



Department  
for Work &  
Pensions

Accredited official statistics

# Fraud and error in the benefit system, Financial Year Ending (FYE) 2025

Updated 12 June 2025

**Applies to England, Scotland and Wales**

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This publication is available at <https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates/fraud-and-error-in-the-benefit-system-financial-year-ending-fye-2025>

# 1. Introduction

The Department for Work and Pensions (DWP) pays welfare benefits to around 23.7 million people. 'Fraud and error in the benefit system' estimates how much money the department incorrectly pays, either by paying people too much benefit – overpayments – or by not paying enough benefit – underpayments. This is calculated as a percentage of the total amount of benefit paid by the department – expenditure. These percentages are referred to as overpayment or underpayment rates throughout this publication. The proportion of benefit claims that are overpaid or underpaid is also reported.

The rates found are then applied to the benefit expenditure for the Financial Year Ending (FYE) 2025 to estimate the monetary amount of fraud and error. The benefit expenditure figures used are consistent with Spring Statement 2025.

Overpayments happen because of Fraud, Claimant Error and Official Error (processing errors or delays by DWP, a local authority, or His Majesty's Revenue and Customs (HMRC)). Underpayments happen because of Official Error.

In FYE 2024, the estimates that were previously reported as Claimant Error underpayments were removed from this publication and are now reported separately in the ['Unfulfilled eligibility in the benefit system'](https://www.gov.uk/government/statistics/unfulfilled-eligibility-in-the-benefit-system-financial-year-2024-to-2025-estimates) (<https://www.gov.uk/government/statistics/unfulfilled-eligibility-in-the-benefit-system-financial-year-2024-to-2025-estimates>) statistical publication.

Estimates in this publication relate to benefit claims sampled between September 2023 and October 2024. See [Appendix 1](#) or [Appendix 2](#) for specific time periods relating to each reviewed benefit.

Analysis is undertaken to provide assurance that the sampling period is representative of the financial year. However, actions taken by the department within the financial year may not always be fully reflected within the statistics.

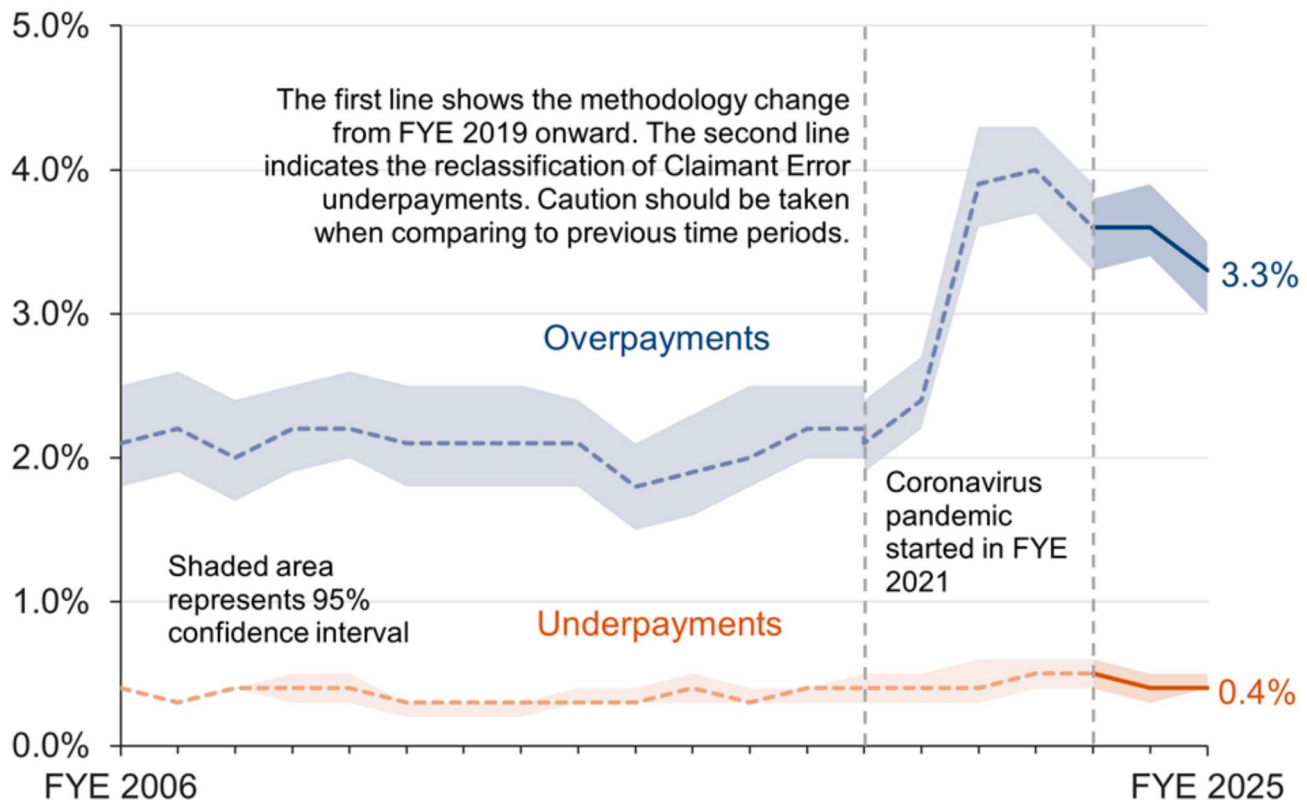
The next edition of these statistics will be published in May 2026.

## 2. Main stories

The total rate of benefit expenditure overpaid in FYE 2025 was 3.3% (£9.5bn), compared with 3.6% (£9.7bn) in FYE 2024.

The total rate of benefit expenditure underpaid remained at 0.4% in FYE 2025 (£1.2bn), the same as in FYE 2024 (£1.1bn).

Rate of benefit expenditure overpaid and underpaid, FYE 2006 to FYE 2025.



## 3. What you need to know

### About this publication

This publication contains estimates of the levels of fraud and error in the benefit system. The main measure is the percentage of benefit expenditure that is overpaid or underpaid, referred to as overpayment or underpayment rates. This is also expressed as a monetary value in pounds.

DWP measures fraud and error to understand the levels, trends and reasons behind it. This understanding supports decision making on what actions DWP can take to reduce the level of fraud and error in the benefit system. The National Audit Office considers the amount of fraud and error when they audit DWP's accounts each year.

These estimates relate to the levels of fraud and error in the benefit system in Great Britain. They are underpinned by reviews of benefit claimants in England, Wales and Scotland. The benefit expenditure figures used in this publication also include overseas residents who are receiving United Kingdom benefits, except Financial Assistance Scheme payments which also cover Northern Ireland. All other benefit expenditure on residents of Northern Ireland is the responsibility of the Northern Ireland Executive. The benefit expenditure figures do not include amounts devolved to the Scottish Government (which is forecasted to be £5.2 billion in FYE 2025).

## Published tables and data

The figures in this publication are a selection from the [Reference tables \(https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates\)](https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates). The tables contain further breakdowns of the estimates presented in this publication by different characteristics, with time series data going back to FYE 2006 for some benefits.

## How fraud and error is measured

A sample of benefit claims is randomly selected from DWP's administrative systems (around 12,900 were sampled for FYE 2025, or 0.05% of all claims for the benefits measured this year). DWP's Performance Measurement team look at the data held on the administrative systems and then contact claimants to arrange a review.

Claimants are asked to provide evidence such as tenancy agreements, bank account details and other information that could affect their benefit claim, as part of the review.

The claim is assessed to determine whether the benefit award is correct or not. If the claim is incorrect, the amount of money the claim is wrong by is calculated. Errors on the claim are classified as one of the following:

- Fraud
- Claimant Error
- Official Error

Read more about the definitions of Fraud, Claimant Error and Official Error later in this section.

Any errors identified are classified further into error reasons, which explain why the claim is incorrect. Simplified descriptions of the error reasons are given in this publication. A more detailed glossary of the error reasons can be found in Appendix 3 of the [Background Information and Methodology note \(https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates\)](https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates).

## Fraud and error measures – rates and monetary values

The monetary value of fraud and error is calculated using the rate of expenditure overpaid or underpaid that was found in the sample for benefits measured this year:

Monetary value overpaid or underpaid = (rate of expenditure overpaid or underpaid) x (benefit expenditure)

It is possible for the rate of expenditure overpaid or underpaid to decrease whilst the monetary value increases and vice versa. This happens because of changes in benefit expenditure between the years compared.

For example: The total rate of overpayments on Universal Credit was 12.4% in FYE 2024, compared with 12.7% in FYE 2023. The associated monetary value of overpayments was £6,400m in FYE 2024, compared with £5,500m in FYE 2023. The rate of overpayments was lower in FYE 2024, whilst the monetary value was higher. This is because of the higher expenditure on UC in FYE 2024.

The monetary values are not adjusted for inflation.

It is recommended that the rates are used when comparing over time for these reasons, rather than the monetary amounts.

## **Fraud and error measures – proportion of claims with fraud or an error**

In this publication, we report the proportion of claims paid the incorrect amount, including whether they are overall overpaid or underpaid (reference table 11), as well as the proportion of claims with an overpayment error or an underpayment error (reference tables 12 and 13).

These measures are different because a claim can have both an overpayment error or Fraud and an underpayment error for different error reasons. For example: a claimant is receiving a benefit payment of £100. Two errors are found on the claim. The first is an overpayment error totalling £50. The second is an underpayment error totalling £20. The correct benefit payment for the claimant is £70 (£100 original payment minus £50 overpaid plus £20 underpaid). The claimant is overpaid by £30 after considering all errors.

Such claims are included in both the proportion of claims with an overpayment error or Fraud (reference table 12) and the proportion of claims with an underpayment error (reference table 13). Claims are reported as either overpaid or underpaid within reference table 11, depending on the outcome of their combined overpayment and underpayment errors. In the example above, the claim would be reported as having been overpaid in reference table 11.

More information on how these measures are calculated can be found below.

### **Proportion of claims with an overpayment or underpayment (reference tables 12 and 13)**

Proportion of claims with Fraud or an overpayment error = (number of claims in the sample with at least one Fraud or at least one overpayment error) / (number of claims in the sample)

Proportion of claims with an underpayment error = (number of claims in the sample with at least one underpayment error) / (number of claims in the sample)

Since the same claim can be included in both the proportion of claims with an overpayment error or Fraud and the proportion of claims with an

underpayment error, these figures cannot be summed together to obtain the total proportion of claims paid incorrectly.

## Proportion of claims paid the incorrect amount (reference table 11)

Proportion of claims overpaid = (number of claims in the sample ultimately overpaid) / (number of claims in the sample)

Proportion of claims underpaid = (number of claims in the sample ultimately underpaid) / (number of claims in the sample)

These figures can be summed together to obtain the total proportion of claims paid incorrectly.

## De Minimis reporting

For all measures relating to the proportion of claims with Fraud or an error, we have introduced a de minimis approach across all benefits since FYE 2024. This means that all errors of 10p or less per week are reported separately to the headline measures of the proportion of claims with Fraud or an error. The State Pension section in this publication and section 5 of the [Background Information and Methodology note \(https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates\)](https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates) provide further information.

## Methodology changes and revisions

There have been two revisions to incorrectness figures from the FYE 2024 publication.

- Disability Living Allowance overpayments and total incorrectness had errors where the claimant was not reasonably expected to know to report the change included. These have now been removed.
- Cannot Review cases which were “Inconclusive” or “Not Fraud” had all fraud and errors removed rather than just causal link frauds. These non-causal

## link fraud and errors are now included

Minor changes have also been made to the methodology used to produce estimates of fraud and error this year. Estimates for FYE 2024 have been revised using the updated methodology and are included in this publication to allow for comparison with FYE 2025. These changes have caused the total overpayment rate to go from 3.7% to 3.6% in FYE 2024 and mainly affect UC.

For more information on these revisions, methodology changes and their impact, please see section 2 of the [Background Information and Methodology note \(https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates\)](https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates).

