

# New benefit counter-fraud plan set to save taxpayer £2 billion

- Over £600m to bolster the counter-fraud frontline with thousands of trained specialists, stopping around £2 billion in fraud over three years
- New powers planned for specialist Department for Work and Pensions (DWP) staff to arrest and carry out search and seizure
- Measures also include boosted access to bank data on a larger scale and a new civil penalty will prevent fraud going unpunished

Announced by Work and Pensions Secretary Thérèse Coffey today, the “Fighting Fraud in the Welfare System” plan outlines how 2,000 trained specialists will review over two million Universal Credit claims over the next five years, as part of bolstered ambitions to ensure money is well spent and give taxpayers confidence that funds are reaching those who need it.

Measures also include several new powers which will align DWP with other government departments including HMRC. The new plan sets out how DWP officers will be given powers to undertake arrests, execute warrants, conduct searches and seize evidence – all increasing their ability to tackle the most serious cases. The plan also proposes introducing a new civil penalty to ensure those who commit fraud face adequate punishment.

Additionally, the measures include the power to require organisations, such as banks, to securely share data on a larger scale. Currently, the DWP can only request data on identifiable individuals. This change will allow DWP to proactively identify potentially fraudulent claims – for example knowing if claimants have too much in savings or are living abroad which would make them ineligible for Universal Credit.

Further powers will improve the department’s access to information from a wider range of organisations, growing the department’s ability to drive fraud out of the benefit system.

Work and Pensions Secretary, Thérèse Coffey said:

The welfare system is there to help the most vulnerable. It is not a cash machine for callous criminals and it’s vital that the government ensures money is well spent.

Fraud is an ever-present threat and before the pandemic, our efforts brought fraud and error close to record lows.

This plan outlines what we need to fight fraud in 2022 and into the

future. Thousands of trained specialists, combined with targeted new tools and powers, will mean we can keep up with fraud in today's digital age and prevent, detect and deter those who would try to cheat the system.

Minister for Government Efficiency, Jacob Rees-Mogg said:

Taxpayers must have confidence that money spent on welfare reaches those who really need it.

This plan builds on the announcement of the new Public Sector Fraud Authority, which will use data analytics to recover money stolen from the taxpayer.

The new powers will be granted by parliament, subject to securing time and approval.

The DWP brought fraud and error close to near record lows before the pandemic, rolling out Universal Credit across the country. In recent years, fraudsters have exploited the system as DWP streamlined the processes for people to receive support as part of the government's emergency support during the pandemic.

In response to this fraudulent activity, the department undertook expert interventions to identify and stop abuse of the welfare system preventing billions from ending up in the wrong hands, through the disruption of stolen identity fraud, retrospective reviews of claims and the introduction of the Enhanced Checking Service.

Other measures announced today include creating the Fraud Prevention Advisory Group to bring together government and external experts to identify and develop innovative ways to crack down on fraudsters, including through more flexible and proactive use of data. This comes as part of the government's wider commitment to cut crime and give people confidence that the welfare support system is functioning as efficiently as possible to support those who need it.

## **Further information**

- Fighting Fraud in the Welfare System will be published on gov.uk on 19 May 2022.
- When parliamentary time allows, we plan to introduce a raft of new powers, including bolstering the penalty regime by introducing a new type of civil penalty for cases of fraud. This approach of dealing with fraud by civil penalties follows that taken by other government departments such as HMRC.
- Measures set out in the plan will stop an estimated £2billion of loss over the next three years, and over £4billion of loss over the next five

years.

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