Part 17 Categorisation

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17000 This chapter details the process of Multi-benefit Review officer (MRO) recommended categorisation and the final categorisation undertaken by the MRO/CTG (Central Technical Group).

17001 The principle behind categorisation is that PM only report claimant fraud/claimant error outcomes during the review week and official error outcomes during the selected period as defined by the Monday sample extraction date.

17002 - 17009

Recommended Categorisation – ESA/JSA/SPC/HB only

17010 Following the review upon receipt of all relevant information, the reviewing MRO will be responsible for providing a recommended categorisation on each case. All relevant evidence in support of this recommendation must be recorded on FREDA.

17011 The MRO will recommend the following categories:

- Benefit/entitlement correct
- Claimant fraud
- Claimant error
- Official error

*Note: if Claimant Fraud is recommended and causal link applies, the MRO should apply the pre-clink process to the case and include this in their recommendation.*

17012 The reviewing MRO will base the recommendation on the same principles that govern the final categorisation - full details can be found in subsequent paragraphs.

Reviewing MRO fails to provide a recommended categorisation

17013 If the reviewing MRO fails to record a recommended category, you will need to consider whether this is because at the time there was insufficient information available to do so at the point of handoff. The final categorisation will normally be recorded by the MRO who conducts the official error check.
Where this is the reason the recommendation has not been provided, details must be recorded in full on FREDA to assist with case categorisation when the missing information is received.

If the reviewing MRO has merely failed to complete details regarding recommendations and has not recorded any reason why this has not been possible, you will contact the reviewing MRO to discuss the categorisation - the MRO who records the final categorisation will record details of the discussion on FREDA.

Final Categorisation

Introduction

The final categorisation will be conducted by the MRO who performs the official error check with the exception of SP cases which will be categorised by the CTG.

Although you have responsibility for the final categorisation of cases you must also consider the recommended category after review and whether the outcome will result in a fraud/claimant error or official error.

You will take responsibility for all aspects of the categorisation regardless of whether the case has been part categorised by another MRO.

Any feedback from subsequent outcome checks or DQA checks will be returned to the MRO completing the final categorisation.

The MRO does not accept the recommended categorisation

If you dispute the recommendation made after the review, you will discuss the issue with the MRO who made the recommendation and provide reasons for the disagreement.

The MRO who made the recommendation will be given every opportunity to provide clarification or further information that may not be evident from the evidence provided. Obtaining an explanation may provide sufficient evidence for the disagreement to be resolved.
Resolving the disagreed categorisation

17026 If, after seeking clarification, the disagreement over the recommended categorisation is not resolved, the reasons for the disagreement will be recorded on FREDA.

17027 You will refer the disagreed categorisation, along with all supporting documentation, to the Team Manager for consideration. The Team Manager will have the final decision on the categorisation and notify both MROs of the outcome which will be recorded on FREDA.

17028 - 17029

Evidence (all cases)

17030 The general principle when considering official error during the selected period is that you will compare the declared circumstances at the time the payment was released with the amount paid, attaching a monetary value to each identified discrepancy.

17031 The general principle when considering claimant related error in the review week is that you will compare the latest declared circumstances pre-visit with the circumstances declared at the visit, attaching a value to each identified discrepancy. For SPC the latest declared circumstances pre-visit will normally be at the AIP Start date/latest AIP review taking into account any subsequently reported beneficial changes

Note: Any change in circumstances taking place after the date of the review visit will not be taken into account when calculating claimant error value, even where it took place during the review week. This is because the claimant can only report at the visit any change which is known to them at that time.

17032 When considering the outcome of the visit you will require all related evidence and documentation obtained by the MRO who performed the review. This will include:

- All evidence/information identified by the MRO at the technical preview stage
- Verification of income/capital where appropriate
- A detailed narrative of the visit along with any suspicions of claimant fraud documented although FREDA only requires you to record basic details on the log sheet
- Any official errors identified during the review that have not been noted at the technical preview stage
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- Any discrepancies identified by the MRO against official errors noted at the technical preview check
- Statement of Circumstances
- Questionnaire for HB cases only
- the recommended categorisation, as applicable
- appropriate review form or HB supplementary sheet

This list is not exhaustive.

17033 You will be unable to undertake the final categorisation where:

- A discretionary decision by the DM is outstanding
- The case is incomplete for further evidence/information/verification (and the 10 week deadline for incomplete evidence has not been reached)
- The casework has not been provided (and the 10 week deadline for incomplete evidence has not been reached)
- The MRO’s recommended category is awaited, as applicable
- Fraud has not concluded their investigation
- FES Compliance activity is outstanding

Discrepancy identified between the reconstructed evidence and the assessment of the award (Not applicable to HB/LHA)

17034 Where the review identifies that there is a discrepancy between the evidence obtained in respect of the selected period, and the assessment of the award for the selected period, and this results in an error in the award for the selected period, you will investigate whether the error was due to the claimant and on completion of your investigation note FREDA with a recommended categorisation and any supporting evidence.

17035 Where, after probing questions, the reviewing MRO is unable to establish that the discrepancy is due to the claimant, and all possible avenues have been explored to determine the correct categorisation, the recommended categorisation for the selected period will be official error.

*Note: if the claimant has provided evidence at the review, the burden of proof shifts to the office to prove that the error in the award in respect of the selected period was due to the claimant. Unless the office can prove this, e.g. by locating the original documentation, the error will be categorised as an official payment error.*

Action upon receipt of all required evidence
17036 Following receipt of all the appropriate evidence you will:

- Categorise the review week
- Categorise the selected period
- Consider NPV where appropriate
- Enter the results on FREDA

**Recording HB estimated HST and Non-HST outcomes on FREDA**

(Applicable to HB only)

17037 In order for FEMA to carry out an adjustment for incomplete cases in their HB calculation process for each 6+6 report, they require PM to estimate the outcomes on HB cases that are outstanding as incomplete at the data cut-off point.

17038 At an agreed date anticipated to be approximately 4 weeks prior to the data cut-off point, FEMA will advise you to commence completion of FREDA with the estimated outcomes for:

- HB cases outstanding as HST
- HB cases outstanding (other reasons)

17039 If a HB case is outstanding as incomplete at the agreed date, you will need to complete the relevant fields in the HB categorisation notes screen.

17040 Subsequently, if a case can be categorised as fully completed after the entry of a HB estimated outcome, you must do so as soon as possible and enter it on FREDA. Any HB estimated outcomes that have already been entered on FREDA must remain and not be deleted.

17041 - 17049

**Award Values**

**Selected period**

17050 The award value to be recorded for the selected period will be the amount paid for the selected period, disregarding any office activity that occurs after the date the payment for the selected period is released.

**Review week**
17051 The award value of the review week will be the amount paid, or expected to be paid taking no account of PM intervention.

17052 In cases where the claim has been terminated prior to the review week, and either a causal link trigger point, or PM inspired change of circumstances, is evident, you will consider use of a notional review week and notional award value.

Example 1

HB case
Claimant review action begun
Weekly benefit award prior to PM intervention £100
Claimant fails to sign and no causal link established
Case would normally be categorised as benefit correct

Award value of review week would be the amount in payment prior to the review £100

Example 2

HB case
Claimant review action begun
Weekly benefit award prior to PM intervention £100
Claimant fails to sign and causal link established.

Award value for HB should be recorded after consideration of whether claimant qualifies for non passported HB

Example 3

JSA case
Claimant review takes place
Weekly benefit award prior to PM intervention £100
Claimant change reported after review date - partial week award of benefit due

Award value will depend on whether there is an error and any link to PM activity

- Where there is no error or link to PM activity established, categorisation would be benefit correct. Award value for JSA is the claimant’s actual entitlement for the review period i.e. the claimant is due 5 days due to starting work. Award value would be 5/7 of the weekly benefit award i.e. £71.43

- Where the claimant’s benefit ceases and there is a claimant mistake or fraud error to be recorded for the review week, but no link between the PM activity and the ending of benefit. Award value for JSA is the claimant’s actual entitlement for the review period i.e. 5 days £71.43. The error value is based on the error being recorded e.g. where part time earnings of £20 after disregard were previously not declared. The error value would be the difference between the award value and the amount actually due of £57.15 = £14.28

- Where benefit ceases and there is a link established from the PM activity to the change of circumstance the award value would be a full benefit week award and a whole award error

17053 You must ensure that you note FREDA with your reasons for using notional review week and awards, detailing any evidence for linking changes to PM activity.

17054 Where PM identify an official error that results in a change in the award value during the selected week, and this also impacts the review week, this will not affect the award value recorded for the review week - this will remain the amount paid or expected to be paid taking no account of PM intervention.

Example 4

Award value in selected period £100

Award Value in review week £100

PM identify an official error overpayment of £5

At the review PM identify the claimant is working full time and have a whole award claimant fraud.

Although PM have identified that due to official error the amount paid in the review week was erroneous, as PM do not have consideration of official error in the review week, the award value will remain at £100.
Review Week Categorisation

17060 Where you have all the required evidence to categorise the case, one of the following outcomes will be recorded:

- Benefit/Entitlement Correct
- Claimant Fraud
- Other Period Claimant Fraud (except HB/LHA cases)
- Claimant Mistake
- Other Period Claimant Mistake (except HB/LHA cases)

Benefit/Entitlement Correct Categorisation

17070 The case will be categorised as benefit/entitlement correct where:

- The circumstances of the claim/application remain unchanged following the review
- The circumstances have changed but the change will not affect the rate of benefit in payment, for example:
  - An AIP is in force, but a non-beneficial change is identified. As this does not have to be notified until the end of the AIP there will be no change to the claimant’s SPC
  - There is a past discrepancy that ends before the start of the selected period as defined by the Monday sample extraction date, but the current award in payment is correct
  - A change to SPC or HB identified as commencing in the review week but only affects these benefits in the following week
- The case has been investigated by Fraud, and the investigation is concluded but Fraud has been unable to establish fraud however, on the balance of probabilities, a high suspicion of fraud remains

Example

PM make a referral to Fraud with a suspicion of potential working in receipt of benefit.

Fraud attempt to carry out surveillance on the property to establish if fraud is being committed. However, due to the location of the claimant’s address (i.e.
fracent within close proximity of a local school) surveillance is prevented from being undertaken.

Fraud decides that fraud cannot be established but the suspicion remains.

The case will be categorised as benefit/entitlement correct – high suspicion of fraud.

Entitlement correct - SPC claimants where an AIP has been set

Note: this only applies to common sample

17071 SPC claimants where an AIP has been set are not required to report any change to their retirement provision within the AIP. That is any changes:

- To income from a second pension with the exception of State Pension
- To income from annuity contracts with the exception of State Pension income
- To assumed income from savings and investments

17072 Where a non-beneficial change occurs (i.e. a change to any of the income detailed in the above paragraph) that will decrease the amount of SPC being paid to the claimant, then any element of the retirement provision will not be reviewed until the end of the current AIP. You will categorise the case as entitlement correct.

17073 Where an AIP has been set and a beneficial change (i.e. a change to the retirement provision which means that the claimant will be entitled to a higher rate of SPC) in the claimant’s retirement provision is reported at the MRO review, and the claimant wishes to notify the pension centre of the beneficial change that will result in a change to the amount of SPC in payment, as the claimant is not required to notify this change you will categorise the case as entitlement correct.

17074 - 17079

Fraud categorisation

17080 The case will be categorised as fraud based on the following definition.

Definition of fraud
17081 This includes all cases where benefit is paid incorrectly in the review week and where the following three conditions apply:

- the basic 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 entitlement; and
- benefit stops or reduces as a result of the review for overpayment cases.

17082 This category includes cases where fraudulent activity has been proven by Fraud, or the MRO has obtained a statement from the claimant confirming the fraud and as a result the claimant’s benefit/entitlement changes or ceases.

17083 Where an admission of fraud has been made to the MRO, Fraud should be notified via a Fraud Referral Form (FRF) for information only. The case should not be routed via the PM SPOC to track to conclusion where PM already has sufficient information to categorise the case).

17084 Fraud categorisation also includes cases where Fraud failed to establish fraud for the review week but the circumstances fall within the PM definition of fraud. See subsequent paragraphs on Fraud with Causal Link and Other period claimant fraud. Each case requires the FRAIMS Case Summary to be examined in conjunction with the effect on benefit/entitlement and categorised accordingly.

**Fraud underpayments**

17085 A fraud underpayment can occur where benefit increases as a result of a LT situation. For example a claimant claiming JSA (IB) admits at the MRO review that their partner and the partner’s child moved in to the household a week ago. The partner is in receipt of IS.

17086 As a result of the PM review the claimant claims JSA (IB) for the partner and dependent child and receives an increase in their JSA (IB) entitlement as a family, therefore the claimant’s benefit will have been underpaid due to claimant fraud.

*Note: this type of case will also need to have NPV recorded in addition to the error value.*

**Fraud with Causal Link**
For measurement purposes the fraud categorisation also includes those cases where there is a suspicion of fraud that cannot be proven but the claimant’s benefit subsequently changes as a result of the review activity. Such cases should be categorised as Claimant Fraud with Causal Link. You must show when categorising claimant fraud with causal link that there is sufficient evidence to establish a causal link between the review activity and the change to the claimant’s benefit. See subsequent paragraphs on Pre Causal Link consideration.

Any link categorisation is made based upon the information available at the point of categorisation. As PM conduct snapshot reviews, you must not use further information gathered at a later date (e.g. when claimant reclaims) to revise your categorisations.

Where a fraud with causal link has been established, it is possible that the error commences after the review week but if a link can be established with the review week then the case would still be classed as current period fraud with causal link. An example would be where Living Together is suspected at the review visit, a referral to Fraud is made and the claimant subsequently admits to Living Together from a future date. Where no link can be established with the review week, the case should be recorded as other period claimant fraud for all cases except HB.

Other period claimant fraud (except HB/LHA cases)

The PM definition of other period claimant fraud is as follows:

- Where claimant fraud is identified as commencing after the review week
- Where fraud with causal link has been considered but does not apply

Note: Where PM identify a past period fraud for a period not included in either the review week, or following the review week, PM should, refer the case via the normal process to fraud for investigation i.e. FRF/LA fraud referral but PM will not track or record the outcome as other period errors

When considering other period claimant fraud, the same level of information is required regarding the offence types as claimant fraud that affects the review week.

SPC & HB fraud errors identified as commencing in the Claimant Review Week (CRW)
17092 Where a SPC fraud error or HB fraud error is identified as commencing in the CRW but affecting benefit in the week following the CRW, the error must not be recorded. FEMA will only report on errors identified as affecting benefit in the CRW.

