Department for Communities
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Annual Report on Decision Making and Financial Accuracy

1 January to 31 December 2025

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Annual Report on Decision Making and Financial Accuracy

For the year ended 31 December 2025

The Report is laid before the Northern Ireland Assembly under Article 76 of the Social Security (Northern Ireland) Order 1998 by the Department for Communities.

Date September 2026

Contents

Glossary

Attribute	An attribute is a characteristic of the case being examined. The characteristic may refer to the category a case belongs to or a numerical measure. For decision making the attribute is whether the case is correct or incorrect. For financial accuracy, the attribute is the amount of money paid in error.
Benchmarks	Benchmarks are standards set by senior management against which performance can be measured.
Confidence Intervals	The confidence interval gives an indication of the degree of uncertainty surrounding the estimate obtained from the sample, by giving a range that the true value is likely to be within. The quoted confidence intervals are based on a 95% confidence level, which means that we are 95% confident that the true value will lie within the specified range.
Decision Making	Decision making is carried out on behalf of the Department by decision makers. The decision maker must make a decision by considering all the evidence, establishing the facts and applying the law, including any relevant case law, in each case. Where legislation specifies or implies discretion, the decision maker's judgement must be reasonable and made on balance of probabilities with unbiased discretion. The decision making standard represents the percentage of cases in the sample found to be correct when checked by Standards Assurance Unit.
Financial Accuracy	The financial accuracy standard represents the estimate of the percentage of the benefit expenditure which is paid correctly.
Standards Assurance Unit	Standards Assurance Unit is part of the Debt Management, Benefit Security, & Make the Call Wraparound Service Directorate within the Department for Communities. Standards Assurance Unit provides a reliable and independent measure of decision making and financial accuracy against benchmarks and targets and assists operational staff in the drive to improve accuracy in benefit administration.

Targets	Targets are attainable goals set by senior management for staff to achieve within an agreed timetable or to a set standard.
Variability	The variability within a population refers to the percentage of the population with/without the attribute or the range of values in the attribute being measured. The more varied the population the larger the sample size required to achieve a given confidence interval.

Social Security Benefits

CA	Carer's Allowance
ESA	Employment and Support Allowance
PC	Pension Credit
PIP	Personal Independence Payment
SP	State Pension
UC	Universal Credit

Foreword by the Standards Committee Chairperson

Background and Introduction

The Northern Ireland Joint Standards Committee was established in 1999 on foot of the Social Security (Northern Ireland) Order of 1998. The Order transferred responsibility for monitoring and reporting on the standard of decision making, where there is a right of appeal, from the Chief Adjudication Officer to, in effect, the Chief Executives of the Social Security Agency and the Child Support Agency, which subsequently became the Child Maintenance Service.

In May 2016, the work of both bodies was incorporated into the new Department for Communities and responsibility for monitoring the standards of decision making now rests with the Deputy Secretary, Operational Delivery Group.

The shift in responsibility in 1998 replicated changes made in Great Britain (GB) in the 1998 Social Security Act. During the debates on this legislation concerns were expressed with regard to the credibility and appropriateness of the new arrangements. To allay these, the Westminster government provided assurances that provision would be made to inject an independent element into the scrutiny of the quality of decision making with regard to social security and child support.

In Northern Ireland the response to these concerns was the creation of the Joint Standards Committee with an independent chair and two other independent members.

The full membership of the Committee is set out in Part 1 of the Report and our terms of reference can be found in Appendix 1.

Purpose of the Committee

The Committee has three main tasks.

Our core responsibility is to provide assurance that robust procedures are in place to monitor the quality of decision making and financial accuracy with regard to specified benefits and child support. Secondly, we are charged with reporting on the standard of decision making and financial accuracy, identifying any weaknesses and making recommendations to secure improvement. Thirdly, we are required to provide assurance that the results of monitoring are fed back to decision makers to promote continuous improvement.

With regard to benefits, the day-to-day work of checking the quality of decisions is undertaken by the Department for Communities Standards Assurance Unit. The six benefits reported on were checked for decision making accuracy and financial accuracy and on the basis of all of the work completed this year, I am assured that the procedures the Department has in place are robust and effective. I am also satisfied that procedures to secure ongoing improvement of the service are in place.

Once again, I would very much like to commend all the staff who contributed to this performance in what has been a challenging year.