## Statistical significance and confidence intervals

These estimates are based on a sample of benefit claims receiving a monetary payment. Choosing another sample may have given different estimates. The figures quoted in this publication are the central estimates, which are calculated from the sample. A range around the central estimates, called a confidence interval, is also calculated. This expresses the uncertainty associated with the central estimate. A simplified view is that the confidence interval provides a range of plausible values within which the true value for the population lies. See section 5 of the [Background Information and Methodology note \(https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates\)](https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates) for further detail.

Changes between years are noted as being statistically significant when the difference observed is likely to reflect a true change at the population level, rather than random variation between the samples. Any statistically significant changes between the years being compared are specified in this publication.

## Definitions of Fraud, Claimant Error and Official Error

In this publication incorrect claims are classified as follows.

### Fraud

Claims where all three of the following conditions apply:

- the conditions for receipt of benefit, or the rate of benefit in payment, are not being met

- the claimant can reasonably be expected to be aware of the effect on their entitlement
- benefit payment stops or reduces as a result of the claim review

### **Claimant Error**

An overpayment has occurred where the claimant has provided inaccurate or incomplete information, or failed to report a change in their circumstances, but there is no evidence of fraudulent intent on the claimant's part.

### **Official Error**

The benefit has been paid incorrectly due to a failure to act, a delay or a mistaken assessment by DWP, a local authority or HMRC, to which no one outside of that department has materially contributed.

## **4. Total estimates of fraud and error across all benefit expenditure**

Total benefit expenditure increased from £266.2bn in FYE 2024 to £292.2bn in FYE 2025. This was an increase of £26.0bn (9.8%) which was mainly due to:

- State Pension (SP) expenditure increasing by £18.1bn (14.6%), from £123.9bn in FYE 2024 to £142.0bn in FYE 2025
- Universal Credit (UC) expenditure increasing by £13.4bn (25.8%), from £51.9bn in FYE 2024 to £65.3bn in FYE 2025
- Personal Independence Payment (PIP) expenditure increasing by £4.2bn (19.6%), from £21.6bn in FYE 2024 to £25.8bn in FYE 2025

These increases are partially offset by a reduction of £10.2bn (100.0%) in Cost of Living Payments expenditure, from £10.2bn in FYE 2024 to £0.0bn in FYE 2025.

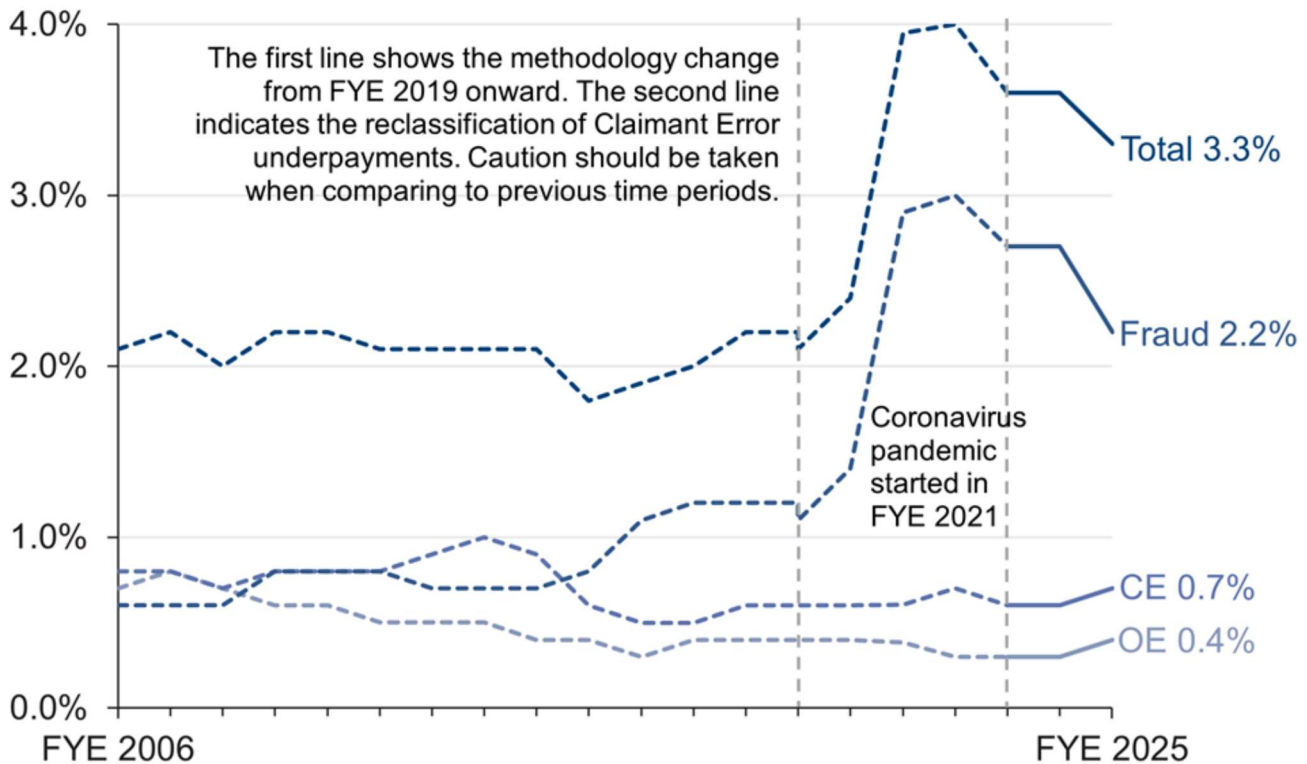
The total rate of fraud and error is dependent on the rate of each individual benefit but also on the proportion of the total expenditure that benefit contributes to. If we apply FYE 2024 rates for each benefit to the FYE 2025 expenditure, the total rate of FYE 2025 benefit expenditure overpaid and underpaid would be 3.7% and 0.4% respectively.

The estimates in this section are for fraud and error across all benefit expenditure.

## Overpayments

The total rate of benefit expenditure overpaid in FYE 2025 was 3.3% (£9.5bn), compared with 3.6% (£9.7bn) in FYE 2024.

Rate of benefit expenditure overpaid, by Fraud, Claimant Error (CE) and Official Error (OE), FYE 2006 to FYE 2025.



Overpayments due to Fraud were 2.2% (£6.5bn) in FYE 2025, compared with 2.7% (£7.3bn) in FYE 2024.

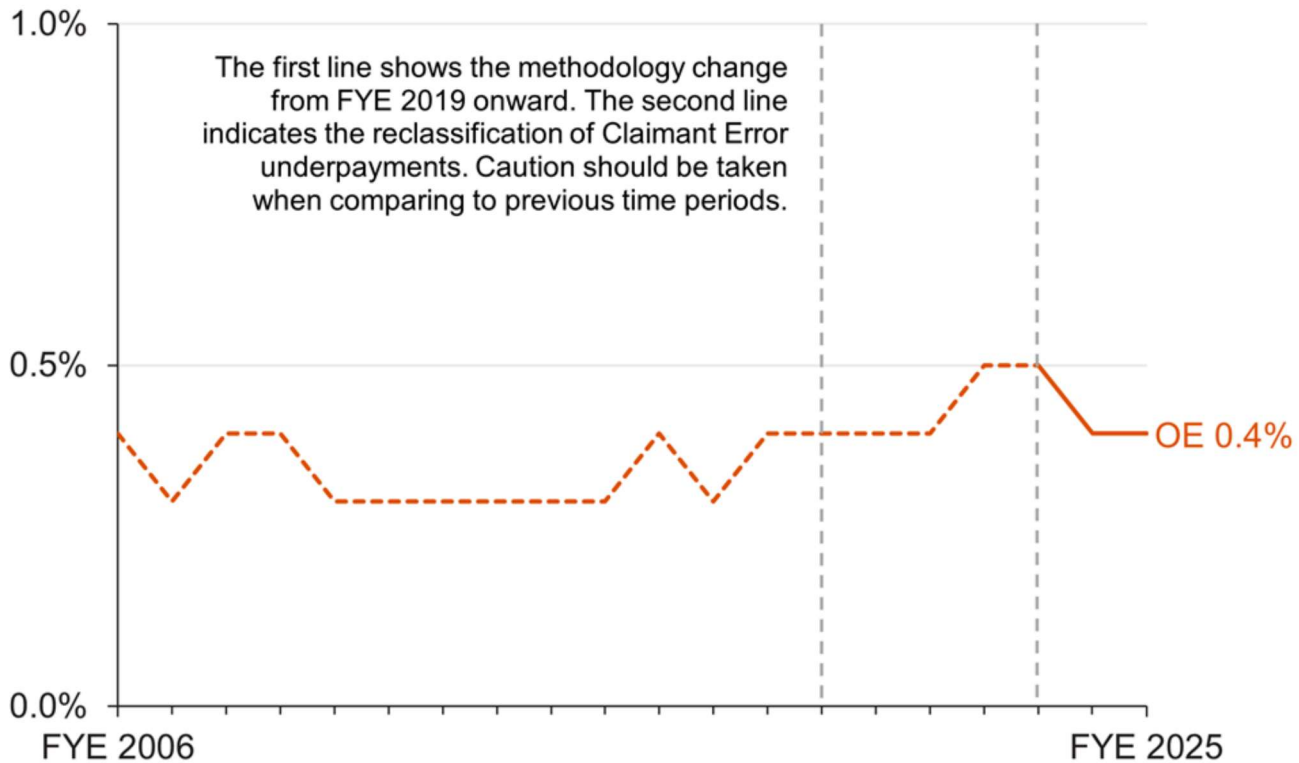
Overpayments due to Claimant Error were 0.7% (£1.9bn) in FYE 2025, compared with 0.6% (£1.6bn) in FYE 2024.

Overpayments due to Official Error were 0.4% (£1.0bn) in FYE 2025, compared with 0.3% (£0.8bn) in FYE 2024.

## Underpayments

The total rate of benefit expenditure underpaid remained at 0.4% in FYE 2025 (£1.2bn), the same as in FYE 2024 (£1.1bn).

Rate of benefit expenditure underpaid due to Official Error (OE), FYE 2006 to FYE 2025.



## Net loss from overpayments

DWP can recover overpayments from people – this means not all of the £9.5bn is lost and we can describe a net loss figure which deducts recoveries from total overpayments. In FYE 2025, we recovered £1.1bn of overpayments (£0.4bn of Housing Benefit (HB), £0.4bn of UC and £0.3bn of other DWP benefits). This compares to £1.1bn recovered in FYE 2024 (£0.4bn of HB, £0.4bn of UC and £0.3bn of other DWP benefits).

Note that some recoveries made by DWP are not included in our net loss estimate as they do not relate to our Fraud and Error reporting (mainly recoveries of tax credits and of benefit advances).

The net rate of loss from overpayments in FYE 2025 was 2.9% (£8.4bn) compared with 3.2% (£8.6bn) in FYE 2024.

## 5. Universal Credit overpayments and underpayments

Universal Credit (UC) is a payment to help with living costs for people who are in work on a low income, or for those who are out of work. Eligibility for UC depends on individual circumstances and the claimant residing in Great Britain.