17093 - 17099

Fraud with causal link

Pre Causal Link consideration check

17100 If a case meets the following conditions, it must be checked to see if there is any evidence on which to base a suspicion that prompts consideration of causal link between the review-inspired activity, and the cessation of, or change to, benefit:

- It has been previewed, and
- You or Fraud have attempted to contact the claimant (regardless of whether that attempt was successful); and
- Benefit ceases or changes before, or at, the categorisation stage as a result of claimant action (or DWP/LA action if termination of benefit happened due to the claimant failing to respond to a review-inspired suspension of benefit).

17101 The term ‘benefit changes’ means that a change in circumstances has been reported, but benefit remains in payment after the change is effected.

17102 The pre causal link consideration check must take place on these cases before any of the following actions are taken:

- The application of the existing causal link methodology and the application of the causal link route on FREDA
- Categorisation
- Abandonment

Trigger Points

17103 In order to complete the pre causal link consideration check, the case must first reach one of the following trigger points:

- The claimant notifies the DWP or LA of a change in circumstances that will cause benefit to terminate; or
- The claimant notifies the DWP of a change of circumstances that will cause the passporting benefit to terminate (HB/LHA only); or
• The claimant notifies the DWP or LA of a change in circumstances that will cause benefit to change but remain in payment; or
• The claimant simply asks the DWP or LA for benefit to be terminated; or
• The claimant simply asks the DWP for their passporting benefit to be terminated (HB/LHA only); or
• If the claimant is in receipt of JSA, fails to sign, which leads to JSA being terminated; or
• The claimant does not provide requested information/verification following a review, so benefit is terminated by the DWP or LA following a review-activity inspired suspension; or
• The claimant notifies DWP of a change of circumstances that will cause a payment of PC Savings Credit to change but remain in payment (HB/LHA only); or
• No return contact from the claimant, benefit is suspended and withdrawn.

Establishing the trigger point

17104 A trigger point can be reached during any part of the review process after the first attempted contact or actual contact (including Fraud/Compliance action)

17105 You will check to see if a trigger point has been reached by checking the benefit system before:

• attempting a second or subsequent contact with the claimant by visit, office interview or by telephone
• handing off the case to another MRO to perform the official error check for categorisation
• referring a case to Fraud/Compliance due to a suspicion of fraud

Note: If you find that the case becomes dormant after preview where there has not been any attempt at contact with the claimant, normal abandonment procedures apply and the pre causal link consideration check is not required.

Action if a trigger point is reached

17106 You will check to see if a trigger point has been reached:

• when you are about to categorise a case (unless the case has been returned from a Fraud/Compliance investigation where a whole award fraud or whole award claimant error has been established)
• in cases where the claimant has still not provided the verification/extra information requested by the required date. You will consider referring the case to the ECO for the DM to suspend benefit.

17107 If a trigger point is reached, you will need to consider at which stage of the review process benefit has terminated or changed. This could be:

• between the 1st and 2nd unnotified visit
• before a notified visit, for a claimant notified from the outset
• before a notified visit, for a claimant who was not notified from the outset
• before an office interview
• after an effective unnotified visit
• after an effective notified visit
• after an effective office interview
• after verification/further information required from the claimant
• after review inspired suspension of benefit
• after a Fraud/Compliance contact/interview
• before a Fraud/Compliance contact/interview if a case has been referred by you, and you have had some form of contact or attempted contact with the claimant.

The Reviewing MRO

17108 You will check to see if a trigger point has been reached by checking the benefit system before they:

• Attempt a second or subsequent contact with the claimant whether this be by visit, office interview or phone
• Hand over the case to the MRO who performs the official error check for categorisation
• Refer a case to Fraud due to a suspicion of fraud

Note: *if then you find that the case becomes dormant after preview where there has not been any attempt at contact made, normal abandonment procedures apply and the pre causal link consideration check is not required.*

17109 The MRO who performs the official error check will check to see if a trigger point has been reached:

• When they are about to categorise a case (unless it is a case which has been returned from Fraud investigation where a whole award fraud or whole award claimant error has been established)
• At the deadline for incomplete cases where the claimant has still not provided the verification/extra information requested. The MRO who performs the official error check asks the DM for a suspension of benefit
Action if a trigger point is reached

17110 If a trigger point is reached, whoever establishes the trigger point needs to consider at which stage of the review process benefit has terminated or changed. The trigger point could occur:

- Between the 1st and 2nd unnotified visit
- Before a notified visit, for a claimant who was notified at the outset
- Before the notified visit for claimant who was not notified at the outset
- Before the office interview
- After an effective office interview
- After an effective unnotified visit
- After an effective notified visit
- After verification/further information required from the claimant,
- After suspension,
- After a Fraud contact/interview
- Before a Fraud contact if a case has been referred by the MRO and the MRO has had some form of contact or attempted contact with the claimant

Action for cases where the claimant notifies a change in circumstances that causes benefit to change but remain in payment

17111 If benefit remains in payment after a change is reported, and you have not reviewed the claimant’s benefit, and the interview options are not exhausted because the change was reported:

- after the first unnotified unsuccessful visit
- after the second unnotified unsuccessful visit
- after the initial notified visit was notified
- after an unsuccessful notified visit
- after the office interview was notified
- after an unsuccessful notified office interview, but
- before a suspension, referral to Fraud/Compliance, or disallowance

17112 You must attempt to see the claimant to ascertain why the change was notified at the time it was; structured probing will bring this out.

17113 If the claimant has not been seen because the interview options have not been exhausted, consideration of the pre causal link process is not required.

17114 If, after interviewing the claimant, you are satisfied that the change of circumstances is not suspicious and is just in the normal course of events, the
review process regarding categorisation will continue. There is no need to pursue pre causal link action.

17115 If you are not satisfied that the change was notified in the normal course of events, and could be due to the review-inspired activity, you will continue consideration of pre causal link.

Referral to Fraud/Compliance, or suspension, after reported change in circumstances

17116 If all interview possibilities have been exhausted – the claimant has not been seen – and a referral to Fraud/Compliance or suspension is required, consideration of pre causal link should be carried out before the referral is made.

17117 If you have seen the claimant, and have reviewed their circumstances, and a trigger point has been reached where the claimant notifies a change in circumstances that will cause benefit to change but remain in payment before the referral to Fraud/Compliance, the review process will continue with regard to the Fraud/Compliance.

Cases that will be considered for causal link where benefit remains in payment and the review process continues (through Fraud or FES Compliance action)

17118 When the review process is to continue on a case because it is about to be referred to Fraud/Compliance and:

• the trigger point check has shown that a change to benefit was notified; and
• benefit remains in payment after the change is effected; and
• you consider there is evidence of sufficient weight to warrant a consideration of causal link

there are several things to be considered before completion of the causal link process, and carrying out the causal link checks.

17119 When the case is returned from Fraud/Compliance, further consideration of causal link must take place at the categorisation stage, unless the Fraud/Compliance outcome is whole award fraud or whole award claimant error.

17120 If the Fraud/Compliance outcome is whole award error (fraud or claimant):
• Categorise the case accordingly; and
• Do not continue with pre causal link checks; and
• Note FREDA with ‘Fraud/Compliance whole award error. No further Causal Link consideration.’

17121 If the Fraud/Compliance outcome is a partial award error (fraud or claimant) or Benefit Correct (High Suspicion Remains) or Benefit Correct, you must carry out the pre causal link trigger point check just before the case is categorised. This is to check to see if the claimant has notified another change subsequent to the Fraud/Compliance investigation.

17122 If it is found that a change subsequent to the Fraud/Compliance activity is notified, then consideration of Causal link must take place on the latest notified change.

17123 Once the outcome of this is known, categorisation can take place.

**High Suspicion Tracking (HST) cases: Trigger point reached after referral or when an investigation is underway**

17124 This refers to cases where a trigger point is reached after the case is referred to Fraud/Compliance or when a Fraud/Compliance investigation is underway.

17125 For these cases, the trigger point check will not take place until the categorisation stage when the investigation is completed.

17126 If it is found at the categorisation stage that a trigger point is reached, you must establish when the change in circumstances was notified, or when the claimant failed to sign (FTS).

17127 For cases that were referred to Fraud/Compliance at preview, or that were under investigation at preview, if the change/FTS happened before any Fraud/CC contact (successful or otherwise), the pre causal link check is not required. The case should be categorised or abandoned as appropriate.

17128 For all HST cases, if it is found that the claimant notified a change or FTS after contact by Fraud/Compliance (successful or otherwise), dependent on the outcome of the Fraud/Compliance action, the case will either:

• not require a pre causal link check where the Fraud/Compliance outcome is whole award fraud or claimant error; or
• will require a pre causal link check where the Fraud/Compliance outcome is partial award Claimant Fraud or Error, Benefit Correct
17129 If the claimant notified the change after you had referred the case to Fraud/Compliance (after you had attempted contact with the claimant, successfully or otherwise), it is unlikely that Fraud/Compliance will have addressed the change with the claimant to see if the change is due to any review-inspired activity. You should check this during the course of your pre causal link checks.

Abandoning cases that have been through the pre causal link consideration process

17130 If it is decided that the next step is to abandon the case, you should:

- complete the relevant fields on FREDA showing that consideration of causal link has been carried out; and
- at the Causal Link Outcome Screen, select the abandonment option; and
- continue abandonment action, with any relevant peer check, as appropriate.

FREDA completion

17131 The trigger point will be indicated when completing FREDA (see trigger points). Once identified, you can identify the part of the process where the trigger point occurs, and select ‘Causal Link’ from a drop down list on FREDA.

17132 Complete the Causal Link Trigger screen on FREDA with details of the trigger point, and part of process that the trigger occurred.

17133 Complete the Causal Link Benefit Change screen on FREDA with the dates and reasons for cessation/suspension/change to benefit.

17134 Complete the relevant Causal Link Suspicion areas on FREDA with full details as appropriate, using the notes facility to give full information as to the doubt.

17135 Once you have completed all relevant screens giving reasons for suspicion, complete the Causal Link Outcome screen, considering whether all gathered information gives sufficient evidence on which to base a Causal Link consideration for the change or cessation of benefit.

17136 Causal link must then be checked by a peer MRO. Ensure that the peer MRO has access to all relevant information in order to complete their check.
17137 The peer MRO should ensure that FREDA is fully noted as to the outcome of their check, and any papers/systems checked to support their consideration.

17138 If the peer checker approves causal link, the case should then be checked by an HEO on FREDA. Once all cross checks have been completed, you can go on to complete categorisation on the case.

17139 Regardless of the outcome of the causal link check, all cases considered at pre causal link stage must have the relevant causal link screens completed on FREDA. This includes cases that are abandoned after the consideration has been made.

17140 - 17169

Non-residency cases

Action after Fraud investigation/CC activity completed.

17170 For every case completed by Fraud/Compliance you should have available the FRAIMS/HB Case Summary as the result of the investigation/activity needs to be looked at in conjunction with the effect on benefit and you should categorise the case accordingly.

Deciding the final case categorisation

17171 In cases of confirmed or suspected non-residency, you will consider the final case categorisation based on the outcome of the Fraud/Compliance referral and/or evidence obtained/provided by the MRO and if applicable the ECO/PCP/LA DM.

17172 Final case categorisation will be entirely dependent on the level of evidence discovered and must support your decision. Examples are detailed below:

Non-residency at address confirmed - claimant seen by Fraud/CC

17173 If Fraud/Compliance has interviewed the claimant, you will consider an appropriate case categorisation based on the evidence provided by Fraud/Compliance. You must be satisfied that a thorough investigation has been undertaken and is thoroughly documented by Fraud/Compliance. For example:
• The Fraud investigation/Compliance interview should have attempted to address the reasons for suspicion outlined in the referral or give reasons why the issues cannot be resolved or investigated

17174 Where there is clear evidence that the claimant was not resident at the address at the time of the MRO’s attempted visit/interview, you will check that the process checks support the outcome e.g. CIS updated with a change of address that occurred before the MRO’s attempted interview.

17175 You must be satisfied that the evidence gathered supports the final case categorisation and will consider if there was an alternative reason for the claimant’s non compliance with the PM review. The evidence discovered will be influential when the MRO determines the appropriate case categorisation.

Impact on the claimant’s benefit case categorisation

17176 Where there is an impact on the claimant’s benefit, you will give consideration to either a claimant fraud or claimant error categorisation.

No impact on the claimant’s benefit case categorisation

17177 Where there is no impact on the claimant’s benefit then you will categorise as benefit correct.

Non-residency at address confirmed by MRO

17178 Where there is clear evidence that the claimant was not resident at the address at the time of your attempted visit/interview, you will check that the process checks support the outcome e.g. CIS updated with a change of address that occurred before your interview or attempted interview.

17179 You must be satisfied that the evidence gathered supports the final case categorisation and that there is an impact on the claimant’s benefit.

17179 If there is no impact on the claimant’s benefit then you will categorise as benefit correct.

Further consideration for HB cases
17180 For HB cases, non-residency can only be confirmed by the claimant or their appointee and not by a 3rd party, landlord or housing association. Also, the claimant must have been interviewed or confirmed they are no longer resident at the previous address by letter or phone call.

Non-residency suspected – third party evidence provided

17181 Where you are unable to complete the review due to the claimant’s non-compliance, but during your attempt to visit the claimant a third party volunteers the information that the claimant has gone away, you will:

• Complete the case narrative
• Record the information provided by the third party
• Deem the case as incomplete
• Consider Causal Link

17182 You will consider referring the case to Fraud/Compliance where there is no evidence of anyone resident at the property or will request that the DM/ECO/PCP arrange to suspend the claimant’s benefit, to attempt to prompt the claimant to make contact.

Reviewing MRO requests a suspension of benefit

17183 If you request a suspension of benefit the case will be left as incomplete. You will retain the case to co-ordinate any follow up action.

Claimant fails to make contact with DWP

17184 Where the MRO has been unable to make contact with the claimant and no fraud investigation has taken place, causal link has been considered and no outcome can be recorded, a common sample case will be abandoned and a replacement case obtained.

*Note: if causal link can be established, the case would not be abandoned, but categorised as Claimant Fraud with the Causal Link flag selected.*

Claimant relinquishes their benefit entitlement

17185 If as a result of imposing the suspension the claimant relinquishes their benefit entitlement without explanation then you must consider categorisation
on the evidence available - this may include a categorisation of fraud with causal link.

17186 Although there is no limit for application of causal link for PM purposes, the longer the lapse between your activity and the change/cessation of benefit, the stronger the evidence would need to be to establish a causal link, particularly after 14 days. This is the minimum time scale - where a strong suspicion exists, the time scale can be extended before categorising the case.

