Director General that said only a small number of people were affected by DWP's mistake and blamed individual carers for overpayments. I'm afraid this indicates that a member of your senior team doesn't accept the findings of the Sayce Review (although the Government has), which raises questions about the senior team as a whole under your leadership. It undermines the sincerity of your apology and efforts to rebuild trust. Moreover, I am concerned that these attitudes may be more widespread, and indicative of a culture within the Department that blames claimants for errors and fails to recognise the needs of vulnerable people. I asked you about this during the evidence session. You did not respond directly and did not address the issue of DWP culture (Q2 and Q6). **I would appreciate if you could respond in writing: how do you explain the failures of Departmental culture that contributed to carers allowance overpayments? What action will you be taking in your senior team to address the evident attitudinal issues?**

Furthermore, it is difficult to have confidence in your commitment to rectify DWP's mistakes given you have had ample opportunity to fix carers allowance overpayments since at least 2019. In 2019, a predecessor Committee concluded that it is "unacceptable that the Department has stuck its head in the sand" and expressed profound disappointment at your

¹ Liz Sayce OBE, [Independent Review of Carer's Allowance Overpayments Report](#), July 2025 (published November 2025), p 9-10

² Liz Sayce OBE, [Independent Review of Carer's Allowance Overpayments Report](#), July 2025 (published November 2025), p 10

³ Liz Sayce OBE, [Independent Review of Carer's Allowance Overpayments Report](#), July 2025 (published November 2025), Recommendation 10, p 128

refusal to apologise for the Department's role in creating this problem.⁴ It identified issues with DWP's guidance on averaging earnings (the same guidance you have now accepted was flawed and apologised for), its guidance on allowable expenses (also highlighted by the Sayce Review) and DWP's communication with carers.⁵ In [DWP's response](#) to that report it said:

- "The Committee's inquiry and report has highlighted some shortcomings in our procedures and the Department is determined to address these."⁶
- "The Department believes it is now well on the way to having the right strategy... and processes in place... to limit future overpayments."⁷
- "The Department is already introducing a range of measures to become a stronger learning organisation. We know that serious mistakes, although they occur infrequently, can have significant consequences for people's lives. It is vital that we get better at identifying issues sooner, correct problems when they do arise, and learn from them to prevent future problems. We will create a much more effective feedback stream and culture which will support the Department to continuously develop and improve our services."⁸

Given the previous assertions by DWP that it would fix carers allowance overpayments, I'm sure you can understand my scepticism about your most recent commitments. **Can you set out how you will ensure that the problems are actually addressed this time, including how you will embed learnings from this experience across the organisation, and by when**

I was also disappointed that your admission of fault and apology only covered carers affected by flawed guidance on averaging earnings, which was only one error identified by the Sayce Review (Q6, Q13). You failed to mention at the start of the session that DWP does not accept that its guidance on allowable expenses was also flawed and does not plan to cancel debts or reimburse repayments related to this guidance, as recommended by the Sayce Review. It was disingenuous to not make this position clear and the omission again undermines trust in your willingness to put things right. I had to raise this issue at the end of the session (Q64-65). In response, you said that DWP is concerned about limiting decision makers' discretion – this response differs from the Government's response to the Sayce review, which said "we do not agree that the allowable expenses guidance was unclear or ambiguous"⁹. You also said "this is

⁴ Work and Pensions Committee, Thirtieth Report of Session 2017-19, [Overpayments of Carer's Allowance](#), HC 1772, para 28

⁵ Work and Pensions Committee, Thirtieth Report of Session 2017-19, [Overpayments of Carer's Allowance](#), HC 1772, para 53-63

⁶ Work and Pensions Committee, First Special Report of Session 2019, [Overpayments of Carer's Allowance: Government Response to the Committee's Thirtieth Report of Session 2017-19](#), HC 102, para 5