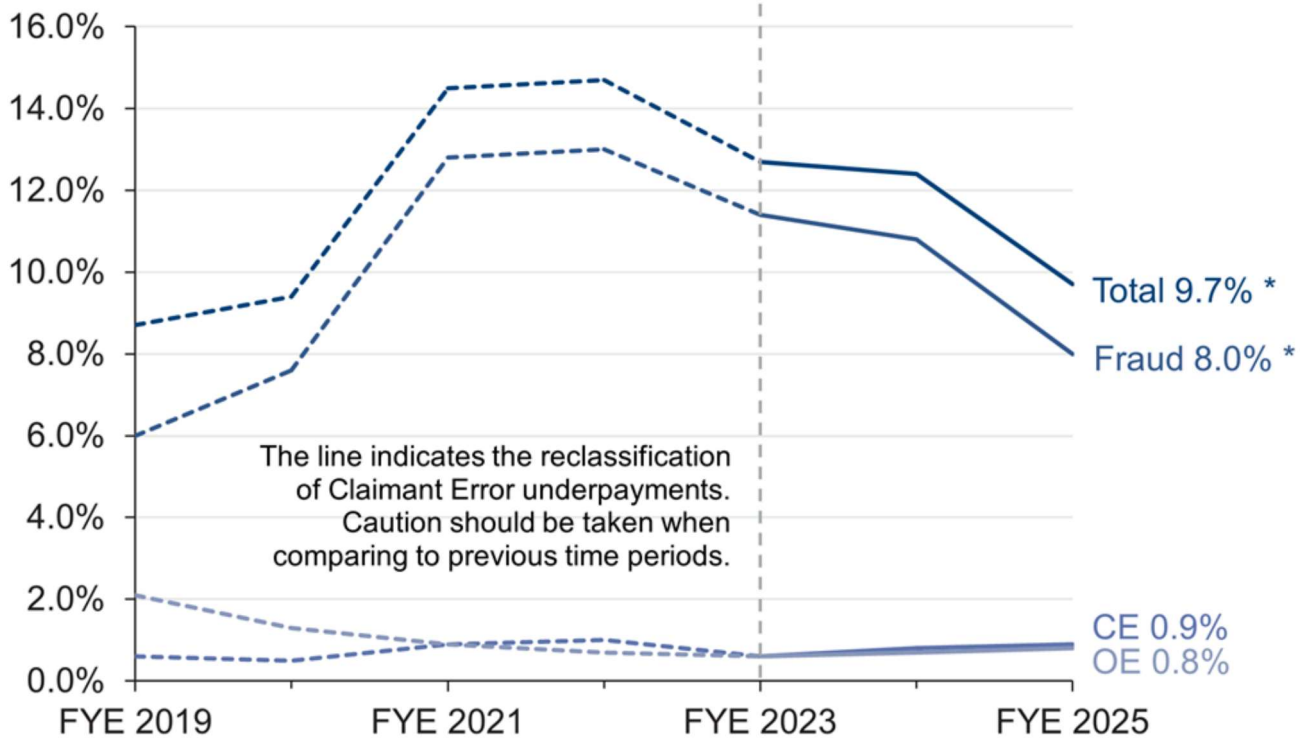
The expenditure on UC has increased from £51.9bn in FYE 2024 to £65.3bn in FYE 2025.

Advance payments of UC are not part of the benefit payment itself and consequently are not reviewed for fraud and error. See section 3 of the [Background Information and Methodology note](https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates) (<https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates>) for further information.

### Overpayments

The Universal Credit overpayment rate decreased to 9.7% (£6,350m) in FYE 2025, from 12.4% (£6,410m) in FYE 2024. This decrease was statistically significant.

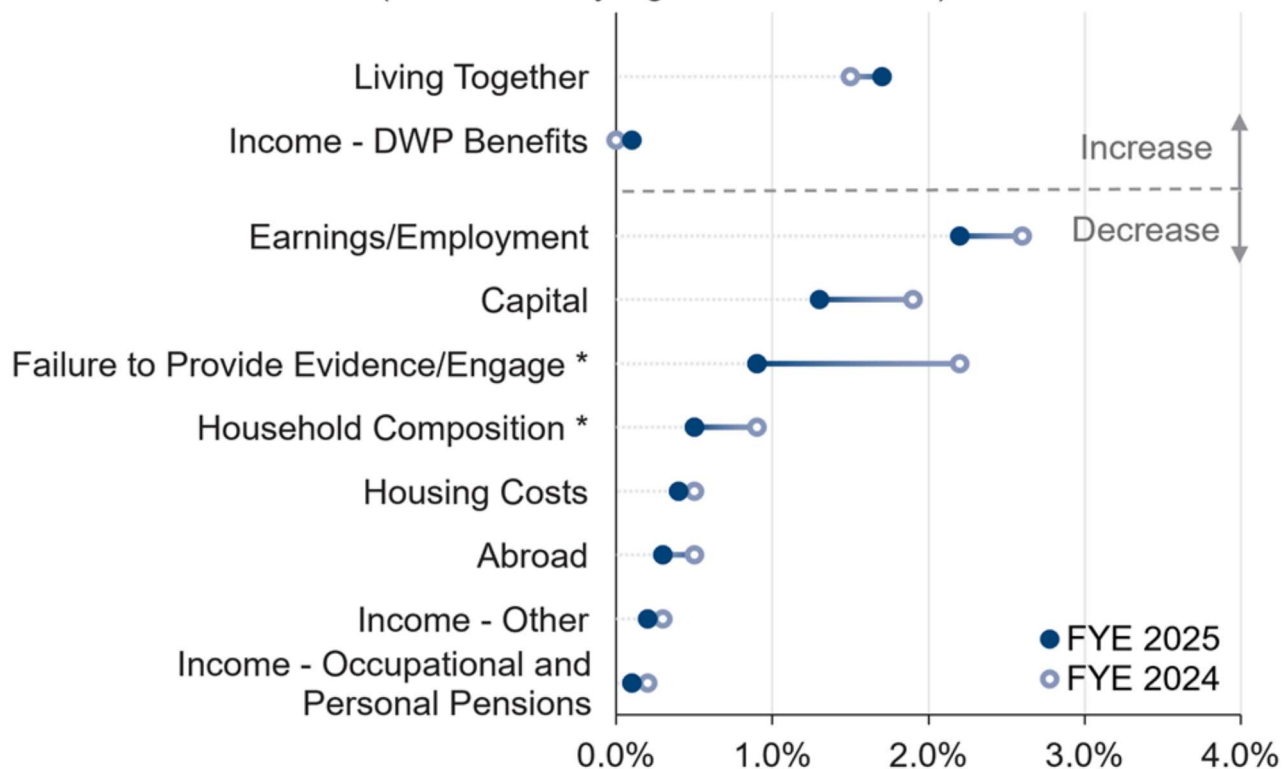
Rate of expenditure overpaid on UC, by Fraud, Claimant Error (CE) and Official Error (OE), FYE 2019 to FYE 2025. (\* = statistically significant difference to previous year).



Overpayments due to Fraud decreased to 8.0% (£5,200m) in FYE 2025, from 10.8% (£5,620m) in FYE 2024. This was a statistically significant decrease.

The largest decrease in Fraud overpayments was in claimants not engaging with the review process (Failure to Provide Evidence/Engage), which decreased to 0.9% in FYE 2025, from 2.2% in FYE 2024. This was a statistically significant decrease.

Differences in rate of expenditure overpaid on UC due to Fraud by error reason, FYE 2024 to FYE 2025. (\* = statistically significant difference).



Under-declaration of income from the work undertaken (Earnings/Employment) remained the main cause of Fraud overpayments in FYE 2025. It was measured at 2.2% in FYE 2025, compared with 2.6% in FYE 2024.

Claimants who failed to declare living with a partner (Living Together) were the second largest source of Fraud overpayments. It was measured at 1.7% in FYE 2025, compared with 1.5% in FYE 2024.

Under-declaration of financial assets (Capital) was the third largest Fraud reason. It was measured at 1.3% in FYE 2025, compared with 1.9% in FYE 2024.

Overpayments due to Claimant Error were 0.9% (£610m) in FYE 2025, compared with 0.8% (£410m) in FYE 2024.

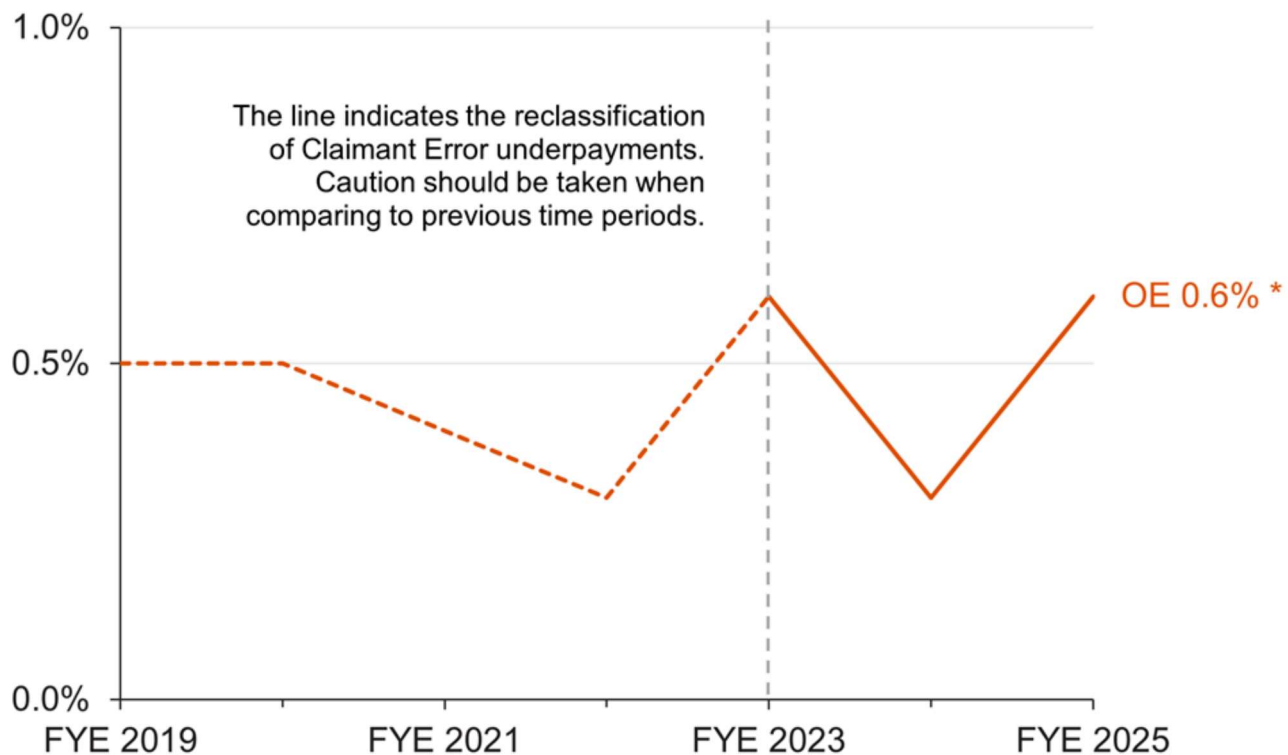
Overpayments due to Official Error were 0.8% (£540m) in FYE 2025, compared with 0.7% (£390m) in FYE 2024.

The proportion of claims overpaid was 21 in 100 claims in FYE 2025, compared with 23 in 100 claims in FYE 2024.

