

# Orkney Islands Council

## Benefit Fraud – Awareness and reporting



If you think someone has made a dishonest claim for benefits you can contact the Council to tell us what you know.

Any information that you give will be treated in the strictest of confidence and you do not need to tell us your name. This leaflet explains what benefit fraud is and how you can help prevent fraud.

### What is benefit fraud?

Benefit fraud is knowingly obtaining benefit to which there is no entitlement. It is the deliberate withholding or providing of false information, or intentionally not reporting a change of circumstances in order to obtain benefits. It covers all benefits, such as Housing Benefit, Income Support, Pension Credits, Jobseekers Allowance, Disability Living Allowance, Council Tax Benefit (prior to 31 March 2013), etc.

Benefit fraud is a criminal offence and may result in prosecution.

### Common types of benefit fraud

The most common types of benefit fraud are:

- Failure to declare earnings or income;
- Failure to declare a change in circumstances;
- Failure to declare savings;
- Failure to declare ownership of property;
- Failure to declare a partner;
- Failure to declare other household members; or
- Claiming Housing Benefit whilst not living in the property.

### How can benefit fraud be detected?

There are a range of methods used to prevent and detect benefit fraud. The Council matches its records against those held by the Department for Work and Pensions (DWP); it also carries out visits to benefits claimants in their homes to check their circumstances are up to date; benefit claims are cross-checked; information can be obtained from employers; and evidence can be gathered through other official sources.

Although there are various means of detecting fraud one of the most useful sources of information comes from local knowledge and receiving information from the public.

### Who investigates fraud?

The Council will investigate Housing Benefit and Council Tax Reduction frauds but responsibility for investigating Housing Benefit transfers to the Department of Work and Pensions (DWP) from September 2015. Fraud referrals can still be made to the Council in the first instance but can also be reported to the DWP.

## What actions are taken when fraud is identified?

Where benefit fraud is identified it will usually result in an overpayment of benefit that will have to be repaid. To determine the facts of the case and to work out whether a fraud has been committed it may be necessary to undertake an Interview Under Caution. This is a formal procedure and will determine whether the Council decides to proceed further with the benefit fraud. The next stage of the process will be either:

- **No further action** – because no offence has been committed;
- **Administrative Caution** – when we are satisfied that a fraud has been committed but will not automatically be referred for prosecution (Cautions can no longer be offered on cases where the offence is committed wholly on or after 1 April 2013).
- **Administrative Penalty** – offered as an alternative to prosecution and incurs a fixed penalty. From 8 May 2012 there is a minimum penalty of £350 or 50% of the overpayment, whichever is greater (up to a maximum penalty of £2000) - where the offence is committed prior to 8 May 2012 or spans 8 May 2012 the fixed penalty is calculated as 30% of the overpayment arising from the offence
- **Prosecution** – if the fraud is particularly serious or an alternative sanction has been refused the case will be referred to the Procurator Fiscal.

**Loss of Benefit Sanction** - If someone is convicted of benefit fraud in court, or accept an administrative penalty or caution as an alternative to prosecution any social security benefit they receive now or in the future may be the subject of a reduction in their benefits or withdrawal for a period of between 4 weeks and 3 years

Recent court actions for fraud at the Sheriff Court, Kirkwall include an Orkney resident who was put on a community payback order for one year and was told that they must undertake 200 hours of unpaid work for claiming benefit of £12,000 to which they were not entitled.

## How can you report suspected benefit fraud?

- Contact the Benefits Section, Corporate Services, Orkney Islands Council, Council Offices Kirkwall, Orkney, KW15 1NY. Tel: 01856 873535 Ext: 2130; Tel: 01856 886320 (Direct Dial); Fax: 01856 878074; email: [benefits@orkney.gov.uk](mailto:benefits@orkney.gov.uk); website: [www.orkney.gov.uk](http://www.orkney.gov.uk)
- Complete a suspected benefit fraud form, also available at [www.orkney.gov.uk](http://www.orkney.gov.uk)
- Report benefit fraud on-line at the GOV.UK website <https://www.gov.uk/report-benefit-fraud>
- Report benefit fraud to the National Shared Fraud Hotline on Telephone (freephone): **0800 3286340** or for the hard of hearing **0800 3286341** available 08.30 to 18.30 Monday to Friday. They can also be contacted by post at: PO Box No 647, Preston, PR1 1WA.

**Give as much information as possible. A good referral is more likely to succeed.**

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