The work of the Committee in 2025

In line with our terms of reference we carried out four full Committee meetings in 2025. As well as reviewing the statistical material presented by the Standards Assurance Unit, the Committee has considered a wide range of issues which are relevant to effective service delivery.

There has been continued discussion of the substantial programme of work required to implement the Welfare Reform (Northern Ireland) Order 2015. The Department have been working steadily on the task of migration to Universal Credit which they hope will be nearing completion by mid-2026. The Committee have maintained a watching brief on developments around PIP which might take place in forthcoming government papers and the progress of the current Timms Review. The committee have also discussed the continuing implications of the Welfare Reform Mitigation measures.

The Department has continued to implement the recommendations put forward in the Second Independent Review of Personal Independence Payment (PIP) which was carried out in 2020, and we are seeing the increase in how departmental staff are being empowered in their decision-making role. It is clear that the Department have taken steps to encourage this empowerment with the integration of Capita staff and independent clinicians to support staff in their decision-making role. We also continue to be kept informed of the response by the Department to the NIPSO own initiative report into PIP and the further use of evidence, delivered in June 2021.

The continued geo-political issues have meant that the 'cost of living crises' continue to bite for those in receipt of benefits and on low incomes.

While the Department continues to implement full migration to Universal Credit at pace, the pressures on departmental budgets have the potential to impact on the staffing and infrastructure resources available to achieve this. To this end, matters that continue to be discussed at Committee have related to staff recruitment and retention, staff training and the implications for staff given the continued development of hybrid working conditions.

Over 2025 the Committee held meetings with staff responsible for delivering Jobseeker's Allowance, Employment and Support Allowance and Personal Independence Payment; we also met with Knockbreda and Downpatrick Jobs and Benefits Offices and reviewed the implementation process for Universal Credit.

We met with the Child Maintenance Service, the Pension Centre and with the staff of the Decision-Making Services. As in previous years, we have been impressed with the commitment and expertise of all of those who provide such important support to the people of Northern Ireland.

The Committee met with the voluntary sector and again, as in previous years, this meeting provides us with the opportunity to review the work of the Independent Standards Committee with representatives from the sector. It was evident that the impact of migration to Universal Credit was also drawing significantly on the resources of the sector. The meeting also enabled the Committee to understand the breadth of the various forums that exist to ensure good communication between the Department and the advice and advocacy sector within Northern Ireland. The exchange of information also proved positive enabling specific issues to be raised and fed into the system to be addressed.

We also met with the Northern Ireland Audit Office (NIAO). This meeting provides a useful opportunity to address issues that arise throughout the year. It provides additional assurance to Standards Committee members and once again it can be noted that the work the Northern Ireland Audit Office undertakes is supportive of the departmental assurances I have given above.

Monitoring performance

As Part 2 of the report indicates the Department has its regular measurement programme and that all six benefits being monitored have been allocated benchmark targets for 2025. This year the Department agreed to raise the benchmark target for Universal Credit to 95% having maintained it at 93% during its introductory years. The standard of decision-making is assessed using samples of cases drawn from across the live load. These cases are checked for financial accuracy or the correctness of the payments being made.

Within this process, all cases where a decision has been made in the preceding 12 months are identified and checked for decision making accuracy using four criteria:

- sufficiency of evidence – is there enough evidence on which to base a decision;
- determination of questions–have all relevant questions been decided;
- findings of fact – have the correct facts been found from the evidence available at the time of the decision; and
- correct application of legislation – has statute law and case law (previous commissioner/court decisions) been correctly interpreted and applied.

As in previous years two observations can be made on this methodology. Firstly, in line with procedures in GB, an error is recorded for decision making only where there is a financial consequence. It was agreed some time ago that, for the sake of completeness, the Annual Report for Northern Ireland should include data on all errors and this is provided in Appendix 3. Secondly, the methodology used can result in very small numbers of cases being checked for decision making as occurs each year in the case of the State Pension.

The standard of decision making and financial accuracy in 2025

In Part 3 of the report decision making accuracy is dealt with. The table on page 18 of the report details the performance with regard to decision making for the six benefits monitored this year. Four of the six benefits monitored exceeded their benchmark targets and two fell below their benchmark targets. While Personal Independence Payment came in slightly below its benchmark target as a result of errors in relation to incorrect outcome decisions related to evidence provided and interpretation and application of law and an incorrect decision to award benefit on a finding of fact, State Pension came in well below its benchmark but this, as I previously mentioned, is attributed to the small sample sizing where even a small number of errors can create a noticeable variance.