## Underpayments

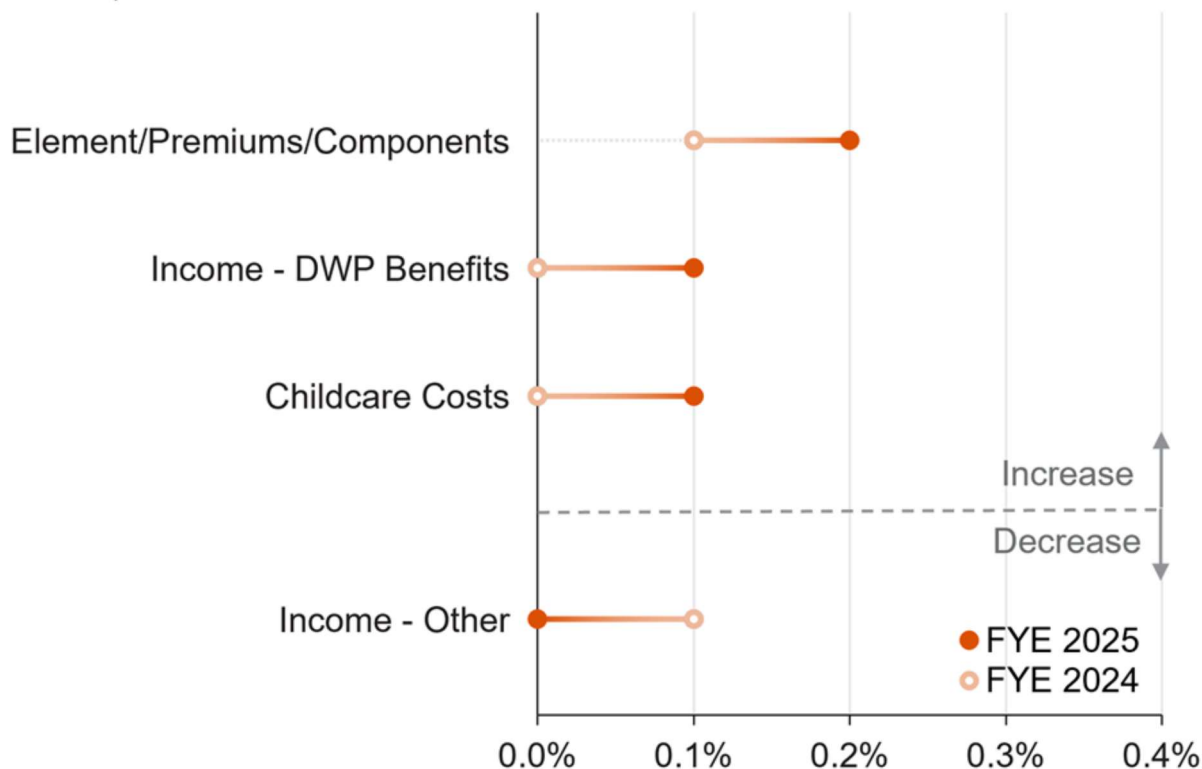
The Universal Credit underpayment rate increased to 0.6% (£390m) in FYE 2025, from 0.3% (£180m) in FYE 2024. This increase was statistically significant.

Rate of expenditure underpaid on UC due to Official Error (OE), FYE 2019 to FYE 2025. (\* = statistically significant difference to previous year).



Official Error where the department has incorrectly underpaid any premiums (Element/Premiums/Components) was the largest reason for underpayments in FYE 2025 and was measured at 0.2% in FYE 2025, compared with 0.1% in FYE 2024.

Differences in rate of expenditure underpaid on UC due to Official Error (OE) by error reason, FYE 2024 to FYE 2025.



The proportion of claims underpaid increased to 2 in 100 claims in FYE 2025, from 1 in 100 claims in FYE 2024. This was a statistically significant increase.

## 6. State Pension overpayments and underpayments

State Pension (SP) is paid to those who have reached the minimum age to claim (currently 66 years old) and have enough qualifying years on their National Insurance record. SP is the benefit with the highest expenditure, accounting for a little under half of total benefit expenditure.

The expenditure on SP has increased from £123.9bn in FYE 2024 to £142.0bn in FYE 2025.

Claimants who live overseas and have reported a non-GB address are not part of the SP review. An adjustment is made to the calculation on overseas Fraud and Claimant error, concerning the late/non-notification of death, and is applied to overpayment rates. Further information on this can be found in the [Background Information and Methodology note](#)

<https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates>).

## Overpayments

The State Pension overpayment rate remained at 0.1% (£190m) in FYE 2025, the same as in FYE 2024 (£170m).

Overpayments due to Fraud were 0.0% (£0m) in FYE 2025, compared with 0.1% (£80m) in FYE 2024.

Overpayments due to Claimant Error were 0.1% in FYE 2025 (£80m), the same as in FYE 2024 (£70m).

Overpayments due to Official Error increased to 0.1% (£110m) in FYE 2025, from 0.0% (£20m) in FYE 2024, which was a statistically significant increase.

Errors that occurred on the additional components of SP that people can receive on top of their basic SP (Element/Premium/Components) were the largest source of Official Error overpayments. This error reason saw a statistically significant increase to 0.1% in FYE 2025, from 0.0% in FYE 2024.

The proportion of claims overpaid was 2 in 100 claims in FYE 2025, compared with 1 in 100 claims in FYE 2024.

## Underpayments

The State Pension underpayment rate was 0.3% (£450m) in FYE 2025, compared with 0.4% (£470m) in FYE 2024.

The largest reason for underpayments were errors relating to incorrect recording of claimants' National Insurance contributions (Contributions), where the rate has remained at 0.2% in FYE 2025, the same as in FYE 2024. The main error within this category continued to be around the historic recording of Home Responsibilities Protection (HRP), administered by HMRC. HRP was a

scheme existing from 1978 to 2010 to protect the SP entitlement of people with domestic caring responsibilities. HRP reduced the number of qualifying years needed to get a full basic SP. Some people have not had all eligible years of HRP recorded on their National Insurance records and so have an incomplete record affecting their SP entitlement. DWP and HMRC established the Legal Entitlements and Administrative Practice (LEAP) correction exercise to identify and invite potentially affected people to apply, correct their records, and receive both arrears and revised ongoing SP payments.

Underpayments that occurred on the additional components of SP that claimants should have received on top of their basic SP (Element/Premium/Components) were 0.1% in FYE 2025, compared with 0.0% in FYE 2024.

Underpayments relating to the department's failure to act on reported changes in marital status or at age-related trigger points (Control activities) remained at 0.1% in FYE 2025, the same as in FYE 2024. These errors continue to include claimants who have not received amounts they are entitled to inherit from a deceased spouse or civil partner, or where individuals who are married or in a civil partnership have not received the automatic uplift based on their spouse or civil partner's National Insurance contributions.

The proportion of SP claims underpaid was 6 in 100 claims in FYE 2025, compared with 5 in 100 claims in FYE 2024.

## 7. Personal Independence Payment overpayments and underpayments

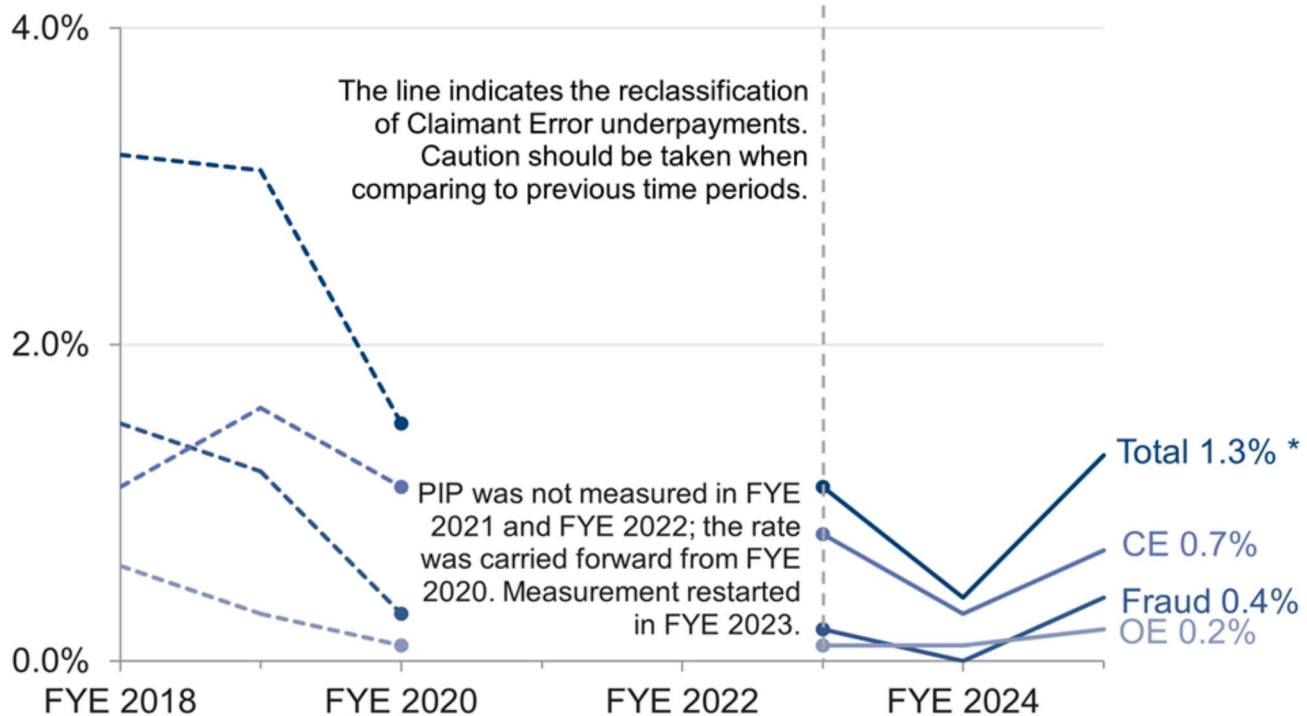
Personal Independence Payment (PIP) helps with extra costs caused by long-term disability or ill-health. From April 2013 PIP started to replace Disability Living Allowance (DLA) for people of working age.

The expenditure on PIP has increased from £21.6bn in FYE 2024 to £25.8bn in FYE 2025.

### Overpayments

The Personal Independence Payment overpayment rate increased to 1.3% (£330m) in FYE 2025, from 0.4% (£90m) in FYE 2024. This increase was statistically significant.

Rate of expenditure overpaid on PIP by Fraud, Claimant Error (CE) and Official Error (OE), FYE 2018 to FYE 2025. (\* = statistically significant difference to previous year).



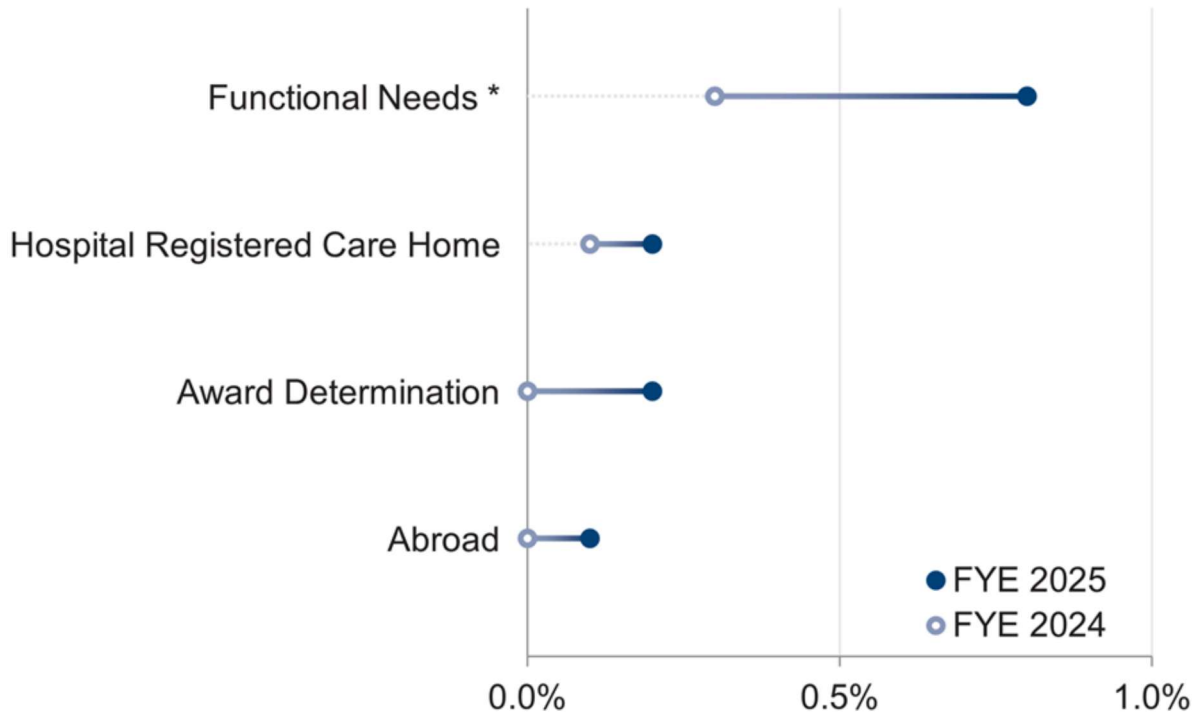
Overpayments due to Fraud were 0.4% (£100m) in FYE 2025, compared with 0.0% (£0m) in FYE 2024.