17187 - 17199

Claimant Error Categorisation

17200 You will categorise the case as claimant error based on the following definition.

Definition of claimant error

17201 Where benefit is paid incorrectly in the review week because the claimant has provided inaccurate or incomplete information, or failed to report a change in their circumstances, but there is no fraudulent intent on the claimant’s part.

17202 In this case, where it is accepted by you as a genuine mistake, you will categorise the case as claimant error for the review week or other period as appropriate.

Example

The savings of an SPC claimant had increased from the date of application in November 2009 when they were under £10,000 to £10,584 at the date of the MRO interview in April 2010. The office had, correctly, not set an AIP.

When interviewed the claimant stated that he did not know how much interest had been paid on his savings until the updated statement was requested by the MRO and that he had no knowledge of the assumed income rules applied by the DWP.

The claimant did not attempt to hide that the capital had increased and willingly obtained an updated statement from his bank. The MRO confirmed that the claimant’s bankbook had not been updated with the interest and the increased amount was only apparent from the new statement request.
The MRO accepted that the claimant would possibly not be aware of the assumed income/capital rules and concludes that the claimant has not intentionally concealed or misrepresented a material fact. As a result the categorisation would be claimant error as there is no evidence to support a fraud categorisation.

SPC or HB claimant errors identified as commencing in the Claimant Review Week (CRW)

17203 Where a SPC claimant error or HB claimant error is identified as commencing in the CRW but affecting benefit in the week following the CRW, the error must not be recorded. FEMA will only report on errors identified as affecting benefit in the CRW.

HB Error value principles – review week

17204 Any claimant error/fraud error identified during the review week is recorded as a snapshot based on the difference between the LA HB award during the review week and the claimant’s circumstances discovered at the PM review.

17205 It should be noted that this approach differs from the common sample approach of comparing the declared claimant’s circumstance prior to the review week with the circumstances discovered at the review.

Cases where benefit increases

17206 Where you identify a notifiable change in circumstances that the claimant failed to report, which results in an increase to the claimant’s benefit, the case will usually be categorised as claimant error.

17207 As there is no financial advantage to be gained by the claimant failing to declare the change it would not normally be categorised as fraud however, the exception to this is LT.

Example

An SPC claimant who has no AIP set fails to declare that their savings have decreased from £12,000 to £10,000.
An AIP is not appropriate.

This will reduce any tariff income applied to their benefit for the purpose of a guarantee credit and if applicable reduce their saving credit. However, the overall effect will be that the claimant’s benefit will increase, as the tariff income would reduce by £1.00 but the saving credit by only 0.60p.

Therefore, the claimant failing to report the beneficial change would result in an underpayment of SPC, which would be categorised as claimant error.

Claimant Mistake - Pension Credit Cases (HB/LHA Only)

17208 All changes (reportable and non-reportable) discovered by the MRO will be recorded on the Statement of Circumstances (Appendix 8a) and sent to the relevant DM along with a Decision Notice.

17209 Where an AIP has been set, DWP will only re-assess the Pension Credit entitlement where the change of circumstances is beneficial to the claimant. In these cases The DWP DM will recalculate the entitlement to Pension Credit and calculate a new AIF. Where the amount of HB changes because of the new AIF, the case should be recorded as claimant error even though the claimant did not have to report the change.

17210 Where you discover that the claimant, at the time of application for Pension Credit, failed to disclose a known change to his income/capital due in the next 12 months (e.g. an endowment pay-out) which resulted in an incorrect AIP being set, the case should be categorised as Claimant Error, or Claimant Fraud depending on the evidence collected by the MRO.

17211 Where DWP have failed to notify the LA of an award of Pension Credit and the claimant has failed to advise on the PC1 (Pension Credit claim form) that they had applied for/were in receipt of HB, and as a result an incorrect amount of HB is in payment, this should be categorised as Claimant Mistake, or Claimant Fraud depending on the evidence collected by the MRO.

17212 Where the LA are unaware of the existence of an AIF and therefore fail to use it because the claimant has failed to advise the LA on the HCTR1 (HB and Council Tax reduction claim form) the fact that they have claimed/are in receipt of Pension Credit, the case should be recorded as Claimant Mistake, or Claimant Fraud depending on the evidence collected by the MRO.

17223 - 17249
Selected Period Categorisation

17250 Where you have all the required evidence to categorise the selected period one of the following outcomes will be recorded:

- Benefit Correct
- Official Error

Benefit Correct Categorisation

17251 The selected period will be categorised benefit correct where there is no official error identified.

Official Error Categorisation (including SP)

17252 The case will be categorised as official error for the selected period based on the following definition.

Definition of official error

17253 An official error is where benefit has been paid incorrectly due to inaction, delay or a mistaken assessment by the DWP, a Local Authority or Her Majesty’s Revenue and Customs to which no one outside of that department has materially contributed, regardless of whether the business unit has processed the information.

17254 In addition, an error, which is initially categorised as claimant error, will be categorised as official error where the error has clearly been caused by an official of the Department/LA and the JSA/ESA/HB business unit or, for SPC, the pension centre is in possession, from whatever source, of the true facts, regardless of whether the information has been processed by the business unit.

Example

Claimant fails to notify the award of Carer’s Allowance (CA), leading to the omission of disabled child’s premium from the award. The business unit is subsequently notified of the CA award, by the CA unit, but fails to include the disabled child’s premium.

This would initially be categorised as a claimant error up to the point the notification of the award of CA was received, the error would then be categorised as an official error.
Changes by Pension Age claimants reported to DWP - HB/LHA Only

17255 Where a change has been notified to DWP by the claimant prior to the date that payment for the selected period was released but has not yet been processed by DWP or notified by DWP to the LA, the case should be recorded as Official Error. The appropriate reason from the ‘Reason for Error’ pick list should then be selected.

17256 It is important that you make the correct selection from the ‘Reason for Error’ pick list, in order that the HBR estimates can distinguish between errors arising from DWP and those arising from the LA.

17257 During an AIP a Pension Credit claimant may choose to notify DWP of a change to their circumstances that need not be reported, e.g. a change to the amount of their capital. If the change is beneficial to the claimant DWP must reassess the claimant’s entitlement to Pension Credit. Where DWP have failed to do so prior to the date that payment for the selected period was released and the change of circumstances would change the amount of HB in payment or the type of HB in payment, i.e. non-standard to standard, the case should be recorded as Official Error. The appropriate reason from the ‘Reason for Error’ picklist should then be selected:

• Change (or new Pension Credit claim) received but not yet processed by DWP
• Change (Or new Pension Credit claim) received but overlooked by DWP
• Change (or new Pension Credit claim) processed by DWP but not yet notified to LA

17258 It is important that you make the correct selection from the ‘Reason for Error’ pick list, in order that the HBR estimates can distinguish errors arising from DWP from those arising from the LA.

Claimant error versus official error

17259 Regardless of whether or not a claimant has misrepresented or failed to disclose a fact that they were required to declare, once the information is held by the JSA/ESA business unit, pension centre or LA responsible for payment of benefit and the office has failed to action it, the error from this date onwards will be classed as official error. This is because the link between the claimant’s misrepresentation/failure to disclose, and the over/underpayment, is broken once the business unit, pension centre or LA is in possession of the true facts.
Example 1

Claimant declared receipt of DLA on a new SPC claim. Office awarded EASD indefinitely with no case control to review EASD entitlement. Claimant did not declare when DLA ceased.

PM confirm that DLA ceased prior to the selected period. PM also establish that a DLA card, received in the business unit prior to the selected period, showed an end date for the DLA award.

PM classify the payment of EASD for the selected period as an official error.

Example 2

Claimant in receipt of passported housing benefit. Declares starting full time work to the DWP, but not the Local Authority, prior to the selected period. The DWP close the IS claim and issue an ETD to the Local Authority prior to the selected period. The LA fail to action the ETD and continue to pay HB as passported.

PM classify the payment of passported HB by the LA as an official error.

17260 Where the award in respect of the selected period/review period is incorrect due to a fact/information/evidence not held by the JSA/ESA business unit, pension centre in the case of SPC, or Local Authority, and the office has failed to follow prescribed procedures which could have prevented the error occurring, for example:

- The office have lost control of the case, or
- There has been a communication failure between business units

17261 Then the categorisation of the error will depend on whether the error is related to a fact that the claimant is required to report:

- If the error results from something that the claimant was required to report, the error will be regarded as claimant error. However, PM will also record a procedural error because the office has not followed prescribed procedures.
- If the error is not related to a fact the claimant is required to report, the error will be recorded as official error

17262 The above explanation of official error categorisation is used for all JSA/ESA/ and SPC checks conducted by PM. The official error categorisation in principle follows overpayment recoverability rules, except that where a
continued misrepresentation occurs after the true facts become known to the business unit, the overpayment may be classed as recoverable, but you would record the error as official error.

17263 If a claimant has misrepresented or failed to disclose a material fact which they are required to report, the error will be classed as claimant error until the JSA/ESA business unit, or pension centre in the case of SPC, possess the relevant information. From this date onwards, you will classify the error as official error, even where the claimant’s continued misrepresentation (e.g. by continuing to cash a cheque at the same rate when they could reasonably have expected the rate of benefit to reduce), may result in a further recoverable overpayment.

Note: for ESA and JSA notification to any JCP office will be treated as notification to all parts of the business unit.

17264 – 17269

Official error types - HB/LHA

17270 The only error type you will raise on HB/LHA will be payment errors. Any official error identified during the selected week is recorded as a snapshot based on the difference between the LA HB award and the claimant’s declared circumstances at the point the payment for the selected week is issued irrespective of any subsequent changes to either.

17271 Although the error end date may be subsequent to changes in the LA award or claimant circumstance, you are not required to record the effect these changes may have on the error, therefore only one FREDA entry is required for each official error identified.

Official Error Types - JSA/ESA/SPC/SP

17272 You will distinguish the following types of error:

- Payment errors (also called financial or cash errors)
- Accounting errors (also called non-cash or disclosure errors)
- Procedural errors
- Deemed errors
- System errors

Note: From the 2010/11 checking year you are no longer required to record Payment errors which do not affect the selected period (non-sample errors).
Official payment (cash) errors in the selected period

17273 You will record an official payment error on any case where benefit is incorrectly assessed and/or paid in respect of the selected period as defined by the Monday sample extraction date.

17274 Therefore, you will raise a payment error where:

- The check reveals that the claimant’s entitlement has been incorrectly assessed based on the evidence that was available and the action that had been taken by the time of the release of the payment for the selected period, and
- This has resulted in an overpayment or underpayment in respect of the selected period as defined by the Monday sample extraction date, (except that where two or more related official errors result in a net no change in amount payable for the selected period in which case procedural errors will be appropriate), and
- The error is not categorised as claimant error/fraud.

17275 You will also record an official payment error where entitlement has been correctly assessed but incorrectly paid (e.g. transcription error; duplicate payment).

17276 - 17279

Official payment error value/period/MVE

17280 Error values will be recorded as follows:

- With the exception of JSA - the error value recorded will be that relating to the one selected week
- For JSA, the error value recorded will be that relating to the selected fortnight.

Note: for overpayments, where there is only a single error recorded, the MVE cannot exceed the weekly/fortnightly award value. For underpayments, the MVE could exceed the weekly/fortnightly award value, for example, award value £50, actual benefit due £110, underpayment £60 which exceeds award value.

17281 - 17289
Accounting errors

17290 The error value of an accounting error is recorded separately. Accounting errors do not count for MVE purposes, and are used by NAO as accounting data to enable them to report on the National Insurance Fund.

17291 You will record accounting errors, where, despite an error in the claimant’s ESA/JSA/SPC/SP account, an overpayment/underpayment of the benefit under check could be offset against any corresponding underpayment/overpayment of another benefit, or another element of the same benefit.

17292 Accounting errors can occur within benefit types i.e. JSA (IB) / JSA (C) and ESA (IR) / ESA (C).

17293 When checking a non contributory benefit the amount of the contributory benefit should be taken at face value for the purposes of the check.

Procedural errors

Note: procedural errors also known as data discrepancies for HB are not recorded on FREDA in HB cases.

17300 Procedural errors fall into two types:

• Where you discover an error which has no direct monetary impact on the selected period, or on any other period, a procedural error will be recorded,
• Where you identify an error, which has a monetary impact on the selected period, but is classed as claimant error, a procedural error will be recorded where prescribed procedures, if followed, would have prevented or helped to avoid the claimant error.

17301 In the following circumstances, you are required to record a procedural error:

• Incorrectness in CSM, SF and OP deductions and deductions for direct payments (except where the error is classed as a payment error)
• Incorrect statistical symbols
• Failure to set or action prescribed case controls
• Failure to obtain evidence required under Evidence Requirements (except where this has led to a payment error)
Failure to investigate award and payment of other DWP benefits (except where this has led to a payment error)
Failure to consider or investigate notional income where there is apparent DWP benefit except where error is classed as a payment error
Failure to produce a signed paper copy of the electronic JSAg, except where the error is classed as a payment error

Note: many procedural errors have the potential to cause payment errors in the future and the existence of procedural errors may indicate an inconsistency in processing techniques, failure to develop good practices, or training needs, and should be reported to the ECO/PCP/LA as this information will be used by Performance Management.

17302 You should bring to the office’s attention any other type of procedural error, which comes to light during the course of the PM check

17303 Procedural errors do not count toward the MVFE reporting however they are used for management information purposes.

17304 - 17319

Deemed errors

Note: Deemed errors are not recorded on HB cases

17320 Where a check has been left as incomplete for further information/evidence/documentation, you will raise a deemed error where this information is not provided by the deadline, and:

- An official payment error cannot be ruled out, or
- The value of the official payment error cannot be established.

17321 Deemed errors will attract a MVE for Resource Account purposes, and affect MVE and MVFE calculations performed by FEMA. In estimating the levels of fraud and error FEMA assume that cases which are outstanding are just as likely to have an official error as cases which have been resolved.

17322 From April 2005 DWP applied a deemed error variance for SPC cases. DWP uses the deemed error information as underpinning narrative to support MVFE KPI on Pension Age cases.

17323 Where a case results in a deemed error you will establish whether the deemed error would result in an under or overpayment and record this on the PM database.
Note. There are no deemed errors on HB these cases must be fully completed/cleared

Exceptions to deemed error recording

17324 For ESA/JSA/SPC failure to provide information/evidence on the following issues will not be deemed, a full award value will be recorded.