⁷ Work and Pensions Committee, First Special Report of Session 2019, [Overpayments of Carer's Allowance: Government Response to the Committee's Thirtieth Report of Session 2017-19](#), HC 102, para 18

⁸ Work and Pensions Committee, First Special Report of Session 2019, [Overpayments of Carer's Allowance: Government Response to the Committee's Thirtieth Report of Session 2017-19](#), HC 102, para 35

⁹ DWP, [Government Response to the Independent Review of Carer's Allowance Overpayments](#), November 2025, para 83

not the final answer by any means” (Q65). **As I requested at the time, please could you set out in writing DWP’s position on allowable expenses: why it disagrees with the findings of the Sayce review; whether it will investigate how many people were affected by this issue; and what, if any, redress it is considering. I’d appreciate a timely response.**

Responding to the PHSO’s findings of maladministration

The Committee also asked you about the Department’s response to the Parliamentary and Health Services Ombudsman’s (PHSO) findings of maladministration in its Women’s State Pension Age investigation (Q14-17; Q21). In December 2024, the Government accepted the finding of maladministration. The Secretary of State said that DWP was “determined to learn all the lessons to ensure that this type of maladministration never happens again”.¹⁰ This was a golden opportunity for DWP to demonstrate its willingness to learn from its mistakes, improve its service and rebuild trust.

I was therefore very worried to receive a letter from the Ombudsman expressing “serious concerns” about delays in DWP’s implementation of actions and in its communication with her office.¹¹ During the evidence session, you expressed surprise about the contents of this letter. The Ombudsman bases its work around the Principles of Good Administration, Principles of Good Complaint Handling and Principles for Remedy, and it shares its findings to help Parliament scrutinise public service providers. I take their letter and concerns very seriously. I would have hoped that this would be a moment for reflection rather than defensiveness from the Department.

Since you appeared before the Committee, the Secretary of State has retaken the decision on compensation and confirmed that work on the Action Plan will now resume. I cannot accept your argument it was necessary to pause work on the action plan while ministers reconsidered the decision from December 2024 (Q14-17, Q21). The action plan is an opportunity for the Department to make improvements and to demonstrate its commitment to avoiding maladministration in the future – this should have been of interest to the Department regardless of the minister’s decision. You sought to reassure us that DWP is taking forward actions, even while work on the action plan is paused (Q17). However, without the plan, we cannot properly scrutinise this work and are left without evidence of your commitment to change. **Can you confirm that the Department will work collaboratively with the PHSO to finalise the action plan, confirming when the Department plans to formally share the plan with the PHSO’s office and when it will report to the Committee?**

¹⁰ HC Deb, 17 December 2024, [col 167](#)

¹¹ Letter from the Parliamentary and Health Service Ombudsman, regarding engagement between the DWP and PHSO on the action plan arising from their State Pension age investigation, [8 January 2026](#)

Safeguarding

I agree with what the Secretary of State told the house: “safeguarding must be part of everything we [DWP] do.”¹² While I welcome the steps DWP has started to take to improve its approach to safeguarding and to build towards a systems-based approach to safeguarding, the Department’s actions are yet to demonstrate the seriousness that is required. One of the key actions you told us about was introducing safeguarding training – level 1 safeguarding training for non-clinical roles and level 3 for clinical team, but you have not made this training mandatory. Introducing but not mandating the training risks the appearance that you are paying only lip service to the need for systemic change. I would have more confidence in the seriousness of your efforts to change the culture were you to make the training mandatory for all staff, regardless of their role within the organisation. **Please let me know whether the Department will now mandate this training. If not, please can you provide the latest statistics on how many staff at each grade have completed the training.**