Overpayments due to Claimant Error were 0.7% (£190m) in FYE 2025, compared with 0.3% (£60m) in FYE 2024.

Overpayments due to Official Error were 0.2% (£40m) in FYE 2025, compared with 0.1% (£30m) in FYE 2024.

The statistically significant increase in the total overpayment rate was driven by a statistically significant increase in claimants failing to report an improvement in their needs (Functional Needs), which increased to 0.8% in FYE 2025, from 0.3% in FYE 2024.

Differences in rate of expenditure overpaid on PIP by error reason, FYE 2024 to FYE 2025. (\* = statistically significant difference).



Errors where the claimant failed to report an improvement in their needs (Functional Needs) accounted for just over £6 in every £10 overpaid on PIP in FYE 2025.

Functional Needs errors due to Claimant Error were 0.5% in FYE 2025 compared with 0.3% in FYE 2024, and due to Fraud were 0.3% in FYE 2025 compared with 0.0% in FYE 2024. These differences were not statistically significant, however at a total level Functional Needs increased to 0.8% in FYE 2025 from 0.3% in FYE 2024; this was a statistically significant increase.

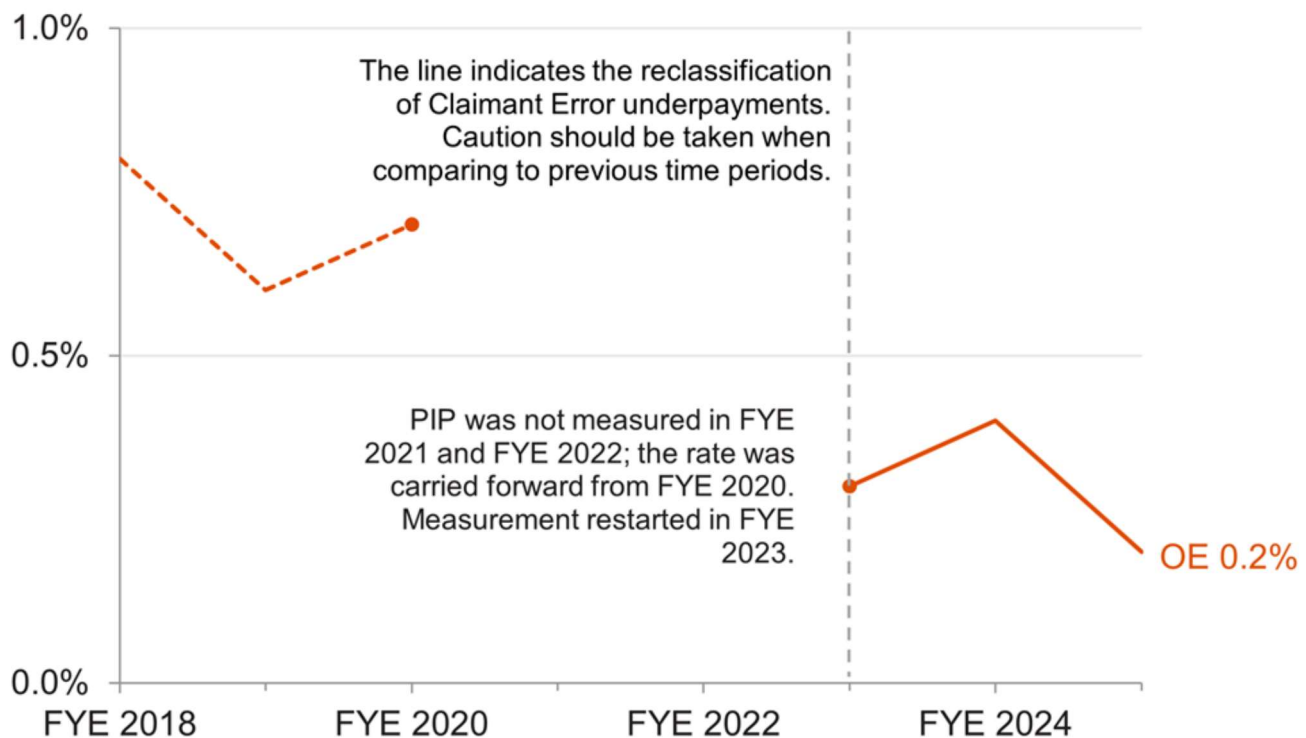
The rate of cases excluded from headline overpayment estimates due to a categorisation of Not Reasonably Expected to Know (Not RETK) was 1.9% in FYE 2025, compared with 2.0% in FYE 2024. This is where the claimant was incorrectly overpaid, but we would not reasonably expect them to know to report the change. Not RETK cases are all Claimant Error cases with error reason Functional Needs. Further information can be found in the [Background Information and Methodology note \(https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates\)](https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates).

The proportion of claims overpaid remained at 1 in 100 claims in FYE 2025, the same as in FYE 2024.

## Underpayments

The Personal Independence Payment underpayment rate was 0.2% (£40m) in FYE 2025, compared with 0.4% (£80m) in FYE 2024. This was the lowest recorded level to date.

Rate of expenditure underpaid on PIP due to Official Error (OE), FYE 2018 to FYE 2025.



All underpayments in FYE 2025 were due to the department making errors when determining the appropriate award levels (Award Determination). This error reason saw a statistically significant decrease to 0.2% in FYE 2025, from 0.3% in FYE 2024.

The proportion of PIP claims underpaid in FYE 2025 rounded to 0 in 100 claims in FYE 2025, compared with 1 in 100 claims in FYE 2024. This was a statistically significant decrease.

## 8. Housing Benefit overpayments and underpayments

Housing Benefit (HB) can help pay rent for people who are unemployed, on a low income, or claiming benefits. How much the claimant can get depends on their income and circumstances. For working age people, HB is being replaced by Universal Credit (UC), so this group will gradually move onto UC. Working age people cannot make new claims for HB unless they are in supported, sheltered, or temporary housing. Pension age people can continue to make new claims for HB.

The expenditure on HB has decreased from £15.5bn in FYE 2024 to £15.4bn in FYE 2025.

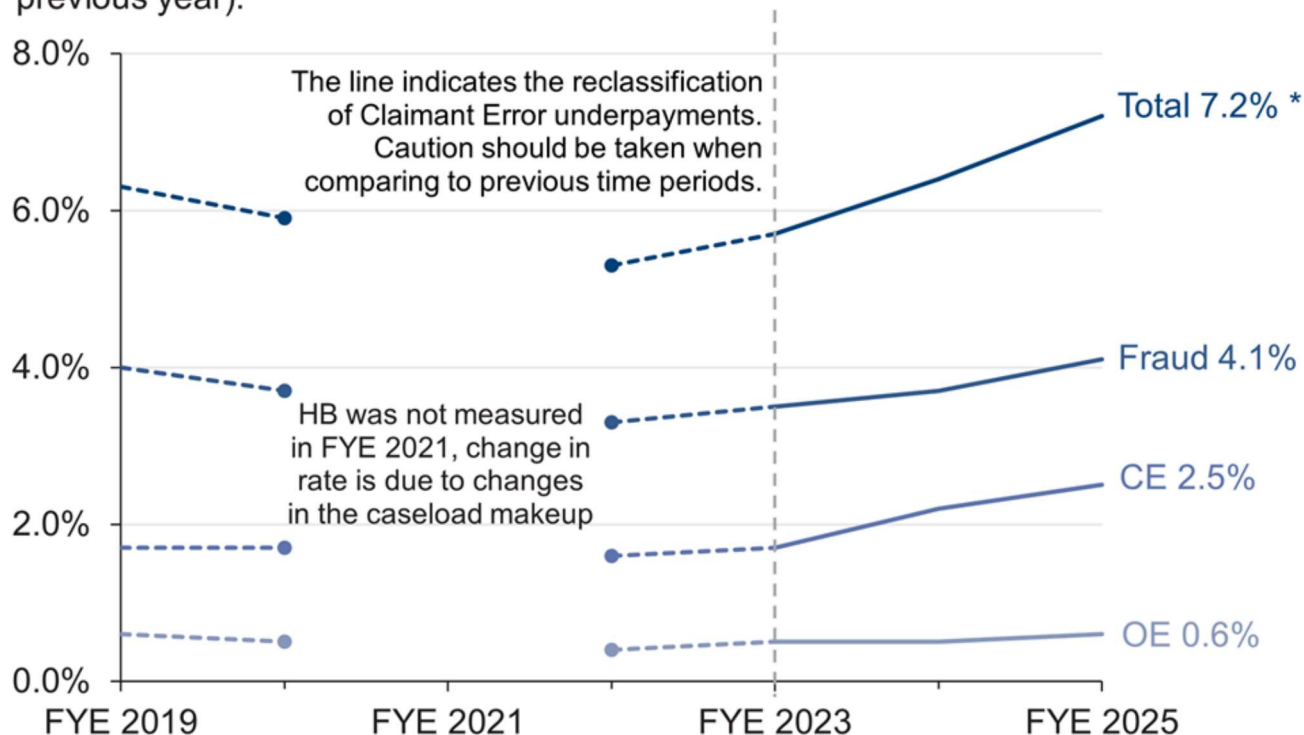
These estimates relate to HB as a whole. Separate estimates are also published for working age and pension age claimants (see [reference tables \(https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates\)](https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates)). These two groups consist of “passported” claims (who get HB because they receive another qualifying income-related benefit) and “non-passported” claims (who get HB without one of these qualifying benefits). This means that HB contains four groups: passported and non-passported working age, as well as passported and non-passported pension age. Combining these four groups gives the total HB estimates.

In FYE 2025, DWP reviewed passported working age claims. The estimates for the other groups relate to reviews undertaken in previous years. Passported and non-passported pension age was last reviewed in FYE 2024 and non-passported working age in FYE 2023. The rates of fraud and error found when each group was last measured have been applied to the FYE 2025 expenditure.

### Overpayments

The Housing Benefit overpayment rate increased to 7.2% (£1,100m) in FYE 2025, from 6.4% (£980m) in FYE 2024. This increase was statistically significant.

Rate of expenditure overpaid on HB, by Fraud, Claimant Error (CE) and Official Error (OE), FYE 2019 to FYE 2025. (\* = statistically significant difference to previous year).



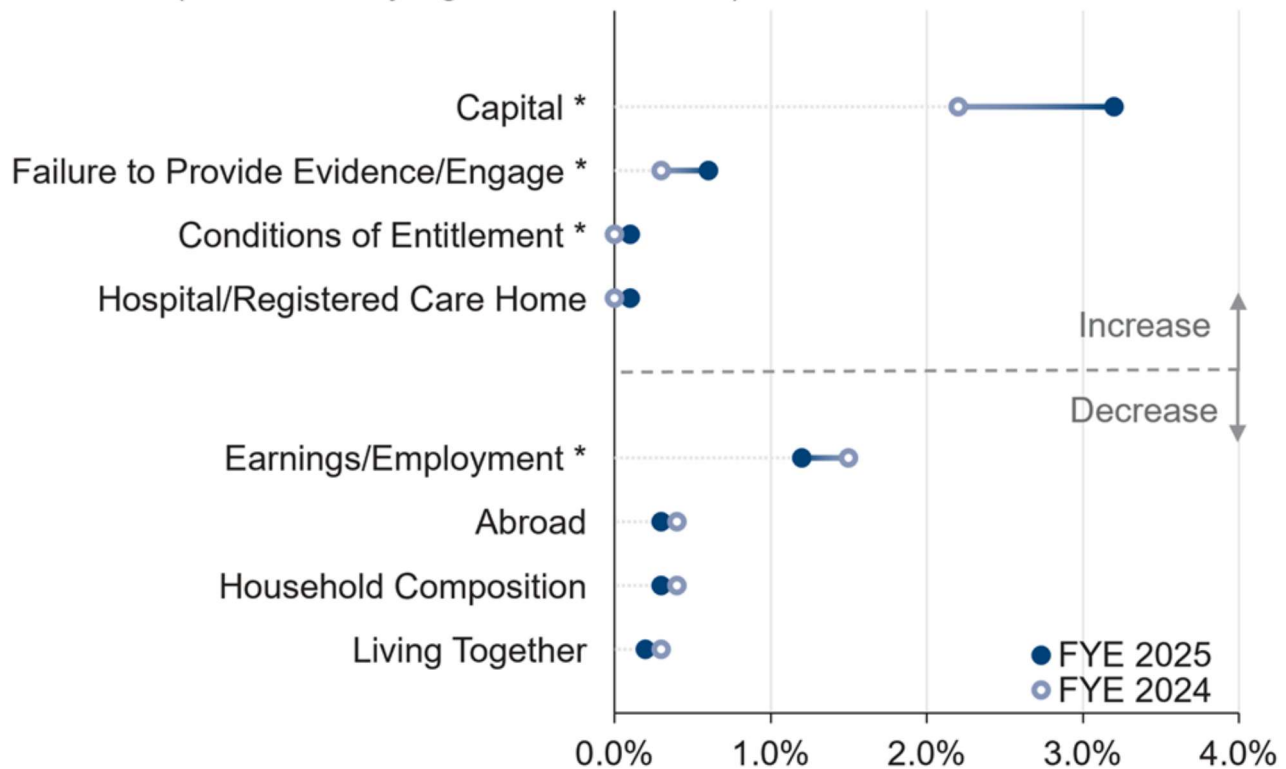
Overpayments due to Fraud were 4.1% (£630m) in FYE 2025, compared with 3.7% (£570m) in FYE 2024. Overpayments on Working Age HB due to Fraud were 4.2% (£360m) in FYE 2025 compared with 3.5% (£330m) in FYE 2024.