Evidence of identity

17325 Where the requirement to satisfy identity criteria of the claimant and/or anyone for whom they are claiming (unless exempt) has not been satisfied by the deadline for incomplete cases, PM will raise a whole award payment error.

Work Focused Interviews

17326 For ESA/JSA failure to provide information/evidence on the issue will not be deemed, an outcome will be recorded for the official error check and Resource Account purposes.

17327 - 17339

Errors arising from reconstructed evidence

17340 Where the casepaper or documentation to support the award in respect of the selected period is missing, and a PM review takes place you will be required to get a claimant statement as evidence in respect of the selected period.

17341 If there is a discrepancy between the reconstructed evidence obtained in respect of the selected period, and the assessment of the award for the selected period, resulting in an error in the payment(s) for the selected period, you will investigate whether this was due to the claimant.

17342 Where you are unable to establish that the discrepancy is due to claimant misrepresentation or failure to disclose, you will record an official error. This is because the claimant has provided evidence at the review, and consequently the burden of proof shifts to the office to prove that the error was due to the claimant. Unless the office can prove this, for example by locating the original documentation, the error will be classed as official.
Note: where claimant error/fraud is established, then an official error will not be recorded

Example

The case paper is not provided; therefore the MRO asks for a claimant statement for the selected period of the claim at the review visit. The capital verification obtained by the MRO shows that the tariff income applied in the selected period is based on an incorrect capital value. You have no reason to suspect that the discrepancy was caused by claimant non-disclosure.

At the PM deadline for incomplete cases, the original casepaper and relevant claim/application form are still missing. You establish that there is a tariff income error in respect of the selected period, but without the original documents on which that award was based, they are unable to prove that the error was due to claimant non-disclosure. You will record an official payment error.

17343 - 17349

Anticipated amount of MVE/MVFE

17350 On completion of the categorisation of the case you will anticipate the amount of MVE/MVFE where a discretionary decision by the DM is not required.

17351 - 17399

Recording of official and claimant related errors in JSA, ESA, SPC and HB

17400 PM no longer record official and claimant related errors by error code. Errors are recorded using error definitions.

17401 The error definitions have been standardised for each benefit, and staff will be required to consider the following:

• What went wrong and which element?
• When did the error get into the system?
• How did the error get into the system?
• Who caused the error?

17402 The error code framework identifies how the error crept into the system, rather than the effect the error has on the award of benefit:
• Official Error – Can occur because the department gets it wrong - you need to reflect the consequence of the office failure to respond to the information that they were already aware of.
• Claimant Error/ Fraud – Can occur because the claimant, for whatever reason, inadvertently neglects to provide accurate or timely information - you need to reflect the change the claimant failed to report.

17403 – 17449

Revision of PM official error

17450 Where you have identified an official error on one aspect, but the check is left as incomplete for further information/evidence/verification in connection with another aspect, PM may notice, at the return visit, a discrepancy with the error originally recorded. Where this occurs you will:

• Amend the details already recorded on FRED
• You will provide the ECO/PCP/LA with the revised details or HB Decision notice for HB cases

17451 - 17479

Recording of official errors in specific situations

Errors arising from further information requested by PM

17480 If, in the course of your check, you ask the office to obtain further information, and if that information identifies an official error in respect of the selected period, you will record a payment error.

17481 The aspects of the check which were cleared at the initial PM visit will not be checked again, unless the information provided in respect of the outstanding issue sheds doubt on the cleared aspect(s). However, if an error is noticed on a cleared aspect, and the error was missed on the initial check, then you will be obliged to raise the error.

17482 You will have no regard to any information/evidence/verification, other than that requested by PM, which has been received by the office after the initial PM check and relates to an aspect of the check which PM have already cleared.
System errors (not HB/LHA)

17483 Where a payment error has arisen because of a National system fault (regardless as to whether it is known or unknown), you will record an official payment error. You will record that the reason for the official error was a system fault (as opposed to human error).

Note: whilst this does not apply to HB/LHA, any error recorded on a passporting benefit may impact on the HB/LHA award.

Exception

17484 Where there is a dispute between the office and PM as to whether the error was caused by a local system fault, the office will be required to provide the incident number, workaround or system problem number. However, once the system fault becomes known by the office, any subsequent cases that are found to be incorrect will result in an official error.

Errors arising from unactioned post

17485 When determining the correctness of the award in the selected period you will only have regard to:

- Evidence received prior to the date the payment for the selected period was released
- Office action on or prior to the date the payment for the selected period was released

17486 Any post received on or prior to the date the payment for the selected period was released, which impacts on the selected week, that is unactioned at that point will be categorised as official error regardless of any subsequent office activity.

Errors arising from failure to control a case

17487 If an error in respect of the selected period results from office failure to control the case in accordance with procedural instructions, and the information leading to the error is not already held by the JSA/ESA section, or by the pension centre in the case of SPC, the error categorisation will depend on whether the claimant has contributed to the error:
Where the claimant has contributed to the error by misrepresentation or failure to disclose information which they are required to report, you will raise a procedural error and record a claimant error for MVFE. This type of error is likely to arise where:

- A LCC has been missed
- The claim/application form/review form/information is out of date
- A mandatory case check or user input case check is overdue
- Information available to another business unit of DWP contradicts/contests supporting evidence

Example

Local Case Check for increase in occupational pension missed.

Claimant has not reported an increase.

As the claimant is required to report an increase in their income, you will record the resultant error as fraud or claimant and raise a procedural error.

Errors arising from Failure to Control an HB Self-Employed Case

The assessment period for S/E cases should not exceed one year, and the LA should review this at the anniversary date. There may be a shorter period of assessment i.e. three months, after which time the LA should review the case.

If the LA fails to review the case after the anniversary date has been reached, or after the assessment period has expired, the anniversary date that would be effective at the Review week should be identified. Evidence of accounts (or income/expenditure if no accounts are held) should be obtained from the claimant relevant to that anniversary date only.

The onus is on the claimant to provide up-to-date information relevant to their assessment. If control has been lost, the case should be categorised as claimant mistake/fraud as appropriate.

If control has been lost for a period of more than one year, the original cycle of anniversary dates should be retained and used, obtaining evidence relevant to the anniversary date relevant to the review week.

Errors arising from evidence held on other benefit systems
JSA/ESA/SP
17493 For WA cases, the claimant is required to declare receipt of all other DWP benefits. Therefore:

- An error arising from the claimant’s failure to report a claim to, receipt of, or a change in rate of, another DWP benefit, will be categorised as claimant error.

17494 Exceptions are:

- Where the other DWP benefit is paid in combination with IS, an error arising from the combined benefit will be classed as official error
- Changes in rates caused solely by uprating
- Where information relating to the other DWP benefit was already held by the ESA/JSA business unit, or confirmation exists that this information was already issued to, and received by, the ESA/JSA business unit for example, via a paper communication, Work Activity Report held by the processing section or in the casework, a broadcast to ISCS/JSAPS via an automatic system interface; and the office have ignored it or have not actioned it, the resultant error will be classed as official error.

Note: New Tax Credits (NTC) i.e. Child Tax Credit (CTC) and Working Tax Credit (WTC) are paid by Her Majesty’s Revenue and Customs (HMRC) and are therefore not DWP benefits. Failure to declare receipt of Tax Credits will be categorised as claimant error, unless the information is already held by the business unit responsible for administering the benefit for example notification held by a daily transaction report, the error will then become an official error.

SPC
17495 Official errors will be recorded where:

- the other DWP benefit is paid in combination with SPC, an error arising from a combined benefit will be classed as official error
- changes in rates caused solely by uprating
- where information relating to the other DWP benefit was already held by the pension centre, or confirmation exists that the information was already issued to, and received by, the pension centre for example, via a paper communication, WAR held by the processing section or in the casepaper, a broadcast from ISCS via an automatic system interface; and the office have ignored it or have not actioned it, the resultant error will be classed as official error.
• an error arising from the failure to take another DWP benefit into account on a new claim, apart from a benefit claimed but not decided on or CA where this is paid to anyone who is looking after the claimant and/or his partner will be classed as official error.

*Note: NTCs are paid by HMRC and are therefore, not DWP benefits.*

**Error Start Dates on SPC**

17496 When recording error start dates where:

• There should have been an AIP set, & the Pension Centre have failed to put one in place; or
• An AIP has expired and the Pension Centre have failed to conduct a review/reset the AIP

you will conduct the review and obtain evidence back to when the AIP should have been set or reviewed.

17497 Where this failure has resulted in an error then, in line with normal error recording principles, the error start date that you record must be the date of financial impact following the missed AIP renewal/setting. See [PMG part 12](#).

17498 If non-setting of an AIP or failure to review an AIP did not lead to an incorrect payment in the Selected Week, you will record a procedural error.

17499 You must not record error start dates before they had a financial impact as this would provide FEMA, and Fraud and Error Programme Strategic Analysis Team, with incorrect information on which to base their analysis.

**Evidence held on other benefit systems - scan reports**

17500 Information held on other benefit systems which claimants are required to report to the ESA /JSA business unit, may be passed to the office via a scan report (e.g. a GMS scan).

17501 Where the office have received a scan which indicates that the case is incorrect, it will depend on whether the information on the scan is sufficient for the benefit to be reassessed whether an error can be categorised as official.

17502 If the scan merely indicates a potential error and further enquiries are required, categorisation of the error will then depend on whether the information relates to a change that the claimant has the responsibility to
disclose and whether it has been identified during the review process as a change already declared to the office by the claimant.

17503 Where the claimant was responsible for notifying a change and has failed to do so then a claimant related error will be appropriate.

17504 If additional evidence obtained during the review supports that the claimant has declared the change an official error would be appropriate.

**Increase in other benefits at uprating (ESA/JSA/SPC)**

17505 Where an incorrect rate of other benefit is taken into account due to annual uprating, you will classify the error as an official payment error, since uprating is not a change the ESA, JSA or SPC claimants is required to report.

**Uprising for HB cases**

17506 Where incorrect uprating on an HB case applies, you must take the following action:

- Where the figures are missing or incorrect on the ATLAS download, although the LA still has responsibility to ensure that the figures used are correct, the overriding onus reverts to the claimant – where they are aware of the change in amounts – to declare any changes to the LA. In these situations, a claimant error will be appropriate.
- Where the LA has applied an incorrect percentage increase to another benefit, and where the uprated amount of that benefit/income is shown in the annual uprating circular, the LA has the responsibility to use the correct amount in the assessment. In these situations, an official error will be appropriate.
- Where the LA has not applied an increase, or has applied an incorrect percentage increase, to another benefit/income that is not in the annual uprating circular; and they are in possession of the correct rates prior to the issue of payment for the selected week, an official error will be appropriate.
- Where the LA has applied an incorrect percentage increase to another benefit/income that is not in the annual uprating circular, and they are not in possession of the correct rates, the onus reverts to the claimant to ensure that the correct information is declared to the LA. A claimant error will be appropriate.
- Where the LA have applied an incorrect percentage increase of another income not in the annual uprating circular, the last declared rates should remain in effect. An official error will be appropriate.
Note: there is the potential to have an official error and a claimant related error on a case if the LA uprated figure is incorrect in the selected week. For example: if the LA has applied an uprated figure where one was not appropriate; and the claimant has failed to supply the correct information to the LA which impacts upon the review week

• Where the LA has not applied an increase to another benefit that is not in the annual uprating circular, and they are not in possession of the correct rates, the onus reverts to the claimant to ensure that the correct information is declared to the LA. A claimant error will be appropriate.

17507 This guidance applies to all cases with the exception of claimants/partners in receipt of SPC (Savings Credit only) – where the LA should be using the Assessed Income Figure (AIF) supplied by DWP.

17508 - 17519

CHB taken into account in the assessment beyond cut off age for CHB

17520 Where a payment error arises because CHB has been taken into account as an income after the cut off date for CHB, the error will be classed as an official payment error. This date was previously the dependant’s 19th birthday. From 10 April 2006 new legislation means that CHB can be paid to the day before the child’s 20th birthday, but this legislation only applies to any person who attains the age of 19 on or after 10 April 2006.

Notional income in respect of other benefits

17521 You will raise a payment error where there is potential entitlement to another DWP benefit, which the office has failed to investigate or consider and the claimant has not claimed/applied for, and the DM has confirmed that notional income should be taken in to account as there would be entitlement to the DWP benefit on application.

17522 – 17549

Deductions for MID payments

17550 MID deductions are covered by legislation that is different from that covering other third party deductions:
• DWP has a legal obligation to pay over the correct amount to the third party (except where a part week payment applies, see next paragraph). Because of this fundamental difference in legislation, PM will class any under/overpayment of MID payments as a payment error. This is because the overall amount of benefit will be affected by correcting the case, which DWP is required to do by legislation.

Example

A claimant has correctly been awarded £40.00 per week for his mortgage. However the MID payment has been made for only £30.00 for the selected week.

For the selected week, the claimant has been personally overpaid £10.00 and his lender has been underpaid £10.00.

Although the claimant’s overall benefit for this week is correct, the office is legally obliged to adjust the MID payment (in this case by paying an extra £10.00 to the lender) and therefore an overpayment will occur.

You will record a payment error.

Note: where a MID payment is issued in excess of a claimant’s entitlement, PM will record a payment error.

Exception

17551 Where the MID payment is for a part week, and the correct amount of MID payment has been paid to the claimant, you will treat the case as correct, as there is no requirement in law (paragraph 2 of schedule 9A to The Claims and Payments Regulations 1987) for the part-week MID payment to be paid over to the lender, or for the office to make a further payment to the lender.

HB official error where ESA is in payment

17552 Where a change in an ESA award impacts an HB award and the change has been notified to the LA, but the HB award has not been updated for the selected week, an official error should be recorded.

HB official error where IWK4 has been received

17553 For WA cases, where the claimant receives passported HB/LHA, the onus is with the claimant to notify the LA of starting work. However, where an
IWK4 form has been received by the LA under the In to Work process, the case should be categorised with an official error if the LA has failed to action the change from passported HB/LHA to standard HB/LHA.

17554 – 17569

Recording HB/LHA errors in specific scenarios

Non-Standard HB Specific - JSA/ESA/SPC(GC) has ceased

Working Age cases (includes non-Pension Credit Guarantee Credit cases)

Claimant error/fraud categories

17570 In most working age passported HB cases, the onus to report relevant changes in claimant’s circumstances to both DWP and the LA ultimately rests with the claimant. Therefore, a failure by the claimant to report a relevant change of circumstances to the LA which results in a whole award HB error is recorded as a claimant error/fraud. This applies even if the claimant has reported a change to the DWP and the DWP has failed to issue a termination notice to the LA which ends passporting HB. The ‘what went wrong?’ entry on FREDAl is what the claimant failed to report e.g. capital/income etc.

