

HOUSING BENEFIT AND COUNCIL TAX BENEFIT

A guide to fraud and how we can prevent it



Housing Benefit and Council Tax Benefit – a guide to fraud and how we can prevent it

This leaflet explains what Housing Benefit and Council Tax Benefit fraud is and how we can work together to prevent it. The rules are the same whichever area you live in. If you don't know which council covers the area your property is in, you can find this information on your council tax bill.

committing fraud, we may prosecute them, make them pay a fine or issue them with a formal warning, called a caution. In any case, we would be looking to claim back the total amount of benefit which has been overpaid. In certain circumstances, we may also confiscate other money or assets if we believe they are the proceeds of crime.

Why is it important to stop Housing Benefit and Council Tax Benefit fraud?

Benefit fraud is costing taxpayers an estimated £2 billion each year. This is money that could be spent on other vital services. Fraud affects how much council tax and income tax you have to pay and the level of resources available to share among our community.

We have a duty to protect benefit funds from fraud and abuse. We also have a duty to investigate fraud and the Government measures how well we are doing this.

What is Housing Benefit and Council Tax Benefit fraud?

Benefit fraud is when someone makes a claim for benefit based on information that they know is false or inaccurate. A claim could also become fraudulent if the person claiming benefit has not told us about a change in circumstances that would reduce the amount of benefit they are entitled to. Sometimes, only the person claiming benefit is responsible for benefit fraud, and sometimes their landlord, an employer, a representative or someone else who helps to fill in the benefit application form may have helped them.

Benefit fraud is a criminal offence. If we think someone is claiming benefit they are not entitled to, our dedicated team will investigate them. If we find evidence to prove that a person is

What is being done to help stop fraud in benefit claims?

Our Fraud Investigation team works closely with other agencies to reduce benefit fraud. They carry out joint investigations with the Department for Work and Pensions and neighbouring councils and the investigations can often involve the police, the Border Agency and HM Revenue & Customs.

We are involved in 'data matching exercises', most of which are carried out by the Housing Benefit Matching Service and the Audit Commission's National Fraud Initiative – including Audit Scotland in Scotland, who check information held by public authorities and a number of private companies. Any information that does not match is referred to the relevant authority to investigate.

We investigate all allegations of benefit fraud. If our investigations show that someone is committing fraud, we will consider prosecuting or taking other action against the person or people involved, depending on their personal circumstances and how serious the case is. Our decisions will be in line with our Benefit Fraud Sanctions policy.

What types of Housing Benefit and Council Tax Benefit fraud are there?

The following are some common types of fraudulent claims.

■ **People not telling us that a partner, relative, friend or lodger is living in or has left the property**

If someone does not tell us about someone else living in or moving out of their home, this is fraud as it would affect their benefit entitlement.

■ **People not telling us that they are working, the hours they work or how much they earn**

It is fraud if someone claiming benefit does not tell us they are working and so may not be entitled to other benefits such as Jobseeker's Allowance or Income Support. It could also be that they are working more hours or earning more than they have told us.

■ **People not telling us about all their savings and investments**

This is where someone does not tell us about all bank or building society accounts, cash, stocks and shares and other types of savings, as this would affect their entitlement to benefit.

■ **People not telling us about a property they own, either in the UK or abroad**

This fraud is where a person claiming benefit does not tell us about property or land they own (for which they may be receiving rent).

■ **People claiming benefit for an address they are subletting or not living at**

This is where a person is claiming benefit for an address they are not living at or are subletting to somebody else. It could also be when a person claims benefit for an address that doesn't exist or where they may not have to pay rent. This type of fraud could happen with the help and involvement of the landlord or other tenants.

■ **People who continue to claim benefit on a property after they have moved**

If someone does not tell us that they have moved, but continues to accept payments of Housing Benefit for their previous address, they are committing fraud.

■ **People not giving us full details of all their income**

This is where the person claiming benefit does not tell us about all of their income or changes to the amount they receive, as this would affect their entitlement to benefit. Income includes pensions (both works and private pensions), tax credits, student loans, grants or bursaries.

■ **People not telling us that they, the father of their children or a relative owns the property for which they are claiming Housing Benefit**

We cannot pay Housing Benefit if the property is owned by the person making the claim, or the father of any of their children, so this type of fraud is where the person claiming either fails to tell us they own the property or does not tell the truth about the person who does own the property. This also applies in some circumstances if a relative of the person claiming owns the property.

I think I know someone who is committing benefit fraud – what should I do?

It is important that you let us know. If you suspect that somebody is committing benefit fraud we want to hear from you.

- You can contact your local council (you can find the name of your local council on your council tax bill).
- You can phone the National Benefit Fraud Hotline on Freephone 0800 328 6340 or 0800 854440 or 0800 678 3722 for Welsh speakers.
- You can fill in the online form at www.secure.dwp.gov.uk/benefitfraud/.

What information do I need to give?

The law says that there has to be a good reason for investigating someone for benefit fraud – so you will need to give as much of the following information as possible.

- The names of the people you believe are committing benefit fraud
- Their addresses
- Details of anyone else involved
- Descriptions of the people involved, such as their height, build and hair colour
- Descriptions of their vehicles, including number plates and colours
- Why you suspect fraud and what you believe the people are doing
- Details of any work the people are doing, including the type of work, names and addresses of their employers, the hours they work and how much they earn
- Details of any partners we may not have been told about, including their name, description, employment, and times they arrive at and leave the property
- Details of them spending lots of money, which you may not expect with somebody on benefits

Do I have to give my name?

You can choose not to give your contact details if you prefer, but it helps if you do tell us who you are so that we can contact you if we have any questions.

What happens with the information I give?

Our Fraud Investigation team will look at the information you give. They will keep the information confidential.

If there is enough information, they will check the person's benefit claim. The investigation may take some time, and the team cannot tell you about what they find as a result of the information you have given.

What action will you take?

Sometimes we will not take any action as the person may not be committing benefit fraud. For example, it might be that the person has already told us they are working but this does not affect their benefit. Housing Benefit and Council Tax Benefit can be paid to people who are in work but have a low income.

We will only take action if we find the person has been committing benefit fraud. Action can include stopping a person's benefits, making them pay a fine, and taking them to court, which could lead to a prison sentence.

Where can I get more advice?

If you want more help or advice, contact us.

You can find contact details on your council tax bill or in your local phone book.

National Fraud Hotline

Write to: National Fraud Hotline, PO Box 647, Preston PR1 1WA

Freephone: 0800 328 6340

Website: www.targetingfraud.gov.uk

Independent advice

If you need independent advice, contact your local citizens advice bureau.

You can find their phone number and other local advice agencies in your local phone book, at your local library or by contacting us.

Other formats

You can get the information in this booklet in large print, in Braille and in other languages.

There is also an audio version online.

Visit our website at www.benefit-leaflets.org for more information.