Overpayments due to Claimant Error were 2.5% (£390m) in FYE 2025, compared with 2.2% (£330m) in FYE 2024. Overpayments on Working Age HB due to Claimant Error were 2.3% (£200m) in FYE 2025 compared with 1.8% (£170m) in FYE 2024.

Overpayments due to Official Error were 0.6% (£90m) in FYE 2025, compared with 0.5% (£80m) in FYE 2024. These rates are consistent with Working Age HB where overpayments due to Official Error were 0.6% (£50m) in FYE 2025 compared with 0.5% (£50m) in FYE 2024.

Under-declaration of financial assets (Capital) was the main reason for the increase in total Housing Benefit overpayments. At a total level, Capital increased to 3.2% in FYE 2025, from 2.2% in FYE 2024, which was a statistically significant increase.

Differences in rate of expenditure overpaid on HB by error reason, FYE 2024 to FYE 2025. (\* = statistically significant difference).



The second largest source of overpayments, under-declaration of income from work undertaken (Earnings/Employment), saw a statistically significant decrease to 1.2% in FYE 2025, compared with 1.5% in FYE 2024.

Overpayments due to claimants not engaging with the review process (Failure to Provide Evidence/Engage), which was the third largest error reason, increased to 0.6% in FYE 2025, from 0.3% in FYE 2024. This was a statistically significant increase.

Overpayments due to the qualifying conditions for receiving the benefit not being met (Conditions of Entitlement) increased to 0.1% in FYE 2025, from 0.0% in FYE 2024. This was a statistically significant increase.

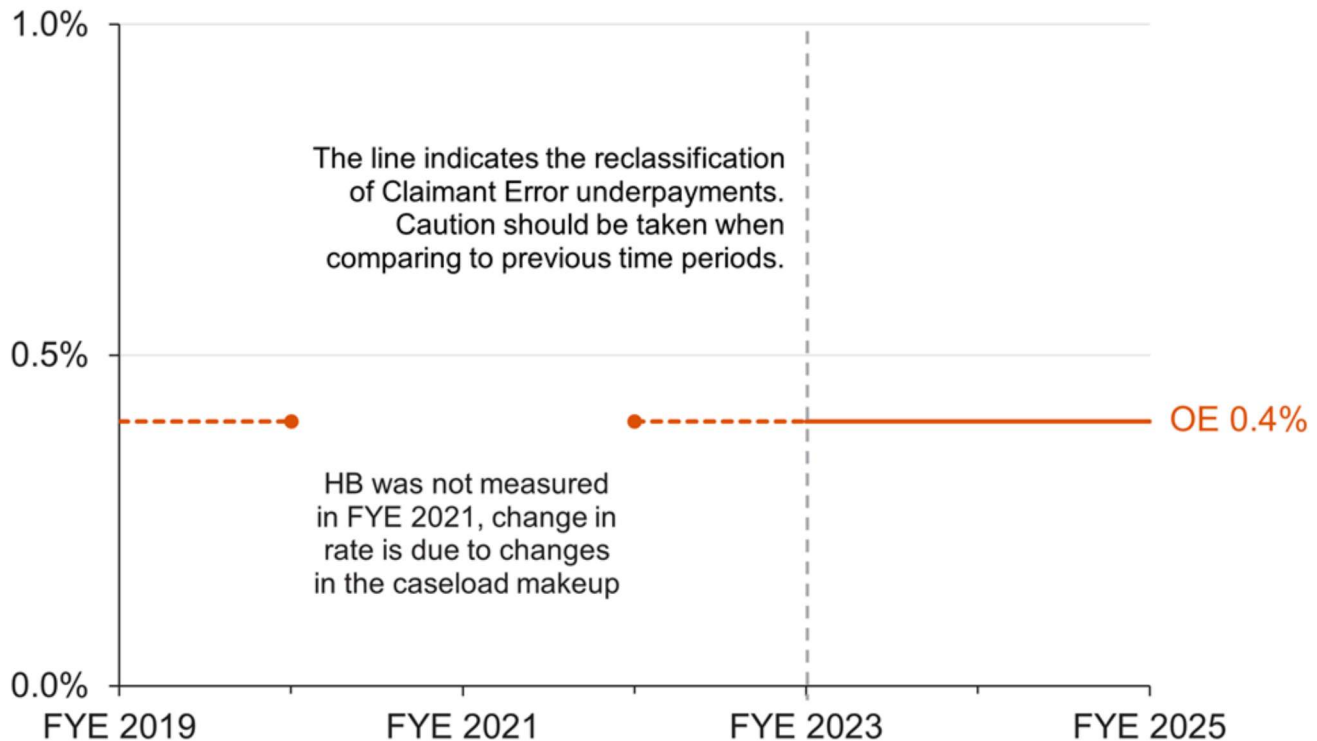
The proportion of claims overpaid remained at 17 in 100 claims in FYE 2025, the same as in FYE 2024.

## Underpayments

The Housing Benefit underpayment rate remained at 0.4% (£60m) in FYE

2025, the same as in FYE 2024 (£60m).

Rate of expenditure underpaid on HB due to Official Error (OE), FYE 2019 to FYE 2025.



The largest reason for underpayments was the Official Error related to the calculation of housing costs (Housing Costs) at 0.2% in FYE 2025, compared with 0.1% in FYE 2024.

The proportion of claims underpaid was 3 in 100 claims in FYE 2025, compared with 2 in 100 claims in FYE 2024.

## 9. Pension Credit overpayments and underpayments

Pension Credit (PC) provides support to people who have reached State Pension (SP) age and reside in Great Britain. Guarantee Credit tops up any other income to a 'standard minimum guarantee' amount and additional amounts may be payable in certain circumstances, for example, for severe disability, for certain housing costs or for caring. Savings Credit is an extra payment for those who have made some additional provision for their

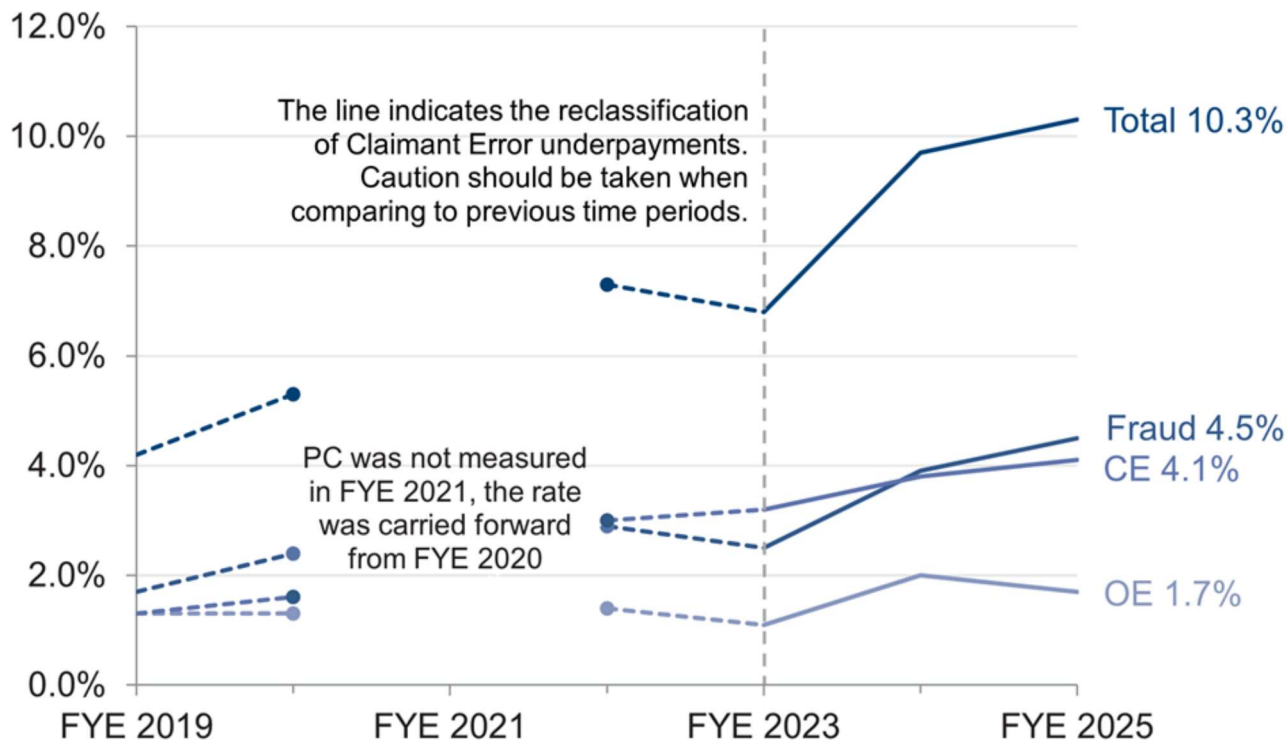
retirement through, for example, an occupational pension or savings. Those reaching SP age from 6 April 2016 are not eligible for Savings Credit.

The expenditure on PC has increased from £5.4bn in FYE 2024 to £5.9bn in FYE 2025.

## Overpayments

The Pension Credit overpayment rate was 10.3% (£610m) in FYE 2025, compared with 9.7% (£530m) in FYE 2024. This was the highest level recorded to date.

Rate of expenditure overpaid on PC, by Fraud, Claimant Error (CE) and Official Error (OE), FYE 2019 to FYE 2025.



Under-declaration of financial assets (Capital) and claimants remaining abroad for a longer period than is allowed (Abroad) remained the two main causes of overpayments and accounted for nearly £6 in every £10 overpaid on PC in FYE 2025.

Overpayments due to Fraud were 4.5% (£270m) in FYE 2025, compared with 3.9% (£210m) in FYE 2024. This was the highest recorded level to date.

Overpayments due to Claimant Error were 4.1% (£240m) in FYE 2025, compared with 3.8% (£210m) in FYE 2024. This was the highest recorded level to date.