17571 ‘Passported status’ must only be recorded where you are unable to identify what change the claimant failed to report to the LA which resulted in the passporting HB terminating. An example of this could be a claimant relinquishing JSA (IB) without explanation and the DWP failing to issue a termination notice to the LA.

Official error categories

17572 Because Working Age claimants are ultimately responsible for reporting relevant changes in their circumstances to the LA and also with the introduction of the ATLAS interface between DWP and LAs, it is envisaged there should be very few cases which can be categorised as official error when the passporting benefit ceases.

17573 The exception to this are cases which are subject to the ‘In and Out Of Work’ process. In these cases and subject to the criteria in PMG 6618-6623, the onus of responsibility to report changes to the LA switches to the DWP.
In these cases, you should record ‘passported status’ as the ‘what went wrong?’ error definition on FREDA.

17574 Where the LA fails to terminate a claim to passported HB after receiving notification from DWP, the ‘passported status’ error definition must be selected.

Pension Credit Guarantee Credit cases

Official error categories

17575 In Pension Credit claims, relevant changes which affect the Claimant’s entitlement to PCGC are reportable to DWP. It is DWP’s responsibility to notify any ends of awards of Pension Credit to LAs. Therefore, for PCGC claimants, where DWP fail to notify the LA of a termination of PCGC, the ‘what went wrong?’ category will be ‘passported status’.

Claimant error/fraud categories

17576 In cases where the claimant has failed to notify a reportable change under PC rules to DWP which in turn terminates the claimant’s entitlement to passported HB, will be categorised as claimant error/fraud. The ‘what went wrong?’ entry on FREDA is what the claimant failed to report e.g. capital/income etc.

17577 You will be required to calculate any underlying entitlement to standard HB and record this separately.

Example

Claimant’s IS ceased due to an award of ESA(C). Non-standard HB is in payment at £64.06 per week. The claimant has underlying entitlement to full standard HB of £64.00 per week.

You should enter the amount of £64.06 as the error and estimate the underlying entitlement at £64.00.

17578 The reason for recording these cases as errors is to provide risk analysis information on the number of cases that receive passported benefit incorrectly due to e.g. failure of the DWP notification systems; the intention is to measure how policy or systems procedures impact on types of HB. FEMA will net off the underlying entitlement amounts in the analysis.
Standard HB Specific – ESA(IR)/IS/JSA(IB)/PC(GC) is found to be in payment

17579 Claimants receiving standard HB who claim a DWP passporting benefit are under no obligation to make a claim for non-standard HB.

- Where you review a case where the claimant is receiving a passporting benefit along with full standard HB this should be recorded as ‘Benefit Correct’.
- If the claimant receives less than the full amount of standard HB you should record an underpayment with “Claimant Error” as the cause.
- However, if the claimant submitted an application for non-standard HB alongside their application for a passporting DWP benefit the underpayment must be recorded as “Official Error”.

Recording Errors

HB only

17580 The key principles applied to HB error recording are that you will only record:

- Official Errors in the selected period
- Claimant Errors/Fraud in the review period

Same Component Error Recording

17581 You can identify errors on the same component that result in both an official error in the selected period and a claimant related error in the review period.

17582 Where this scenario occurs, the official error will be recorded in the selected period and the claimant related error in the review period as normal.

17583 From the outset of 2010/11, FREDA includes outcome options to enable PM/FEMA to identify whether the error recorded is a ‘same component’ error

17584 The four dropdown options to be entered on all errors are:

- Not Applicable:
  - Selected where only one error is identified on a case
- Unrelated outcome:
Selected where there is more than one error but on different components of the HB assessment i.e. not a related outcome

- Same outcome:
  - Selected where there is more than one error on the case for same component and the error being recorded is not the most recent
- Same outcome most recent:
  - Selected where there is more than one error on the case for the same component and the error being recorded is the most recent

**Appendix 11c Accuracy sheet**

17585 In order to accurately calculate errors found during the selected period and/or the review week, an Appendix 11c Accuracy Sheet will be completed and a copy retained in the case in the following circumstances:

- all standard HB error cases
- non-standard HB error cases where there is a change to the non-dependant deduction or the amount of rent payable

17586 The Appendix 11c Accuracy sheet consists of four spreadsheets:

- Sample week accuracy check spreadsheet - completed to reflect all official errors identified in the selected period
- Sample week isolation errors spreadsheet - only completed where multiple official errors are identified in the selected period, each error is recorded in isolation on individual sheets
- Review week accuracy check spreadsheet - completed to reflect all claimant errors/fraud errors identified in the review period
- Review week isolation errors spreadsheet - only completed where multiple claimant related errors are identified in the review week, each error is recorded in isolation on individual sheets

**Appendix 11c Completion**

17587 The left hand side of all the spreadsheets will be completed with the amount of HB paid by the LA in the particular week.

17588 The SW Appendix 11c should be completed with details of the HB award at the point the payment for the selected week was released. The right hand side of the spreadsheets will be completed as follows:

- Sample week accuracy check spreadsheet - completed to reflect all official error related changes identified
Note: claimant related changes will not be recorded regardless of whether they affect the selected period

- Sample week isolation errors spreadsheet - each identified official error related change will be recorded in isolation on a separate sheet

Example

You identify the following official errors during the selected week:

Earnings have increase from £50 to £60

WTC has increased from £30 to £40

Two isolated error spreadsheets will be completed; the first will show the increase in earnings from £50 to £60 however the WTC will continue to be shown as £30 - this will isolate the effect of the earnings error.

The second will show the increase in WTC from £30 to £40 however the earnings will continue to be shown as £50 - this will isolate the effect of the WTC error.

Review week accuracy check spreadsheet - completed with all claimant related error changes identified

Note: although official error may continue into the review week this will not be recorded.

Review week isolation errors spreadsheet - each identified claimant related error will be recorded in isolation on a separate spreadsheet (see example above - bullet 2)

Appendix 11c - Penny rounding

17589 Some LA HB calculations result in rounding of fractions that can differ by a penny to those calculated on the PMG Appendix 11c accuracy sheets. This occurs because some LAs and PM calculate rounding in the HB assessment.

17590 You must record in FREDA the HB award amount as calculated by the LA. Where changes result in HB errors, you will complete the PMG Appendix 11c ensuring you make no adjustments to compensate for the penny discrepancy. The amount of any HB error as calculated by the Appendix 11c will be the amount entered on FREDA
FREDA Completion

17591 The FREDA outcome screens will be completed as follows:

- Single selected period or review week errors - with the error values identified on sample week/review week spreadsheets
- Multiple selected period or review week errors - with the error values identified on the sample week/review week spreadsheets and the selected period and review week isolated spreadsheets.

Combination errors

17592 Combination errors occur when in isolation they have no effect on the HB payable but in combination with other errors within the same selected period or review period, they impact on the overall amount of HB payable.

17593 Whilst Combination errors are very rare, they need to be identified to enable FEMA to correctly calculate hierarchy. In order that PM/FEMA can identify Combination errors, they will be entered on FREDA by completing the following fields:

- Error value £0.00
- Is the current rate of HB affected? "No"
- Overpayment/Underpayment/Combination error “Combination error”

Combination error(s) identified in the selected week

17594 For official combination error(s) recorded for the selected week, the following question will appear in the FREDA categorisation summary screen:

- ‘Please enter the total OP/UP amount in the selected week’.

Combination error(s) identified in the claimant review week (CRW)

17595 For Claimant error/fraud combination error(s) recorded for the CRW, the following questions will appear in the FREDA categorisation summary screen:

- ‘Please enter the total op/up amount in the review week’.
For Combination errors identified in the CRW, the FREDA fields above will only appear once even if there is a combination of Claimant errors and Fraud errors.

**Multiple Errors on Earnings (HB)**

If multiple errors are identified on earnings you will record one error with a monetary value based on the difference between the old earnings and the new earnings.

**Example**

You visit the claimant on 01/05/14.

During the preview you identify that the LA held details of work for J Bloggs and earnings of £150 per week were taken into account.

At the visit, the claimant tells you that they stopped work for J Bloggs on 14/03/14.

They then tell you that on 01/04/14 they started working for J Doe and are now earning £200 per week.

They failed to notify the LA of either change.

You will record one error showing the difference between the earnings that were being taken into account by the LA at the review week, and the amount of earnings that are now applicable (£50 overpayment).

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**ESA/JSA/SP**

PM will record the following information on all errors identified:

- Outcome type (i.e. claimant fraud/ claimant mistake/official error)
- Error definition
- Isolated error value up to a maximum of the award value. This only applies to overpayments.

The term ‘in isolation’ means that PM will record the isolated effect of any error identified regardless of any other error that may have been identified.
17602 When considering official error during the selected period you will compare the declared circumstances at the time the payment was released with the amount paid, attaching a monetary value to each identified discrepancy.

17603 When considering claimant related error in the review week you will compare the latest declared circumstances pre-visit with the circumstances declared at the visit attaching a value on each identified discrepancy.

*Note: Any change in circumstances taking place after the date of the review visit will not be taken into account when calculating claimant error value, even where it has taken place during the review week. This is because the claimant can only report at the visit any change which is known to them at that time.*

17604 You must ensure that you do not record any Official Error in the review week or any Claimant Error in the selected period. You should only look at what was paid, and what should have been paid. Compare what the claimant last reported with what was declared at the visit. Any errors can then be calculated.

*Note: You must remove the award value from considerations i.e. ignore both what was paid, and what should have been paid, overall. You need only look to compare what the claimant last reported with what was declared at the visit and to calculate any errors.*

17605 FEMA do not make any adjustment to multiple errors that are recorded, as you should have already ensured when recording claimant related errors that any Official Error is removed from a claimant related error recorded in the review week. The tick box in the categorisation summary on FREDAl which asks you if the Official error continues into the claimant error is only present to enable FEMA to assess the total loss was in the review week, should they require.

**Example**

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PM review week</td>
<td>26/5/2009 - 01/6/2009</td>
</tr>
<tr>
<td>PM review visit</td>
<td>27/05/09</td>
</tr>
</tbody>
</table>

Claimant’s award value in both the selected week and the review week is £60.00 p/w.

You identify that the claimant had declared that occupational pension of £20.00 per week commenced on 1/2/2009 but the office fail to adjust the benefit.
At the review the claimant declares that the occupational pension increased to £45.00 per week on 1/4/2009 but that she failed to notify the change. After the review but prior to categorisation, it is notified that occupational pension changed to £50.00 on 31/05/09.

**Official error data recording**

You would record a £20.00 official error overpayment for the selected week due to the office failure to take the declared occupational pension into account.

It should be noted that the fact the claimant has subsequently declared that the occupational pension was actually £45.00 in the selected week is irrelevant to the official error calculation as the office were not aware of this change and PM are merely considering what the office paid against what they should have paid based on the evidence available to them at the time the payment was released.

**Claimant error data recording**

You would also record a claimant related error for the review week caused by the claimant’s failure to declare the increase in the occupational pension. The MVFE will be based on the difference between the claimant’s last declared circumstances before the review and their circumstances at review (i.e. occupational pension at review revisit £45.00 minus occupational pension declared pre-review visit £20.00 = £25.00 overpayment). The increase in occupational pension on 31/05/09 will not be taken into account in calculating the error value as the claimant could not declare this at the visit.

**Overall effect**

It is accepted that the cumulative effect of the official and claimant related errors has been an overpayment of £45.00 in the review week PM will not include the official error aspect in the review week MVFE.

17606 Isolated overpayment error values must be restricted to a maximum of the award value in the week subject to check, however it should be noted that multiple isolated errors may exceed the award value. Underpayments have no link to the award value therefore it is not necessary to restrict underpayment error values to the award value.

**Related Errors**

17607 The only exception to recording errors in isolation is where you identify multiple related errors where one or more aspect is an overpayment and one or more aspect is an underpayment - this applies to both multiple official and
multiple claimant related error. In these circumstances you will net the errors and record one outcome using the majority error definition.

17608 Related errors are defined as errors which have the same root cause.

Example

A claimant notifies the office that her eldest child has left the household - the office has failed to action the post which affects the selected period.

The affect of the failure to action the post is an:

- Overpayment: £56.11 (dependant allowance erroneously in payment)
- Underpayment: £13.20 (CHB erroneously taken into account)

As both errors have been caused by the same single reason they are related.

You would record an overpayment of £42.91.

Multiple Error Examples

Example 1

PM selected week 31/3/2009 - 06/4/2009 - award value £66.60
PM review week 19/5/2009 - 25/5/2009 - award value £67.90

Claimant informed the office that he was admitted to hospital on 16/2/2009.

You identify that the office have failed to remove the Severe Disability Premium following the suspension of DLA after 28 days in hospital.

At the review visit the MRO confirms the claimant had been discharged from hospital on 4/5/2009 but failed to notify the office.

Official error data recording

You will record a £48.35 official error for the selected week for the office failure to remove the SDP.

Claimant error data recording
Although by default the office have paid the correct amount during the review week you will record a claimant mistake underpayment of £50.35 for the claimant’s failure to notify the discharge from hospital.

**Overall effect**

You will also annotate FREDA to confirm the official error continued into the review week to enable FEMA to extrapolate the correct result for the review week, that the benefit in payment was right by default.

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**Example 2**

PM review week     26/5/2009 - 01/6/2009  

The award value for both periods is £136.60 which includes a non-dependant deduction of £7.40 per week.

During the selected week the MRO identifies that the non-dependant deduction should be £17.00 per week.

At the review the MRO confirms that the claimant has failed to declare that another non-dependant joined the household on 15/5/2009 which would have resulted in an additional non-dependant deduction of £21.20.

**Official error data recording**

You will record a £9.60 official error overpayment for the selected week - the difference between the non-dependant deduction due, £17.00, and that actually taken, £7.40.

**Claimant error data recording**

You will then consider the claimant related element identified in the review week in isolation and will record a claimant mistake of £21.20 - equivalent to the amount the additional non-dependant joining the household would reduce his entitlement.

**Overall effect**

You would also annotate FREDA to confirm the official error continued into the review week.

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**Example 3**
PM review week   26/5/2009 - 01/6/2009  

Claimant's award value is £25.60 for both periods which includes a tariff income of £10.00 per week.

The MRO identifies that during the selected week the rate of tariff income should be £7.00.

At the review the MRO identifies that the claimant has failed to declare an increase in his capital which has resulted in an increase in tariff income to £9.00 per week.

