

UK benefit agency to be given powers to search premises and arrest claimants

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The Department for Work and Pensions (DWP) is to be given sweeping surveillance and police powers, including the power to arrest benefit claimants, search premises, seize evidence and impose fines on those merely suspected of committing benefit fraud.

The measures were announced by Work and Pensions Secretary Thérèse Coffey in the Conservative government White Paper, “Fighting Fraud in the Welfare System.”

While many in Britain are wondering how they will pay for soaring food and fuel bills, living hand to mouth, and even dependent on food banks, the government is proposing to spend £613 million over three years in its offensive against the poor.

The White Paper’s Ministerial Foreword by Coffey and David Rutley, the Minister for Welfare Delivery states, “We plan to modernise and strengthen our powers. Subject to parliamentary time, we will legislate for new powers to help our officers investigate potential fraud and apply new penalties to punish fraudsters.”

The minister’s pledge to bring “together the full force of government and the expertise of the private sector, working with the new Public Sector Fraud Authority announced by the Chancellor at the Spring Statement.”

The proposals include employing an extra 1,400 front line staff in counter fraud teams, who will conduct more compliance interviews, investigations and enhanced checking of benefit claims. There will be an additional new 2,000 strong team set up to carry out targeted case reviews of existing Universal Credit claimants, including checking entitlement to benefit and a claimants’ personal circumstances.

The DWP will be given increased powers to investigate third party data, including accessing details of a claimant’s bank account and other data that might

include what financial transactions have taken place in their accounts. At present the DWP are only allowed to access data from specific named organisations set out in legislation, including financial institutions, childcare providers, utility companies, credit reference providers and landlords. This list is to be widened to include any information holder the DWP believes could hold information to prove or disprove a fraud allegation.

At present the DWP are only able to investigate potential fraud that has taken place in relation to some benefit payments and not others, such as grants. This is to be extended to all DWP payments.

The information gathering powers the DWP currently use are outlined in the Social Security and Administration Act 1992, and can only be used by specially trained officers based on an ongoing criminal investigation. The government proposes that the DWP will have the power to investigate a claimants claim to benefit without having to first commence criminal proceedings, amounting to an investigation based on suspicion alone.

The government plan to give specific officers working for the DWP the power to arrest and apply to search and seize evidence in criminal investigations where they suspect fraud. At present the DWP carry out investigations into a claimant that is suspected of fraud, but it has been the police who will arrest someone.

The DWP are looking to completely overhaul the present system of civil penalties. These currently range from a flat rate fine for giving incorrect information through to criminal prosecution. The new system proposes to include a financial penalty that will be a percentage of the overpayment incurred. The new penalty will not be offered to the claimant as an alternative to prosecution but will be imposed on claimants that the DWP do not prosecute.

This will be based on meeting a civil burden of proof, sitting below criminal fraud, but above error, and will be applied to cases that have been fully investigated to a criminal standard but for whatever reason have not made it to the courts. Allowing the DWP to impose a financial penalty against a claimant in a case that has not made it to court does not allow them to establish their innocence. These penalties will be imposed while at the same time expecting the claimant to repay the benefit back the DWP believe has been defrauded.

The overall amount of benefit fraud is tiny in comparison to the DWP's budget. The figures for the year 2020/21 show that total DWP spend was £211 billion, of which just 3 percent was fraud. This included fraud that was carried out by organised criminals. A May 2020 ITN News report showed that the DWP prevented £1.9 billion of fraud carried out by organised criminals, with data from the DWP showing that this involved 152,000 claims that had nothing to do with individual claimants.

To justify the investment of £613 million in counter fraud, the claim is made that this will stop an estimated £2 billion losses in fraud and error over the next three years and over £4 billion of loss over the next five years.

This is in stark contrast to the estimated amount of welfare benefit unclaimed by those who have an underlying entitlement. Figures published in the annual review by Entitled To, an organisation providing online benefit calculators to encourage take up rates for benefits, estimate that there is £15 billion of benefits unclaimed each year.

The foreword to the White Paper is an indictment of this rotten government, stating "Anyone who has been a personal victim of fraud will know first-hand how damaging the financial emotional impact can be".

Yes. The entire population are victims of fraud and corruption on a gigantic scale. The Johnson government handed out tens of billions of pounds in contracts throughout the pandemic, including many to their cronies. The April 2021 TI-UK report, "Track and Trace", showed that £18 billion of contracts awarded between February and November 2020 included one in five that raised "red flags" for possible corruption. This included 73 flagged contracts worth £3.7 billion, accounting for 20 percent of all reported pandemic related contracts.

Safeguards that had been put in place to prevent corruption were removed without adequate justification. The report included a particular area of concern, the "VIP channel" later renamed the "high priority lane". This was aimed at "triaging" the government's emergency response by circumventing normal tendering procedures, allowing the selection of personal protective equipment (PPE) bids based on referrals from "MPs, peers and senior officials".

The government propose to hunt down benefit claimants, but those who have defrauded the tax system on a vast scale continue to get away with their crimes. The *Guardian* reported last year that tax lost due to non-payment, fraud and avoidance increased to £35 billion according to official figures. Even according to figures from Her Majesty's Revenues and Customs (HMRC), tax lost to fraud amounted to at least £15.2 billion, but campaigners estimate that billions of pounds more were likely to have been shifted away from the UK to tax havens by multinational companies

The government proposes these attacks, to be overseen by authoritarian means, while decimating millions of people's lives due to the spiralling cost of living. Many of those being investigated were plunged further into poverty last October, when the government removed the £20 a week uplift to Universal Credit and Working Tax Credit put in place during the pandemic. The uplift was a lifeline worth over £1,000 annually to six million people, many of them the working poor. It was the biggest overnight cut to the basic rate of social security since the welfare state began more than 70 years ago. Just this single cut will plunge an estimated 800,000 people into poverty.



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