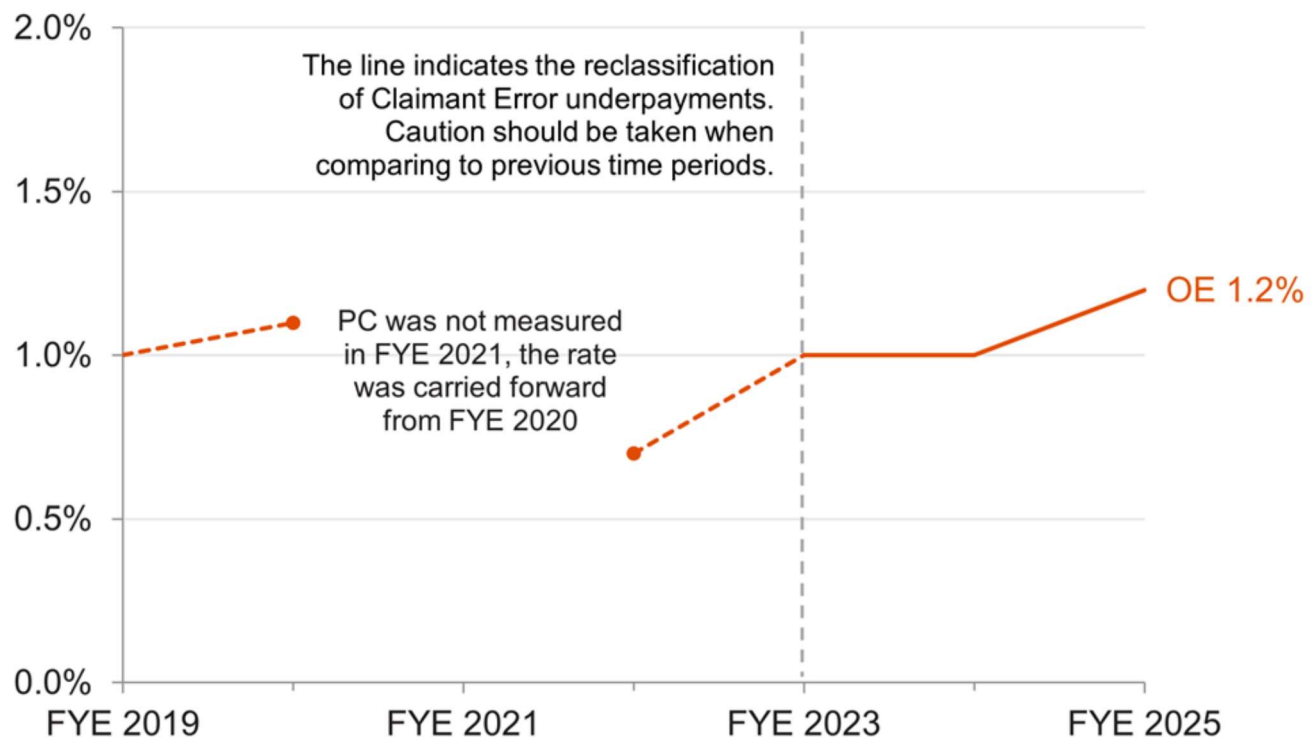
Overpayments due to Official Error were 1.7% (£100m) in FYE 2025, compared with 2.0% (£110m) in FYE 2024.

The proportion of claims overpaid was 28 in 100 claims in FYE 2025, compared with 29 in 100 claims in FYE 2024.

## Underpayments

The Pension Credit underpayment rate was 1.2% (£70m) in FYE 2025, compared with 1.0% (£50m) in FYE 2024.

Rate of expenditure underpaid on PC due to Official Error (OE), FYE 2019 to FYE 2025.



Additional amounts of PC can be paid if a claimant meets certain conditions, they are often called premiums. Official Error where the department has incorrectly underpaid any additional amounts (Element/Premium/Components) remained the main cause of underpayments and accounted for nearly £7 in

every £10 underpaid in FYE 2025. These errors mostly related to an unpaid additional amount for severe disability.

Official Error related to the calculation of housing costs (Housing Costs) increased to 0.2% in FYE 2025, compared with 0.1% in FYE 2024. This was a statistically significant increase.

The proportion of claims underpaid was 3 in 100 claims in FYE 2025, compared with 4 in 100 claims in FYE 2024.

## 10. Carer's Allowance overpayments and underpayments

Carer's Allowance (CA) provides support to carers aged over 16 who care for someone at least 35 hours a week. The disabled person they are caring for must already be in receipt of a qualifying benefit (such as Personal Independence Payment, Attendance Allowance or Disability Living Allowance) and the carer must meet other eligibility criteria – for example, earning below a certain threshold.

CA has not been measured for fraud and error since FYE 2020.

The expenditure on CA has increased from £2.9bn in FYE 2020 to £4.2bn in FYE 2025.

### Overpayments

The Carer's Allowance overpayment rate was 3.9% (£160m) in FYE 2025, compared with 5.2% (£150m) in FYE 2020. This was the lowest recorded level to date.

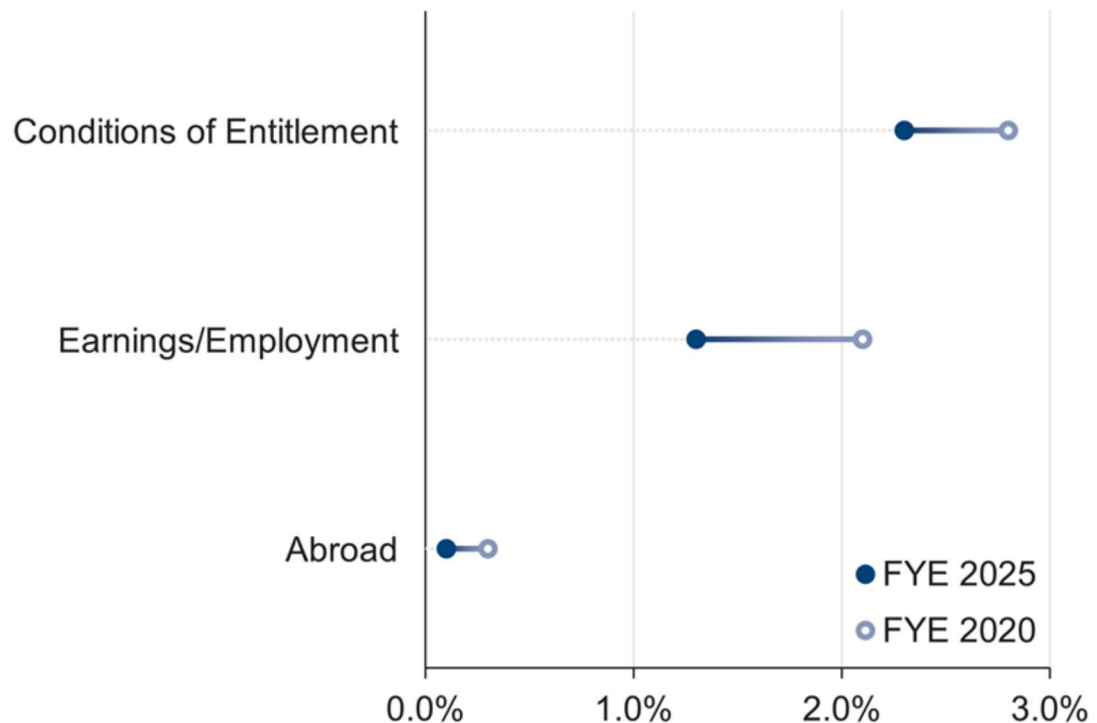
Overpayments due to Fraud were 2.5% (£100m) in FYE 2025, compared with 3.0% (£90m) in FYE 2020. This was the lowest recorded level to date.

Overpayments due to Claimant Error were 1.0% (£40m) in FYE 2025, compared with 2.0% (£60m) in FYE 2020.

Overpayments due to Official Error were 0.5% (£20m) in FYE 2025, compared with 0.1% (£0m) in FYE 2020.

The main reasons for Carer's Allowance overpayment in FYE 2025 were claimants no longer satisfying the entitlement criteria (Conditions of Entitlement) at 2.3%, compared with 2.8% in FYE 2020, and claimants earning above the eligibility threshold (Earnings/Employment) at 1.3%, compared with 2.1% in FYE 2020.

Differences in rate of expenditure overpaid on CA by error reason, FYE 2020 to FYE 2025.



Conditions of Entitlement and Earnings/Employment remained the two main causes of overpayments and accounted for over £9 in every £10 overpaid on CA in FYE 2025.

There has been a statistically significant decrease in the Employee Earnings subsection of Earnings/Employment within Fraud, from 1.4% in FYE 2020 to 0.3% in FYE 2025. This can be attributed to the introduction of Verify Earnings and Pension (VEP) system alerts, which are sent from HMRC to DWP to verify claimants' earnings and pension details to help prevent fraud and error.

The proportion of claims overpaid was 4 in 100 claims in FYE 2025, compared with 5 in 100 claims in FYE 2020.

## Underpayments

No CA underpayments were found in the FYE 2025 sample, which was consistent with the FYE 2020 findings. CA is a single rate benefit which, in most cases, is either fully awarded or disallowed – this makes any underpayments unlikely, as claimants receiving the full CA amount could not receive a higher rate, except in exceptional circumstances (for example, being in receipt of an overlapping benefit).

## 11. About these statistics

All the information underlying the charts and figures featured in this publication is included in the accompanying [reference tables](https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates) (<https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates>).

The tables show the rates and monetary values of overpayments and underpayments for each benefit, split by Fraud, Claimant Error and Official Error. The tables also show the net loss of overpayments measure, with a time series and a breakdown by benefit.

More detail about the cause of the error (for example: income, savings and who lives in the household), and the demographics of the claimants, is provided for benefits measured this year. The proportion of claims that are overpaid or underpaid and the amount of money that is incorrectly paid are also estimated.

The [Background Information and Methodology note](https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates) (<https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates>) provides further information on how the 'Fraud and error in the benefit system' statistics are calculated and gives a glossary of the causes of fraud and error used in this publication and the reference tables. It also contains further details on any methodological changes which have been introduced.

The [publication strategy](https://www.gov.uk/government/publications/fraud-and-error-in-the-benefit-system-publication-strategy/fraud-and-error-in-the-benefit-system-publication-strategy) (<https://www.gov.uk/government/publications/fraud-and-error-in-the-benefit-system-publication-strategy/fraud-and-error-in-the-benefit-system-publication-strategy>) provides further information on upcoming plans for future releases of these statistics.

User comments are welcomed and should be sent to:  
[enquiries.fema@dwp.gov.uk](mailto:enquiries.fema@dwp.gov.uk)

## National Statistics status

National Statistics are accredited official statistics. National Statistics status means that these statistics meet the highest standards of trustworthiness, quality and public value, and there is a responsibility to maintain compliance with these standards.

These official statistics were independently reviewed by the Office for Statistics Regulation in December 2017. They comply with the standards of trustworthiness, quality and value in the [Code of Practice for Statistics](https://code.statisticsauthority.gov.uk) (<https://code.statisticsauthority.gov.uk>) and should be labelled 'accredited official statistics'.

Our statistical practice is regulated by the Office for Statistics Regulation (OSR).

OSR sets the standards of trustworthiness, quality and value in the [Code of Practice for Statistics](https://code.statisticsauthority.gov.uk) (<https://code.statisticsauthority.gov.uk>) that all producers of official statistics should adhere to.

You are welcome to contact us directly at [enquiries.fema@dwp.gov.uk](mailto:enquiries.fema@dwp.gov.uk) with any comments about how we meet these standards.

Alternatively, you can contact OSR by emailing [regulation@statistics.gov.uk](mailto:regulation@statistics.gov.uk) or via the [OSR website](https://osr.statisticsauthority.gov.uk/contact-us) (<https://osr.statisticsauthority.gov.uk/contact-us>).

## Other National and Official Statistics

Details of other National and Official Statistics produced by DWP can be found through the following link: [Statistics at DWP](https://www.gov.uk/government/organisations/department-for-work-pensions/about/statistics) (<https://www.gov.uk/government/organisations/department-for-work-pensions/about/statistics>).