Official error data recording

You will record a £3.00 official error underpayment equivalent to the difference between the amount of tariff income taken into account, £10.00, and the amount actually due to be taken into account, £7.00.

Claimant error data recording

You will then consider, in isolation, the effect of the claimant’s failure to declare the increase in his capital. The claimant had previously notified a capital level that would attract a £7.00 tariff income but failed to notify the increase that would have resulted in that tariff income increasing to £9.00, therefore a claimant mistake overpayment of £2.00 would be recorded.

Overall effect

You would also annotate the official error screen that the official error continued into the review week.

Example 4

PM review week   26/5/2009 - 01/6/2009  

Claimant’s award value in both the selected week and the review week is £21.70 p/w.

The MRO identifies the claimant notified the office that £50.00 occupational pension commenced on 1/2/2009.
At the visit the MRO identifies the following undeclared changes:

- Claimant’s PTE increased from £20.00 to £30.00 per week
- Claimant’s capital increased resulting in an additional £5.00 tariff income
- Claimant now in receipt of Carer’s Allowance @ £53.10

**Official error data recording**

You will record an official error overpayment of £21.70 for the office failure to take the occupational pension into account (note the isolated error is restricted to the award value).

**Claimant error data recording**

You will record the following claimant related overpayments:

- £10.00 overpayment (PTE)
- £5.00 overpayment (Capital error)
- £21.70 overpayment (Carer’s Allowance Error)

It should be noted that the failure to declare the award of carer’s allowance would result in an overpayment equivalent to the CA rate £53.10 and an underpayment equivalent to the Carer’s Premium £29.50 but as the errors are related they would be netted off to a majority error overpayment of £23.60, however as this is a single error it would be restricted to the award value of £21.70.

**Overall effect**

You would also annotate FREDA to confirm the official error continues into the review week.

**SPC**

17609 PM will record the following information on all errors identified:

- Outcome type (i.e. claimant fraud / claimant mistake / official error)
- Error definition
- Isolated error value

17610 The term “in isolation” means that PM will record the isolated effect of any error identified regardless of any other errors on different elements that may have been identified.

17611 When considering official error during the selected period you will compare the amount due based on the declared circumstances at the time...
the payment was released with the amount paid, attaching a monetary value to each identified discrepancy.

17612 When considering claimant related error in the review week you will compare the amount due based on the latest declared circumstances pre-visit with the amount due based on the circumstances declared at the visit attaching a value to each identified discrepancy. The latest declared circumstances pre-visit will normally be those at the AIP start date / latest AIP review plus any subsequent reported changes – including changes that the claimant is required to report (for example changes relating to housing costs) as well as beneficial changes. The latest declared circumstances pre-visit and the circumstances declared at the visit are those relating to the identified discrepancy only, any other discrepancies are ignored.

17613 You must ensure you do not record any official error in the review week or any claimant error in the selected period.

17614 FEMA do not make any adjustment to multiple errors that are recorded, as you should have already ensured when recording claimant related errors that any official error found on the same element is removed. The tick box in the categorisation summary on FREDA which asks you if the official error continues into the review week is only present to enable FEMA to assess the total loss in the review week, should they require.

17615 Isolated overpayment error values must be restricted to a maximum of the award value in the week subject to check. However it should be noted that multiple isolated errors may exceed the award value. Underpayments have no link to the award value therefore it is not necessary to restrict underpayment error values to the award value.

SPC Related errors

17616 The only exception to recording errors in isolation is where you identify multiple related errors where one or more aspect is an overpayment and one or more aspect is an underpayment – this applies to both multiple official and claimant related error. In these circumstances you will net the errors and record one outcome using the majority error definition.

17617 Related errors are defined as errors which have the same root cause.
A claimant notifies the SPC office that his partner has ceased caring for her mother and is no longer entitled to CA – the office have failed to action the post which affects the selected period.

The affect of the failure to action the post is an:
Overpayment: £33.30 (additional amount for carers erroneously in payment)
Underpayment: £59.75 (CA erroneously taken into account)

As both errors have been caused by the same single reason they are related. You will record an underpayment of £26.45.

### SPC Multiple Error examples

#### Example 1

| PM selected week | 02/07/2012 – 08/07/2012 - award value £32.70 |
| PM review week   | 03/09/2012 – 09/09/2012 - award value £32.70 |

The claimant is 63 years old. She does not meet the criteria for the award of an AIP or savings credit.

She is in receipt of SP of £110.00 p/w.

The award of £32.70 is calculated as follows:
£142.70 – SP £110.00 = £32.70 gc.

You identify that the claimant declared on form PC10 received 01/02/2012 that she was in receipt of DLA higher rate care, lived alone and no one received CA for looking after her, but the office failed to award EASD.

At the review visit the MRO confirms that the claimant has been in receipt of a previously undeclared occ pen of £50.00 p/w since 01.05.11.

**Official error data recording**

The amount paid in the selected week was £32.70gc.

The amount due based on the declared circumstances at the time of the selected week payment was:
£142.70 + EASD £58.20 = £200.90 – SP £110.00= £90.90gc.
You will record a £58.20 official error underpayment in the selected week for the office failure to award EASD.

Claimant error data recording

The amount due based on the latest declared circumstances pre-visit was:
£142.70 – SP £110.00 = £32.70 gc.

The amount due based on the circumstances declared at the visit is:
£142.70 – SP £110.00 – OCC PEN £50.00 = NIL

You will record a £32.70 overpayment in the review week for the claimant’s failure to report receipt of the occ pen.

It is noted that if the official error on EASD was taken into account in the review week then the occ pen error value would be £50.00. However, the occ pen error is calculated in isolation of and regardless of the unconnected EASD error.

Example 2

PM selected week 02/07/2012-08/07/2012 – award value £32.70
PM review week 03/09/2012-09/09/2012 – award value £32.70

The claimant is 63 years old. She does not meet the criteria for the award of an AIP or savings credit.

She is in receipt of SP of £110.00 p/w.

The award of £32.70 is calculated as follows:
£142.70 – SP £110.00 = £32.70 gc.

You identify that the claimant declared an occupational pension of £20.00 p/w commenced on 01/02/2012 but the office failed to adjust benefit.

At the review the claimant declares that the occupational pension increased to £45.00 p/w on 01/04/2012 but that she failed to notify the change.

Official error data recording

The amount paid in the selected week was £32.70 gc.

The amount due based on the declared circumstances at the time of the selected week payment was:
£142.70 – SP £110.00 – OCC PEN £20.00 = £12.70 gc.
You will record a £20.00 official error overpayment in the selected week for the office failure to take the declared occupation pension into account.

Claimant error data recording

You will also record a claimant related error in the review week caused by the claimant’s failure to declare the increase in the occupation pension.

The amount due based on the latest declared circumstances pre-visit was:
£142.70 – SP £110.00 – OCC PEN £20.00 = £12.70gc.

The amount due based on the circumstances declared at the visit is:
£142.70 – SP £110.00 – OCC PEN £45.00 = NIL

You will record a £12.70 overpayment in the review week for the claimant’s failure to declare the increase in the occupational pension.

Example 3

PM selected week  02/07/2012-08/07/2012 – award value £32.70
PM review week   03/09/2012-09/09/2012 – award value £32.70

The claimant is 63 years old. She does not meet the criteria for the award of an AIP or savings credit.

She is in receipt of SP of £110.00 p/w.

The award of £32.70 is calculated as follows:
£142.70 – SP £110.00 = £32.70gc.

You identify:

1. The claimant declared on form PC10 received 01/02/2012 that she was in receipt of DLA higher rate care, lived alone and no one received CA for looking after her, but the office failed to award EASD.
2. The claimant declared an occupational pension of £20.00 p/w commenced on 01/02/2012 but the office failed to adjust benefit.

At the review the claimant declares:

1. Her brother now receives CA for looking after her
2. The occupational pension increased to £45.00 p/w on 01/04/2012 but that she failed to notify the change.

Official error data recording
The amount paid in the selected week was £32.70 gc.

EASD error:
The amount due based on the declared circumstances at the time of the selected week payment was:
£142.70 + EASD £58.20 – SP £110.00 = £90.90 gc.

You will record a £58.20 official error underpayment in the selected week for the office failure to award EASD.

Occupation pension error:
The amount due based on the declared circumstances at the time of the selected week payment was:
£142.70 – SP £110.00 – OCC PEN £20.00 = £12.70 gc.

You will record a £20.00 official error overpayment in the selected week for the office failure to take the declared occupation pension into account.

Claimant error data recording

1. EASD
Although by default the office have failed to pay the EASD during the review week you will record a claimant mistake for the failure to notify the award of CA in respect of her care.

The amount due based on the latest declared circumstances pre-visit was:
£142.70 + EASD £58.20 – SP £110.00 = £90.90 gc.

The amount due based on the circumstances declared at the visit is:
£142.70 – SP £110.00 = £32.70 gc.

You will record a £58.20 overpayment in the review week.

2. Occupational Pension
You will also record a claimant related error in the review week caused by the claimant’s failure to declare the increase in the occupation pension.

The amount due based on the latest declared circumstances pre-visit was:
£142.70 – SP £110.00 – OCC PEN £20.00 = £12.70 gc.

The amount due based on the circumstances declared at the visit is:
£142.70 – SP £110.00 – OCC PEN £45.00 = NIL
You will record a £12.70 overpayment in the review week for the claimant’s failure to declare the increase in the occupational pension.

It is noted that the occupation pension does not feature in the EASD error calculation and vice versa. This is because each error is calculated in isolation and regardless of the other unconnected error.

Example 4

PM selected week 02/07/2012-08/07/2012 – award value £32.70
PM review week 03/09/2012-09/09/2012 – award value £32.70

The claimant is 63 years old. She does not meet the criteria for the award of an AIP or savings credit.

She is in receipt of SP of £110.00 p/w.

The award of £32.70 is calculated as follows:
£142.70 – SP £110.00 = £32.70 gc.

You identify:

1. The claimant declared on form PC10 received 01/02/2012 that she was in receipt of DLA higher rate care, lived alone and no one received CA for looking after her, but the office failed to award EASD.
2. On 15.08.12 the claimant reported she had started full time work, received her first wage on 31.05.12, and was earning £205.00p/w net & gross. The office fails to action this.

At the review visit the MRO confirms that the claimant has been in receipt of a previously undeclared occupational pension of £50.00 p/w since 01.05.11.

Official error data recording

The amount paid in the selected week was £32.70 gc.

The amount due based on the declared circumstances at the time of the selected week payment was:
£142.70 + EASD £58.20 – SP £110.00 = £90.90gc.

You will record a £58.20 official error underpayment in the selected week for the office failure to award EASD.

Claimant error data recording
You will also record a claimant related error in the review week caused by the claimant’s failure to declare the occupation pension.

The amount due based on the latest declared circumstances pre-visit was:
£142.70 – SP £110.00 = £32.70 gc.

The amount due based on the circumstances declared at the visit is:
£142.70 – SP £110.00 – OCC PEN £50.00 = NIL

You will record a £32.70 overpayment in the review week for the claimant’s failure to report receipt of the occ pen.

It is noted that official error for failure to take earnings into account is not recorded in the selected week. This is because the evidence was not held by the office at the time the selected week payment was made. Also, there is no claimant error to record on the earnings in the review week as the claimant had already declared the earnings pre review visit.

It is noted that neither the EASD official error nor the earnings are taken into account in the review week calculations. The occupational pension error is calculated in isolation of and regardless of the unconnected EASD and earnings errors.

Example 5

PM selected week 02/07/2012-08/07/2012 – award value £32.70
PM review week 03/09/2012-09/09/2012 – award value £32.70

The claimant is 63 years old. She does not meet the criteria for the award of an AIP or savings credit.

She is in receipt of SP of £110.00 p/w.

The award of £32.70 is calculated as follows:
£142.70 – SP £110.00 = £32.70 gc.

You identify:

1. The claimant declared an occupational pension of £20.00 p/w commenced on 01/02/2012 but the office failed to adjust benefit.
2. On 15.08.12 the claimant reported she had started full time work, received her first wage on 31.05.12, and was earning £205.00p/w net & gross. The office fails to action this.
At the review the claimant declares that the occupational pension increased to £50.00 p/w on 01/04/2012 but that she failed to notify the change.

Official error data recording

The amount paid in the selected week was £32.70 gc.

The amount due based on the declared circumstances at the time of the selected week payment was:

£142.70 – SP £110.00 – OCC PEN £20.00 = £12.70gc.

You will record a £20.00 official error overpayment in the selected week for the office failure to take the declared occupation pension into account.

Claimant error data recording

You will also record a claimant related error in the review week caused by the claimant’s failure to declare the increase in the occupation pension.

The amount due based on the latest declared circumstances pre-visit was:

£142.70 – SP £110.00 – OCC PEN £20.00 = £12.70gc.

The amount due based on the circumstances declared at the visit is:

£142.70 – SP £110.00 – OCC PEN £50.00 = NIL

You will record a £12.70 overpayment in the review week for the claimant’s failure to declare the increase in the occupational pension.

It is noted that official error for failure to take earnings into account is not recorded in the selected week. This is because the evidence was not held by the office at the time the selected week payment was made. Also, there is no claimant error to record on the earnings in the review week as the claimant had already declared the earnings pre review visit. The occupational pension error is calculated in isolation of and regardless of the unconnected earnings error.

Example 6

PM selected week 02/07/2012-08/07/2012 – award value £15.62
PM review week 03/09/2012-09/09/2012 – award value £15.62

The claimant is single. An AIP is set from her 65th birthday on 15.05.12 for five years to 14.05.17.
She is in receipt of SP of £150.00 p/w and did not declare any other income at 15.05.12.

The award of £15.62 is calculated as follows:
£142.70 – SP £150.00 = £7.30
-£7.30 * 40% = -£2.92
SCmax £18.54 - £2.92 = £15.62sc.

You identify that the claimant declared on form PC10 received 01/03/2012 that she was in receipt of DLA higher rate care, lived alone and no one received CA for looking after her, but the office failed to award EASD.

At the review visit the MRO confirms that the claimant was in receipt of a previously undeclared occupational pension of £30.00 p/w at 15.05.12.

**Official error data recording**

The amount paid in the selected week was £15.62sc.

The amount due based on the declared circumstances at the time of the selected week payment was:
£142.70 + EASD £58.20 – SP £150.00 = £50.90gc.
SC = SCmax £18.54.
£50.90gc + £18.54sc = £69.44

You will record a £53.82 official error underpayment in the selected week for the office failure to award EASD.