Fraud and error

As always at these sessions, we discussed the level of fraud and error in DWP’s accounts (Q23-37). The C&AG has qualified his opinion on the regularity of DWP’s accounts for 37 years due to the material levels of fraud and error. I was encouraged to hear that this is a big focus for you and that fraud and error has fallen, almost returning to pre-pandemic levels (Q23). Despite these encouraging signs and your strong words over the years, there is a lack of urgency to your work on fraud and error. You told us that the OBR forecasts that DWP’s measures will bring fraud and error down to 2.8% (broadly comparable to pre-pandemic levels, which up to that point were at a record high), and that 2.8% is what you are heading for. This approach is back to front: a forecast is not a target, it is a forecast. I would have liked to hear more ambition and urgency, ideally aiming for an unqualified audit opinion. **Please can you write to me with your year-by-year targets up to 2030-31 for bringing down the level of fraud and error, which we can use during future scrutiny of your Annual Report and Accounts.**

Improving PIP claimants’ experience

During the session we discussed the high rate of PIP underpayments (Q32-34, Q71-72). You told us you recognise there is an issue of trust, with people not coming forward to update DWP about their circumstances due to a fear of reassessment. You told us that part of the solution to

¹² [Safeguarding in DWP](#) HCWS1138, 8 December 2025

this problem was the planned introduction of a case management system in PIP. You told us that trials of this system led to better outcomes and improved trust. However, you also told us that you won't be able to move to this system until 2029, and then you only plan to manage 20% of PIP cases in this way. This is too slow. You explained that there is a limit to how much you can change under the existing contracts. That is not good enough and, if that is the case, then you will need to find a better solution that will help rebuild trust among PIP claimants now, not in three years' time. **I would appreciate if you could 1) clarify your planned timings for introducing a case management system for PIP claimants, 2) tell us your planned deadline for 20% and then 100% of PIP claimants having a case manager and 3) set out what steps you will take in the meantime to improve the PIP claimants' experience of and trust in DWP.**

DWP's work to improve its reputation

During the session, you recognised the importance of improving your reputation and told us you care hugely about how DWP comes across to its customers and the wider population. You offered to tell us more about the work DWP is doing to its reputation (Q35). I would welcome more information about this work. Especially as I am intrigued by the idea that reputation-enhancing work exists separately from all your other work. The best way to protect your reputation and to build trust would be to demonstrate an improved culture through your actions. How the Department responds to its mistakes is a key moment for its reputation. **Can you write to me with detail about the work you mentioned that DWP is doing on improving its reputation.**

Further follow up

During the session, you offered to write to the Committee with further information on several further topics. In addition to responding to the above queries, please can you also write to me about the following.

- The Committee asked about the ongoing dispute with DWP's largest union, PCS, who are currently balloting its members on industrial action over the 2025-26 pay offer (Q54-60). We noted that, in 2024-25, DWP decided to increase the pay for senior grades by 6% and for the most junior grades by between 4% and 5.5%. These numbers challenge your claim that "with the money that we had available we did as much as we possibly could for the lower grades;" however, you also told us that DWP had pay anomalies that it had to address and offered to provide more detail on this position. We are concerned that in a recent survey of DWP staff, 20% of respondents said that they were claiming in-work benefits and 14% were using food banks. Without a supported and motivated workforce, DWP will struggle to deliver the service level and changes we expect. **I would**

be grateful if you would write to the Committee with a full explanation and justification of the 2025-26 pay offer.

- You told us about progress in getting the Synergy programme back on track (Q62). Unfortunately, we did not have enough time to hear about the onboarding planned for 2027. **Can you set out the work you have planned and the key milestones for the coming years.**
- During the session, we discussed how DWP will work with devolved areas on the skills brief and how it drives outcomes from the centre (Q42-46). We recognise that tracking progress and identifying trends will be challenging. **I would appreciate if you could provide further details about the metrics that DWP collects on local skills gaps and what impact it expects to have.**

I would be grateful for a response by 18 February. As is usual practice with the Committee's correspondence, I will be publishing this letter and your response on the Committee's website.

Yours sincerely,



Debbie Abrahams MP
Chair, Work and Pensions Committee