## 12. Contact information

Lead Statistician: Milosz Waszak

Feedback or enquiries about these statistics should be directed by email to:

[enquiries.fema@dwp.gov.uk](mailto:enquiries.fema@dwp.gov.uk)

DWP Press Office: 0115 965 8781

Report Benefit Fraud: 0800 854 4400

## Appendix 1: FYE 2025 overpayment rates and monetary values by benefit

	Expenditure (£m)	Total Rate (%)	Total Value (£m)	Fraud Rate (%)	Fraud Value (£m)	Claim Error Rate
<b>Universal Credit</b>	65,300	9.7	6,350	8.0	5,200	0.9
<b>State Pension</b>	142,000	0.1	190	0.0	0	0.1
<b>Personal Independence Payment</b>	25,800	1.3	330	0.4	100	0.7
<b>Housing Benefit</b>	15,400	7.2	1,100	4.1	630	2.5
<b>Employment and Support</b>	12,300	3.4	420	1.5	180	1.6

	<b>Expenditure (£m)</b>	<b>Total Rate (%)</b>	<b>Total Value (£m)</b>	<b>Fraud Rate (%)</b>	<b>Fraud Value (£m)</b>	<b>Claim Error Rate</b>
<b>Allowance</b>						
<b>Attendance Allowance</b>	7,700	2.2	170	0.0	0	1.9
<b>Disability Living Allowance</b>	7,600	0.5	40	0.1	0	0.2
<b>Pension Credit</b>	5,900	10.3	610	4.5	270	4.1
<b>Carer's Allowance</b>	4,200	3.9	160	2.5	100	1.0
<b>Jobseeker's Allowance</b>	300	4.6	10	3.1	10	0.3
<b>Income Support</b>	300	3.9	10	2.4	10	1.0
<b>Incapacity Benefit</b>	0	2.4	0	0.3	0	0.9
<b>Interdependencies</b>			90		10	
<b>Never Reviewed</b>	5,400	0.6	30	0.3	20	0.2
<b>Total</b>	292,200	3.3	9,500	2.2	6,500	0.7
<b>Range</b>		(3.0 to 3.5)	(8,900 to 10,200)	(2.0 to 2.4)	(6,000 to 7,100)	(0.6 to 0.8)

## Notes to Appendix 1

1. Rows and columns may not sum to totals due to rounding.
2. Approximate 95% confidence interval ranges are given for the totals in the row below them. These also allow for non-sample error in occasionally reviewed benefits and the additional uncertainty that comes from the use of older measurement periods.
3. A number of claims are removed from the headline overpayment estimates due to a review not being completed and categorised as 'Inconclusive'. In Financial Year Ending (FYE) 2025, these claims are estimated to have a total monetary value of £2,160m (Universal Credit £940m, State Pension £420m, Housing Benefit £240m, Carer's Allowance £30m, Personal Independence Payment £280m, Employment and Support Allowance £70m, Pension Credit £120m, Attendance Allowance £40m and Disability Living Allowance £20m).
4. Certain claims are removed from the headline overpayment estimates for Disability Living Allowance (DLA), Personal Independence Payment (PIP) and Attendance Allowance (AA) due to a categorisation of Not Reasonably Expected to Know (Not RETK). Based on Financial Year Ending (FYE) 2025 expenditure, the excluded AA figure is estimated to be £50m (£0m, £140m). The excluded PIP figure is estimated to be £500m (£360m, £660m) for FYE 2025 and the excluded DLA figure is estimated to be £80m (£50m, £120m). The numbers in brackets are 95% confidence intervals. See the "Benefit-specific adjustments" in section 5 of the [Background Information and Methodology note \(https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates\)](https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-2024-to-2025-estimates) for more information.
5. Monetary values associated with Incapacity Benefit are displayed as zeros due to rounding.
6. Interdependencies is the knock-on effect of Disability Living Allowance (DLA) or Personal Independence Payment (PIP) fraud and error on other benefits, where receipt of DLA or PIP is a qualifying condition. It is only included for overpayments.
7. The 'Never reviewed' category includes benefits which were not previously reviewed and have not been historically reviewed in a particular year.

## Appendix 2: FYE 2025 underpayment rates and monetary values by benefit

	Expenditure (£m)	Official Error Rate (%)	Official Error Value (£m)	Last measured
<b>Universal Credit</b>	65,300	0.6	390	Nov 2023 to Oct 2024
<b>State Pension</b>	142,000	0.3	450	Nov 2023 to Oct 2024
<b>Personal Independence Payment</b>	25,800	0.2	40	Sep 2023 to Aug 2024
<b>Housing Benefit</b>	15,400	0.4	60	Nov 2023 to Oct 2024
<b>Employment and Support Allowance</b>	12,300	1.1	130	Sep 2021 to Aug 2022
<b>Attendance Allowance</b>	7,700	0.1	10	Oct 2020 to Aug 2021
<b>Disability Living Allowance</b>	7,600	1.0	80	Mar 2023 to Oct 2023
<b>Pension Credit</b>	5,900	1.2	70	Nov 2023 to Oct 2024
<b>Carer's Allowance</b>	4,200	w	w	Mar 2024 to Sep 2024
<b>Jobseeker's Allowance</b>	300	1.2	0	Oct 2017 to Sep 2018

	<b>Expenditure (£m)</b>	<b>Official Error Rate (%)</b>	<b>Official Error Value (£m)</b>	<b>Last measured</b>
<b>Income Support</b>	300	0.3	0	Oct 2013 to Sep 2014
<b>Incapacity Benefit</b>	0	0.7	0	Oct 2009 to Sep 2010
<b>Never Reviewed</b>	5,400	0.0	0	
<b>Total</b>	292,200	0.4	1,200	
<b>Range</b>		(0.4 to 0.5)	(1,000 to 1,500)	

## Notes to Appendix 2

1. Rows and columns may not sum to totals due to rounding.
2. Approximate 95% confidence interval ranges are given for the totals in the row below them. These also allow for non-sample error in occasionally reviewed benefits and the additional uncertainty that comes from the use of older measurement periods.
3. Some estimates are displayed as zeros due to rounding.
4. Some cells have no data – when this is the case, a shorthand is used to briefly describe the reason for the missing data, w = no data found in the sample.
5. The ‘Never Reviewed’ category includes benefits which were not previously reviewed and have not been historically reviewed in a particular year.

## Appendix 3: Cannot Review adjustment

Please see section 5 of the [Background Information and Methodology note](https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-)  
(<https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system->

[financial-year-2024-to-2025-estimates](#)) for more information on this adjustment.

The primary reason for an ineffective review is the claimant not engaging in a review, resulting in their benefit claim being suspended and then later terminated. This includes instances where the claimant withdrew their claim to the benefit after they received a review notification.

These ineffective reviews are referred to as 'Cannot Review' and, for most claimants, the department holds very little evidence of their current circumstances and their reasons for failing to engage.

For those claims where there is a lack of evidence available, a set of assumptions are applied to categorise them for reporting purposes as follows:

- Fraud – where a claim has a suspicion of Fraud raised during the initial data gathering prior to review. These claims are assumed to be Fraud in the reported estimates
- Not Fraud – where there is no information to suggest a suspicion of Fraud and the claimant reclaims the benefit at a similar rate within four months of their original award being terminated. These claims are assumed not to be Fraud. Any other errors such as Official Error would remain on the claim, so they may still not be entirely correct
- Inconclusive – where there is no information to suggest a suspicion of Fraud or that the claimant has reclaimed the benefit. These claims are recorded as inconclusive, and no assumptions are made. These claims are taken out of the headline reported estimates, since there is insufficient evidence to categorise as Fraud or not. The expenditure for these claims is estimated and reported separately within the publication and reference tables

Cannot Review claims, where there was no evidence of the claimant's reason for failing to engage, accounted for around £2,480m (0.9% of all FYE 2025 expenditure on benefits that have been reviewed since FYE 2020).

**FYE 2025 estimates of the breakdown of claims that did not have an effective review, and where there was no evidence of the claimant's reason for failing to engage, by benefit and assumption categorisation.**

	Fraud Rate (%)	Fraud Value (£m)	Not Fraud Rate (%)	Not Fraud Value (£m)	Inconclusive Rate (%)	Inconclusive Value (£m)
<b>Attendance Allowance</b>	0.0	0	0.1	10	0.8	
<b>Carer's Allowance</b>	0.0	0	0.2	10	0.7	
<b>Disability Living Allowance</b>	0.1	0	0.0	0	0.3	
<b>Employment and Support Allowance</b>	0.0	0	0.0	0	0.6	
<b>Housing Benefit</b>	0.3	40	0.8	130	1.6	2
<b>Personal Independence Payment</b>	0.0	0	0.1	40	1.1	2
<b>Pension Credit</b>	0.0	0	0.0	0	2.0	1
<b>State Pension</b>	0.0	0	0.0	0	0.3	4
<b>Universal Credit</b>	0.0	20	0.1	70	1.4	9
<b>Total</b>	0.0	60	0.1	260	0.8	2,

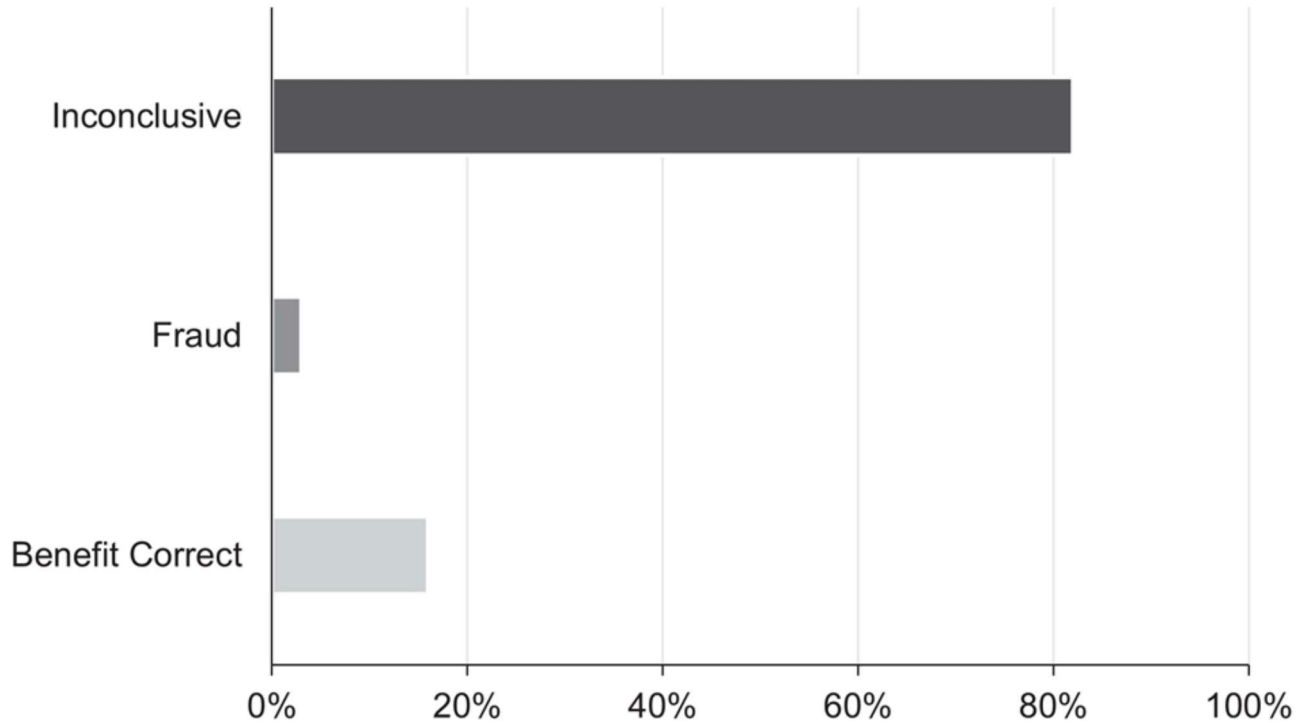
## Notes to Appendix 3

1. For Employment and Support Allowance, Attendance Allowance and Disability Living Allowance, the last measured Cannot Review rates were

applied to the expenditure for FYE 2025.

Over 4 in 5 of the Cannot Review claims, where there was no evidence of the claimant's reason for failing to engage, were categorised as Inconclusive.

Proportion of claims which did not have an effective review and where there was no evidence of the claimant's reason for failing to engage, by assumption category, FYE 2025.



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