**Claimant error data recording**

The amount due based on the latest declared circumstances pre-visit was:
£142.70 – SP £150.00 = -£7.30
-£7.30 * 40% = -£2.92
SCmax £18.54 - £2.92 = £15.62sc.

The amount due based on the circumstances declared at the visit is:
£142.70 – SP £150.00 – OCC PEN £30.00 = -£37.30
-£37.30 * 40% = -£14.92
SCmax £18.54 - £14.92 = £3.62sc.

You will record a £12.00 overpayment in the review week for the claimant’s failure to report receipt of the occ pen.
It is noted that if the official error on EASD was taken into account in the review week then the occ pen error value would be £30.00. However, the occ pen error is calculated in isolation of and regardless of the unconnected EASD error.

Example 7

PM selected week 02/07/2012-08/07/2012 – award value £15.62
PM review week 03/09/2012-09/09/2012 – award value £15.62

The claimant is single and 68 years old. An AIP is set for the period 15.05.10-14.05.15.

She is in receipt of SP of £150.00 p/w.

The award of £15.62 is calculated as follows:

£142.70 – SP £150.00 = -£7.30
-£7.30 * 40% = -£2.92
SCmax £18.54 - £2.92 = £15.62sc.

You identify that the claimant declared and provided evidence of allowable service charges of £10.00 p/w at 01.04.11 but the office failed to include this in the award.

At the review the claimant declares that the service charges increased to £15.00 p/w on 01.04.12 but that she failed to notify the change.

Official error data recording

The amount paid in the selected week was £15.62sc.

The amount due based on the declared circumstances at the time of the selected week payment was:

£142.70 + Housing costs £10.00 – SP £150.00 = £2.70gc
SC = SCmax £18.54
£2.70gc + £18.54sc = £21.24

You will record a £5.62 official error underpayment in the selected week for the office failure to award housing costs.

Claimant error data recording

You will also record a claimant related error in the review week caused by the claimant’s failure to declare the increase in housing costs.
The amount due based on the latest declared circumstances pre-visit was:
£142.70 + Housing costs £10.00 – SP £150.00 = £2.70gc.
SC = SCmax £18.54
£2.70gc + £18.54sc = £21.24

The amount due based on the circumstances declared at the visit is:
£142.70 + Housing Costs £15.00 – SP £150.00 = £7.70gc.
SC = SCmax = £18.54
£7.70gc + £18.54sc = £26.24

You will record a £5.00 underpayment in the review week for the claimant's failure to declare the increase in service charges.

<table>
<thead>
<tr>
<th>Example 8</th>
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<tbody>
<tr>
<td><strong>PM selected week</strong> 02/07/2012-08/07/2012 – award value £27.62</td>
</tr>
<tr>
<td><strong>PM review week</strong> 03/09/2012-09/09/2012 – award value £27.62</td>
</tr>
</tbody>
</table>

The claimant is single. An AIP is set from his 65th birthday on 15.05.12 for five years to 14.05.17.

He is in receipt of SP of £110.00 p/w and at 15.05.12 declared a Railway occupational pension of £15.00p/w gross & £10.00p/w net after voluntary deductions for the Hospital Saturday Fund.

The award of £27.62 is calculated as follows:
£142.70 – SP £110.00 – OCC PEN £10.00 = £22.70gc
£110.00 + £10.00 – SCT £111.80 = £8.20
£8.20 * 60% = £4.92sc
£22.70gc + £4.92sc = £27.62

You identify that the office incorrectly allowed the voluntary deduction from the occupation pension and used the net amount. The gross amount should be taken into account.

At the review visit the MRO confirms that the claimant was also, and still is, in receipt of a previously undeclared Mineworkers occupational pension of £40.00 p/w at 15.05.12.

**Official error data recording**

The amount paid in the selected week was £27.62.

The amount due based on the declared circumstances at the time of the selected week payment was:
You will record a £2.00 official error overpayment in the selected week for the incorrect amount of the Railway occupational pension.

Claimant error data recording

You will also record a claimant related error in the review week caused by the claimant’s failure to declare the Mineworkers occupational pension.

The amount due based on the latest declared circumstances pre-visit was:

£142.70 – SP £110.00 – OCC PEN £15.00 = £17.70gc
£110.00 + £15.00 – SCT £111.80 = £13.20
£13.20 * 60% = £7.92sc
£17.70gc + £7.92sc = £25.62

The amount due based on the circumstances declared at the visit is:

£142.70 – SP £110.00 – Railway OCC PEN £10.00 – Mineworkers OCC PEN £40.00 = £17.30
-£17.30 * 40% = -£6.92
SCmax £18.54 - £6.92 = £11.62sc.

You will record a £16.00 overpayment in the review week for the claimant’s failure to declare the Mineworkers occupational pension.

It is noted that the official error discovered on the declared Railway occupational pension is not included in the review week calculations of the undeclared Mineworkers Pension. This is because the claimant related error is calculated in isolation of, and regardless of, the unrelated official error which was on a different occupational pension.

Example 9

PM selected week 02/07/2012-08/07/2012 – award value £92.70
PM review week 03/09/2012-09/09/2012 – award value £92.70

The claimant is single. An AIP is set from her 65th birthday on 15.05.12 for five years to 14.05.17.

She is in receipt of SP of £50.00 p/w, declared part time earnings of £80.00 p/w and capital of £5,000.00 at 15.05.12
The award of £92.70 is calculated as follows:
£142.70 – SP £50.00 = £92.70 gc.
SC=NIL as QI under SCT.

You identify that the office have failed to take the declared earnings of £75.00 p/w (after £5.00 disregard) into account.

At the review visit the MRO:
1. Confirms that the claimant was also, and still is, in receipt of a previously undeclared NHS occupational pension of £40.00 p/w at 15.05.12.
2. Identifies that at 15.05.12 the claimant had not disclosed the true extent of her capital. At 15.05.12 she had total capital of £13,721.59 and at the review week capital had increased to £14,359.45.

Official error data recording

The amount paid in the selected week was £92.70gc.

The amount due based on the declared circumstances at the time of the selected week payment was:
£142.70 – SP £50.00 = £92.70 gc.
£50.00 + £75.00 –SCT £111.80 = £13.20
£13.20 * 60% = £7.92sc
£17.70gc + £7.92sc = £25.62

You will record a £67.08 official error overpayment in the selected week for the office failure to take the declared earnings into account.

Claimant error data recording

You will also record claimant related errors in the review week caused by the claimant’s failure to declare her NHS occupational pension and capital.

1. Occupational pension error:
The amount due based on the latest declared circumstances pre-visit was:
£142.70 – SP £50.00 = £92.70 gc.
SC=NIL as QI under SCT.

The amount due based on the circumstances declared at the visit is:
£142.70 – SP £50.00 – OCC PEN £40.00 = £52.70 gc.
SC=NIL as QI under SCT.

You will record a £40.00 overpayment in the review week for the claimant’s failure to declare her occupational pension.
2. Capital error:
The amount due based on the latest declared circumstances pre-visit was:
£142.70 – SP £50.00 = £92.70 gc.
SC=NIL as QI under SCT.

The amount due based on the circumstances declared at the visit is:
£142.70 – SP £50.00 – tariff income £8.00 = £84.70 gc.
SC=NIL as QI under SCT.

You will record a £8.00 overpayment in the review week for the claimant’s failure to report the true extent of her capital. The further increase in capital at the review week is ignored as an AIP is set and this is a non-beneficial change.

It is noted that if the earnings official error was included in the review week calculations then the error values would be £16.00 and £3.20 respectively. However, the claimant related errors are calculated in isolation of, and regardless of, the unrelated official error.

17618 - 17659

Net Programme Value (NPV) - JSA/SPC/ ESA

Introduction

17660 The principle of NPV is to identify where a claimant is in receipt of a specified benefit prior to the PM review and as a result of the PM review the claimant is no longer entitled to the specified benefit but may be entitled to a different benefit or the same benefit but as a different client type, or a partner joins the claim.

*Note: PM review includes both the Official error and claimant related checks conducted.*

*Note: the client type as used in NPV is not the traditional client group referred to in the measurement exercise.*

17661 In these cases a more accurate indication of the loss or underpayment to public funds would be to “offset” the two benefits. This is used as a proxy for an actual difference in entitlements. The process is known as Net Programme Value (NPV).

*Note: this process is for accurate measurement purposes and is only a notional calculation for that specific purpose.*
NPV types and conditions

The circumstances where NPV could apply after the claimant’s claim/application is impacted by the PM review are as follows:

1. The claimant ceases claiming benefit in their own right and appears on the partner’s claim, either on the same or a different benefit, for example ceases to claim JSA and appears on the partner’s IS claim

   Note: this will apply in circumstances where the partner was directly relevant to the claimant going off benefit. There should be a maximum break of 14 days between the claimant leaving benefit and affecting a claim/application with a partner or claiming/applying for a different benefit.

2. The partner ceases claiming benefit in their own right and appears on the claimant’s claim, either on the same or a different benefit

   Note: there should be a maximum gap of 14 days between the partner leaving benefit and affecting a claim/application with the claimant, or claiming/applying for a different benefit.

3. The claimant continues to claim the specified benefit but under a different client group.

   Note: a claimant may remain in the same client group but attract different entitlement reasons.

   Note: the two claims need to be continuous to attract NPV.

4. The claimant ceases to claim the specified benefit and claims/applies for a different benefit/entitlement,

5. The claimant ceases to claim the specified benefit and claims/applies for a different benefit entitlement, for example the DM has decided that the claimant is no longer entitled to ESA, and the claimant claims/applies for JSA

6. The claimant’s ESA claim ceases and a new ESA claim is made

   Note: NPV may need to be established on any case where the benefit/entitlement, claim/application changes. The new claim must be backdated to within a 14-day gap of the previous claim ceasing.
17665 You will allow 42 days between the date the claimant’s (or partner’s where applicable) claim ceases i.e. the date on which the DM determines that the claimant is no longer entitled to the first benefit, and the final check in the case to establish if the case will count toward NPV. However, in a large number of cases NPV could be assessed in a shorter timescale, for example where a new claim is made before the deadline, therefore, you will carry out checks before the 42-day deadline to ascertain if NPV is appropriate.

Impact of NPV on reported figures

Resource Accounts

17666 NPV is designed to provide a more accurate estimate of actual loss from public funds as a result of official error or claimant fraud/error on JSA/ESA and SPC than the present estimate.

17667 Therefore, this figure is intended for use as a measure for the use in the Resource Accounts.

Note: any change to the methodology reported in the Resource Account will have to be justified and accounted for but by the recording of NPV this should be possible.

NPV process methodology in detail

17668 The purpose of the process methodology is to ensure that the correct amount of NPV is identified as quickly as possible while at the same time ensuring that there is a clear link between the measurement activity and the NPV recorded.

17669 When considering the anticipated amount of fraud and claimant/official error you will consider all cases in order to establish whether NPV action is appropriate.

Examples of situations where NPV could apply

Official error cases
Since 2007/08 NPV has been considered by PM for official error on all cases that form part of the common sample, against the Official Error check time period set by the selected week.

The same timescales for consideration of NPV apply – 42 days from the date the original claim ceased.

This may mean that it is possible for you to record NPV immediately in some cases for official error, as the office may have already made a decision on the case in the normal course of events. This is more likely for official error due to the time delay between the MIDAS selected week (which sets the period to consider official error) and the date the Official Error check is done.

If the case has been abandoned from the sample as it is not suitable for the common sample due to a change in benefit from that originally sampled, NPV activity is not recorded by PM. This is because these cases do not form part of the common sample. Although NPV on these cases is not recorded by PM, it will need to be estimated by FEMA who are currently looking at options of how this could be done if it is not recorded by PM.

Where an error identified on a case results in a procedural rather than official error being recorded this will not be considered for NPV as it only applies where there is an MVE/MVFE recorded.

You will consider NPV on all cases of benefits specified at the start of this NPV guidance. The following examples detail situations where there could be potential NPV on official error cases:

- member of a couple and partner is claiming
- claimant does not satisfy JSA Reg. 55 (short periods of sickness) and claims ESA on the grounds of incapacity
- claimant claimed ESA(C) only but IR awarded. Once claim corrected, ESA(IR) applied for by claimant
- claimant claimed ESA on grounds of appealing WCA decision, appeal heard and disallowance upheld. Once claim corrected ESA reclaimed as claimant unfit for work, different illness/deterioration of condition

Note: the above list is those situations that have been identified as typical but is by no means exhaustive

Claimant error/fraud

In addition to official error types there are a number of claimant error/fraud types that may result in a situation where offsetting for NPV would apply, for example:
cases where the claimant is found to be living together and the claimant subsequently claims for, or is claimed for by the newly declared partner
• cases where the benefit is found to be incorrect because of dependants and the change results in a change to the benefit type or client type claimed
• any other situations where the claimant claims/applies for ESA/IS/JSA or SPC after previous benefit has ceased
• changing within client groups from “disabled/sick” to “other”, or vice versa, as they are claiming the same benefit but for a different reason

17677 However, these lists are not exhaustive and NPV may need to be established on any case where the benefit/entitlement, claim/application or client type changes therefore, the requirement to consider NPV will need to be determined on every case with an error.

Action to be taken on cases that are appropriate for NPV

17678 It could be possible for you to record NPV immediately in some cases for official error, as the office may have already made a decision on the case in the normal course of events. This means that you would have all the information they required to determine if NPV applied and calculate it. This is more likely for official error due to the time delay between the DMS selected week (which sets the period to consider official error) and the date the Official Error check is done.

Referring a case for a DM decision

17679 Where a case has a potential for NPV based on the evidence established at the review visit, or at Official Error check, you will refer the case to the ECO/PCP if necessary, requesting a DM decision to exclude the claimant/partner from benefit as soon as possible. This is in order for the claimant/partner to actually make an alternative claim/application, where appropriate, as a result of the change in benefit.

17680 You will include all supporting evidence and documentation, ensuring that all details of relevant legislation/guidance are highlighted for the DM’s attention. You will recommend an outcome to the DM based on the facts that you have established. You should request that the ECO/PCP refers this for decision as soon as possible as it is important that the DM decision is made and notified to the relevant person(s) timeously.

17681 You will update FREDA with the date of the DM referral.
Timescales applied where NPV is under consideration

17682 You will liaise with the ECO/PCP to ensure that the DM’s decision is returned within two weeks of the date of referral.

DM decision returned within the eight-week review period

17683 Where the DM’s decision is made within the eight-week review period the decision will be returned directly to you. On receipt of the decision you will record the decision on the database and FREDA will set an NPV BF date for 42 days from the date of the decision. You will retain a photocopy of the decision in the PM paperwork.

