

---

**Mark Pont, Assessment Programme Lead**

Stephen Balchin  
Head of Profession for Statistics  
Department for Work and Pensions  
(by email)

20 December 2017

Dear Stephen

**STATISTICS ON FRAUD AND ERROR IN THE BENEFIT SYSTEM**

We have recently undertaken a short review of your National Statistics output *Fraud and error in the benefit system* against the three pillars – trustworthiness, quality and value. These pillars are fundamental to supporting public confidence in statistics and form the basis of National Statistics status.

Overall we found the statistical report presented useful statistics on fraud and error. Positive features are the layout of the charts and text, and the titles used throughout, both of which make it easier for the reader to pick up the key messages quickly. We also welcome the introduction of the interactive visualisation showing a range of data and charts on under- and over-payments, including a helpful guide to explain how to use the tool, information on methodology and quality, and links to further detailed information and data. This is a very user-friendly tool, which helps users' interpretation of the statistics.

One aspect of reporting that would enhance trust in the arrangements underpinning the production of these statistics would be to ensure that impartial language is used throughout. For example, the statement on page 8 of the November 2017 report describing Universal Credit says "Universal Credit is a new benefit that reduces poverty by making work pay". Statistical bulletins should be impartial; statements such as this (in this case which is unsubstantiated, since no statistical evidence is provided to show that UC has reduced poverty) highlighting the merits of a particular government policy should be removed from the bulletin

We also felt that the background information provided on Universal Credit (UC) should be clearer. There is no explanation about why UC is being compared with Job Seekers Allowance (JSA). When these statistics were first published, as part of *Fraud and error in the benefit system: preliminary data for 2015/16*, they were caveated to say 'comparison with JSA... needs to be treated with caution as it is not an exact like-for-like comparison'. This statement was removed from the final 2015/16 report, and no further information has been provided since then to explain whether comparisons should still be treated with caution.

With regards to interpretation of the statistics more generally, the explanation provided on statistical significance on page 2 of the report could also be clearer. It states that "In general, if the confidence intervals of two estimates do not overlap, the estimates are significantly different". The diagram on page 2 labelled 'not significant' also shows two overlapping confidence intervals, which could be misinterpreted by users to mean that in the presence of overlapping confidence intervals, estimates are not significantly different from each other. This is not always true, as exemplified by the UC fraud chart on page 8 of the [May 2017 report](#).

The report would also benefit from providing definitions more clearly. For example, definitions for fraud, claimant error and official error would be more useful earlier in the report to help users interpret the data. The main [background document](#) previously provided a range of definitions for error codes for over- and under-payments, but this has been removed from the updated version

published in November 2017. This makes it difficult for users to interpret the tables that are published by error reason. For example, one of the error reasons is 'Housing costs', which includes claimants' failure to declare sale of property, a change of address, or inaccurately calculated mortgage interest. The current background document does not provide any detail about what each category includes. The statistical report also links to a range of other [background documents](#). We welcome your ongoing review of the statistics and associated documents, to help make it easier for users to find the key information they need. Some progress has already been made here, and we welcome the recent publication of [Technical annex for continuously reviewed benefits](#), which updates and replaces three of the previously published annexes.

The [uses and users document](#) demonstrates a good understanding of the uses made of the statistics within DWP and other government departments, but less so for users outside government. The document was last updated in 2014. We welcome your plans to engage better with users outside of government. It may be worth considering how you can keep published information about users and uses up-to-date as part of your ongoing user engagement.

I would welcome a report back to my team on how you are improving the Fraud and Error statistics to ensure the standards required of National Statistics status are being met, ahead of the next publication of *Fraud and error in the benefit system* in spring 2018.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Pont', with a horizontal line underneath.

Mark Pont  
Assessment Programme Lead