



Department
for Work &
Pensions

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Sir Geoffrey Clifton-Brown MP
Chair of the Committee of Public Accounts
House of Commons
Westminster
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Sent electronically

13 February 2026

Dear Sir Geoffrey

Tackling fraud and error in benefit expenditure 2024-25 – Carer's Allowance overpayments and the Government response to the Sayce review

Thank you for your letter of 11 February 2026 in which you ask for an update on progress towards implementing the recommendations of the Sayce Review. I have provided details of our progress below and we will provide a fuller update when we write in response to recommendation 7 later this year.

The Department has accepted 38 of the 40 recommendations set out in the Sayce review and we have already made good progress in a number of areas:

- **Governance** - I have appointed a Senior Responsible Officer to drive forward work in response to the Sayce review and make sure we deliver on the recommendations.
- **Changes to CA earnings rules** - We have already increased the weekly CA earnings by a record amount. Going forward, the Government will be modernising the treatment of earnings in CA to help reduce the number of overpayments occurring in future. This includes the possibility of automating the calculation of earnings and replacing the current cliff-edge earnings rule with a taper, where scoping work has already started.
- **Improved communications** - We have updated our guidance on the treatment of fluctuating earnings to ensure that averaging is considered. We have also been working with users and carers' organisations to make sure our communications work for our customers.
- **Cleared backlogs** - We have put in extra resources to process the earnings information we receive from HMRC through the Verify Earnings and Pensions System. This allows us to contact people if it looks like they may have exceeded the earnings limit, meaning we can take action to prevent overpayments from building up.

- **Reassessing and correcting some cases** - The Department will continue putting things right by reassessing affected cases, and potentially reducing, cancelling, or refunding debts for an estimated 26,000 carers. More detail on the reassessment exercise will be made public in the next few weeks. In the majority of affected cases, we will have all the information we need to reassess them. Customers do not need to do anything. We will contact them once we have reached their case. In a small number of cases, we may need information from customers in order to reassess their case because we no longer hold the relevant records. These customers will be invited to come forward in due course and be asked to fill in a straightforward online form.

The Department will write to the Public Accounts and Work and Pensions Committees every six months with a progress update. This will enable the Committees to scrutinise progress and hold the Department to account. We will also include information on this in our Annual Report and Accounts.

Yours sincerely 

Sir Peter Schofield KCB
Permanent Secretary
Department for Work and Pensions