17684 On receipt of the documentation you will liaise with the relevant ECO/PCP to establish whether the claimant or partner as appropriate, has claimed/applied for a new benefit/entitlement, the same benefit but as a different client type, or if a change in the rate of benefit/entitlement has occurred as a result of the PM review and if NPV action is appropriate on the claimant's/partner’s claim/application.

No NPV action appropriate

17685 Where the claimant or partner has not made a claim/application or there is no change to the claimant’s benefit/entitlement or the claim/application or change to benefit is outside of the 6-week (42 day) timescale, the full amount of benefit originally recorded as MVE/MVFE will be reported as the recording of NPV would not be appropriate.

17686 If no NPV action is appropriate on the claim/application, you will record that they have completed the NPV check on the database and ensure that the NPV BF date has been removed.

Note: the outcome should be recorded on FREDA as soon as known.

17687 Where the claimant or partner does not claim/apply for a new benefit/entitlement or the same benefit but a different client type, a full award error would have already been recorded therefore no further action would be required.
NPV action appropriate on the claimant’s/partner’s application

17688 Where NPV action is appropriate you will record this on FREDA ensuring that the NPV BF date is removed.

Establishing NPV

17689 You will determine whether NPV applies and, if it does, will establish the amount by recording the amount of benefit the claimant and/or partner was in receipt before they left or changed benefit and the actual amount in payment when the claimant and/or partner re-claim benefit.

17690 You will input the resulting data, required to calculate the NPV on to FREDA in order to establish the NPV.

17691 Where NPV action is appropriate you will record this on FREDA ensuring that the NPV BF date is removed.

17692 When applying NPV you will access:

• the claimant’s previous claim/application to confirm that they have ceased claiming the specified benefit and the amount of benefit/entitlement in payment when the claimant left benefit
• the relevant assessment dialogue on the claimant’s re-claim or change of client type to ascertain the amount of benefit/entitlement in payment and to check if applicable, whether they have claimed for a partner
• if applicable, the partner’s relevant assessment dialogue to confirm the amount of benefit that they are receiving and where appropriate if the claimant appears in the partner’s assessment
• if applicable the partner’s previous claim/application to confirm that they have ceased claiming the specified benefit and the amount of benefit/entitlement in payment when the partner left benefit

Recording NPV

17693 Once NPV has been established you will make the necessary adjustments required and enter the data required to calculate the NPV for MVE/MVFE for each case where this applies onto FREDA.

17694 There will be no dual recording for NPV, there is however, extra recording that will need to be collected on FREDA as follows:

• whether an extra check is required to assess NPV (i.e. Yes/No)
after the follow up check by the MRO whether there is another claim/application to consider for establishing NPV (i.e. Yes/No or incomplete – if yes then the information will need to be collected about the original benefit award amounts and the post review benefit amounts etc.)

17695 You are able to record one NPV for official error and one NPV for claimant related error separately on the database. It is therefore important when recording NPV that the appropriate type of error is recorded on the NPV screen before entering the NPV information.’

Claimant only involvement

17696 The following extra recording will be required where there is claimant only involvement:

- Is a partner involved in the NPV? (Yes/No)
- the claimant’s benefit and client type before NPV action
- the claimant’s award value before NPV action (this may have changed between the review and the decision to suspend the benefit to the claimant)
- the end date of the claimant’s entitlement before NPV action
- the claimant’s benefit and client type after NPV action
- the claimant’s award value after NPV action
- the start date of the claimant’s entitlement after NPV action

17697 The client types are divided into the following:

- IS lone parent
- IS sick/disabled
- IS other
- JSA (C)
- JSA (IB)
- SPC
- ESA

Partner involvement

17698 Where there is partner involvement the partner’s details as detailed below will need to be recorded in addition to the claimant’s:

- is a partner involved in the NPV?(Yes/No)
- whether the claimant has moved to the partner’s benefit or the partner moved to the claimant’s benefit
• the partner’s benefit and client group before the effect of the NPV change is actioned (this may have changed between the review date and the decision to include the claimant in the award)
• the partner’s award value before the effect of the NPV change is actioned (this may have changed between the review date and the decision to include the claimant in the award)
• the end date of the partner’s entitlement to the specified benefit
• the partner’s benefit and client type after the NPV change is actioned
• the partner’s award value after the NPV change is actioned
• the start date of the partner’s entitlement after the NPV change is actioned

Types of errors to record

17699 The following paragraphs detail different situations that may arise and when errors should be recorded for NPV purposes.

Claimant claims a different benefit

17700 Where the claimant claims another benefit within the timescales and NPV is established, you will:

• record the full weekly benefit award that is received immediately before the claimant goes off benefit, the amount of the new claim and the NPV will be calculated from these figures
• raise an official error or claimant error/fraud whichever is applicable in the circumstances equal to the amount of the difference between the different benefits. The NPV offsetting error would then be recorded as the difference between the different benefits. However, the calculation of NPV will be restricted to IS/JSA/ESA and have no regard to the amount of IB, CA, DLA, PIP, AFIP or AA that may be payable.

17701 Where the claimant does not reclaim benefit or the claim is outside the allowed timescales the full amount of benefit will already have been recorded and this amount will be used for reporting MVFE.

Note: official error NPV will only be recorded where the change in the claimant’s benefit did not remove the case from the common sample

Claimant re-claims the same benefit as a different client type
17702 Where the claimant reclaims the same benefit but as a different client type and backdating is not appropriate within the allowed timescales, you will not apply NPV, as the claim must be continuous for it to apply.

**Claimant reclaims same or a different benefit which is backdated but as a different client type**

17703 Where the claimant reclaims same or a different benefit which is backdated but as a different client type within the allowed timescales you will raise a payment error and apply NPV whether or not there is a difference between the amounts originally paid before the review and the amount currently in payment after the review. Where the claimant does not reclaim benefit or the claim is outside the allowed timescales the full amount of benefit will be used for reporting MVFE.

**Claimant does not claim or appear on the partner’s benefit claim**

17704 In these cases the full amount of benefit will be used for reporting MVFE.

**Claim continues with partner included in the benefit claim**

17705 Where the claimant continues to claim the same specified benefit and makes a claim for the partner within the allowed timescales, you will take into account any benefit paid to the partner prior to the change in the NPV consideration. Where the claim for the partner is made outside the timescales no NPV action is appropriate, therefore you will raise the appropriate under or overpayment and the full amount of benefit will be used in reporting MVFE.

**Claimant moves to their partner’s claim or partner makes a claim for the couple**

17706 Where the claimant moves to their partner’s claim within the allowed timescales, you will take into account any benefit paid to the partner in the NPV consideration. If the partner was not previously on benefit and a new claim has made for the couple, you will record a nil value for the benefit paid to the partner prior to NPV being considered. Where the claim for a couple is made by the partner outside the timescales no NPV action is appropriate, therefore you will raise the appropriate under or overpayment and the full amount of benefit will be used in reporting MVFE.
Claimant claims a different benefit or the same benefit as a different client type

17707 Where the claimant claims a different benefit or the same benefit as a different client type within the timescales allowed for applying NPV and the claim is backdated, you will raise a payment error and apply NPV. Where the claimant does not reclaim or the claim is outside of the timescales a full amount of benefit will be used in reporting MVFE.

17708 Where the claimant claims the same benefit as a different client type within the timescales for applying NPV and the claims are the same weekly amount, the principles in the preceding paragraph will still apply. You will raise a payment error for the initial claim amount and in applying NPV for the same claim amount to overall MVFE will be zero.

17709 In addition to the above, if the claimant moves to their partner’s claim on SPC, NPV should also be considered and recorded.

SPC applications and NPV

17710 Applications to SPC will attract NPV but it is anticipated that this will only occur in LT cases. Although it would be unusual, if an SPC claimant relinquishes their benefit to become part of an IS, ESA(IR) or JSA claim, NPV will need to be considered in the same way as for IS, ESA(IR) and JSA cases.

Types of situations where NPV may apply and the impact

17711 The following provides examples of the types of situation that may occur and the impact of the change when NPV is applied.

Claimant no longer satisfies the conditions of entitlement for receipt of the specified benefit and claims a benefit not included in the NPV process

Example

Jason Masters is in receipt of JSA(C) at £57.45 per week. He no longer satisfies the conditions of entitlement for receipt of JSA(C) as he is not available for employment due to the care needs of a disabled person. Claimant subsequently claims CA.

CA awarded at £61.35 weekly.
You will disregard the CA award and difference in benefit amounts as NPV calculations do not include CA. The NPV will therefore be the same as the full award error of £57.45 JSA.

Original Award - Claimant  Review Award – Claimant

£57.45  £0.00

NPV is therefore £57.45 - £0.00 = £57.45 overpayment.

17712 For the purposes of NPV, official error is considered in the DMS selected week and claimant mistake/fraud considered in the review week. As such, if official error was found in the review week but was not present in the DMS selected week, it should not be recorded and NPV should not be considered against it.

17713 It is possible that a case may have both official error in the DMS selected week and then claimant mistake/fraud in the review week that both need NPV to be recorded. This will be possible on the database and the standard NPV timescales should apply for both instances.

Checking the assessment after the claimant and/or partner has reclaimed benefit, changed client type or the claimant or partner become the claimant

17714 It is not in the remit of PM to check the DM’s decision on the assessment of the partner’s claim when the claimant and/or partner reclaim benefit, or when either one becomes the claimant.

17715 However, where a discrepancy is found whilst checking the claimant’s new assessment for example, the office has failed to correctly include the “new partner’s” income in the overall assessment of the claimant you will bring the discrepancy to the attention of the DM via the ECO/PCP.

17716 The ECO/PCP should take action to record any incorrect payment and bring the inaccuracy to account. Where applicable a recoverability decision should be obtained.

Anticipated NPV

17717 Where you are unable to establish the NPV because although a claim/application to another benefit/entitlement or change of benefit has
occurred the DM has not adjudicated on that claim/application or change you will leave the claim/application as incomplete.

17718 However, you will continue to access the heritage systems and contact the relevant office in order to ascertain if the claim/application has been adjudicated in order to establish NPV.

17719 Where the NPV figures are not available by the deadline for incomplete cases (10 week stage) you will anticipate and record the amount of NPV official error/claimant error/fraud.

*Note: the required information to anticipate the NPV will be assessed using the information and amounts of benefit you had regard to initially and the anticipated amount that would be in payment after the DM adjudication on the claim/application.*

### Example

Fred Jackson is in receipt of ESA of £101.15 per week.

The claimant is found to be no longer sick; the claimant does not satisfy the entitlement conditions for receipt of ESA.

The ESA claim ceases and the claimant claims JSA within the timescale allowed for applying NPV.

At the time of the next PM visit the DM has not adjudicated on the new claim therefore although JSA has been claimed no payment has yet been made.

You will anticipate the NPV by using the previous ESA amount of £101.15 and the JSA personal allowance (claimant is a single non-householder); you will assume the £72.40 PW JSA.

The current error value recorded is an overpayment of £81.95. However when NPV is applied this will now be recorded as follows:

<table>
<thead>
<tr>
<th>Original Award - Claimant</th>
<th>Review Award – Claimant</th>
</tr>
</thead>
<tbody>
<tr>
<td>£81.95</td>
<td>£57.45</td>
</tr>
</tbody>
</table>

For NPV, the result would be the difference between the correct pre-and post review benefit amounts: £81.95 - £57.45 = £24.50 overpayment.
17720 In order to ensure that the details recorded are as accurate as possible and avoid potential doubt over findings you will only anticipate the amount of NPV official/claimant error/fraud if the true figures are not available by the deadline for incomplete cases (10 week stage).

17721 Where the office have failed by the appropriate deadline to have made a relevant DM decision, when applying NPV considerations you should look at what the office should have done in relation to the findings on the case to determine if NPV should be recorded.

17722 To determine if the 42 day window to consider NPV has been met initially you must apply the following principles to cases:

- If there has been a DM’s decision – the change must have occurred within 42 days of this date
- Where there is no DM’s decision and no claimant action has been taken within 42 days of you notifying the outcomes of the Official Error or review week checks, a DM’s decision must be forced as applicable

17723 Where there is no DM’s decision but the claimant has acted within 42 days of you notifying the outcomes of the Official Error or review week checks, NPV should be considered.

17724-17799

FREDA Recording

Non-HB/LHA cases

17800 Where you identify an official payment or accounting error, details will be recorded on FREDA and the ECO/PCP/LA notified. Where you identify certain procedural errors, details will be recorded on FREDA and the ECO/PCP/LA notified.

17801 Where you identify claimant fraud or fraud with causal link details will be recorded on FREDA and the ECO notified and the FES SPOC cc’d into the notification.

17802 It is important that the documentation for each case supports the categorisation. Documentation must be thorough and unambiguous, detailing all the relevant information and explaining any discrepancies found.
17803 Cases are subject to Data Quality Adjustment. It is therefore essential that you comprehensively document your actions and the reasons for the categorisation on FREDA.

HB/LHA Specific

17804 Where an error is identified on an HB/LHA case the MRO will notify the LA on a Decision notice.

Note: LA action on receipt of Decision notice is covered in Part 18.

17805 From visit 10, 2013, where HB is correct on an HB case you must complete Appendix 11d LA Decision Proforma Correct Cases, and attach to copies of the Statement of Circumstances when returned to the LA.

17806 – 17819

Calculating start dates of error (JSA/ESA/SPC/HB)

17820 The start date of an error is the date from which the claimant first received an incorrect rate of benefit due to a component of their claim being incorrect.

17821 When calculating this date the benefit rules about when a change takes effect apply. Therefore you must take account of benefit week ending/commencing days. For HB, generally, most changes take effect from the Monday following the actual date of change.

Calculating end dates of error in HB only

17822 The principle for calculating the end date of all errors will depend on the frequency of the HB/LHA payment and the date the HB/LHA was paid up to in relation to the date the Decision notice was issued to the LA.

17823 For all errors identified in the selected period and the review period you will calculate the end date using the following process:

- Identify the date the final decision notice was issued to the LA
- Identify the payment cycle and frequency to determine the date the last payment of HB was issued prior to the issue of the decision notice to the LA
- Enter the last day which that payment covered as the over/underpayment end date*
Note: this date* will normally be a Sunday with the exception of calendar monthly payments which could be any day

17824 This principle will remain unchanged for any errors that have been rectified by the LA between the selected period and PM visit, irrespective of the date that benefit was actually incorrectly paid to.

17825 - 17999