In Part 4 of the report financial accuracy is dealt with. The table on page 25 shows that the Department has been successful in ensuring that the expenditure on these benefits is correctly disbursed. The table indicates that this year of the six benefits monitored, all exceeded their benchmark targets.

Supplementary issues

Part 5 of the report provides information on the standard of decision making for overpayments and appeals. The table on page 26 indicates that both decision making and financial accuracy have improved significantly this year. The Committee commend this improvement. On the whole the table related to Appeal Submissions remains fairly stable.

Further information provided in Part 6 of the Report details the estimated monetary value of error and is indicative of the level of activity undertaken by the Department. It is also a healthy corrective to much of the discussion which surrounds the performance within the social security system.

The Report indicates that over £10.2 billion was paid out in benefits in 2025 (almost £8.9 billion of which is incorporated in the six benefits which fall within the monitoring programme of the Independent Standards Committee). The data is derived from the numbers of cases handled by staff throughout 2025 including 214,101 new claims and 699,642 changes of circumstances notified by customers.

Within this, as is evidenced in Appendix 4, the loss to the public purse as a result of overpayments in the six monitored benefits has reduced slightly in monetary terms this year at just over £33.8 million which represents almost 0.35% of total expenditure. It should be noted that overpayments are made up of Employment Support Allowance, Pension Credit, Personal Independence Payment and State Pension cases. Universal Credit cases are not included as all overpayments are deemed recoverable unless they are subject to a waiver. The table in Appendix 4 also indicates that the loss to the public via underpayments has reduced further in monetary terms to last year at just over £18.4 million representing 0.18% of total expenditure.

Conclusion

2025 has once again been a challenging one for the Department particularly in light of the truncated timeline for implementation of; and the high number of transactions undertaken in relation to migration to Universal Credit. In spite of this I am pleased to be able to present a good assessment of the standard of decision making achieved.

There continues to be pressure on staff and in some cases difficulties in the recruitment of appropriate staff and where staff are recruited the time taken for training. The Department continues to deliver existing benefits, manage cuts to these, manage the transitions to new benefits and implement the measures to alleviate the hardship caused by all of this.

While the Committee meets quarterly, as mentioned earlier, throughout the year we undertake a significant number of site visits with the various branches and their staff. As always, these site visits provide an invaluable opportunity to see work at the coal face and to speak directly to the staff delivering the service and we thank all of the teams for their time and hospitality, it is very much appreciated.

While the roll out of Universal Credit continues to be managed to date, the Standards Committee remains aware that the implementation of migration and other changes which may be on the horizon for benefits, will place further pressures on the service, particularly in the continuing climate of departmental budgetary constraints. It is still relevant that, to avoid a decline in decision making standards and reduce strain and anxiety amongst staff and the public, considerable thought needs to be given to the timetabling and resourcing of change.

Finally, I would like to express my particular thanks for the support provided to me by all of the members of the Standards Committee. I would especially like to thank both Matt Cole and Owen McCloskey who have devoted a significant amount of their time and expertise to the work of the Committee; their breadth of knowledge and experience of legislation and policy has been an invaluable asset to me and the Standards Committee generally.

Marie Cavanagh
Chairperson of the Standards Committee

Introduction by the Acting Director of Debt Management, Benefit Security, Child Maintenance Service NI and Make the Call Wraparound Service

I am pleased to present the Department for Communities' Annual Report on Decision Making and Financial Accuracy for 2025.

In line with its statutory responsibilities for the administration of benefits and child maintenance, the Department must produce an annual report on the standards of decision making and financial accuracy. To meet this obligation, a well-established programme of measurement is carried out each year.

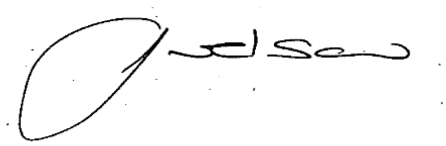
This report concentrates on two main areas: the accuracy of decision making within social security benefits and the financial accuracy of benefit payments. Its aim is to provide assurance regarding the quality of benefit decisions and to produce reliable estimates of the percentage of expenditure paid correctly. Maintaining high levels of accuracy continues to be fundamental to the Department's commitment to ensuring that customers receive the correct benefit at the appropriate time.

I welcome the favourable comments provided by the Chairperson in her assessment of the Department's performance in 2025. I am pleased to note that four out of six decision-making benchmarks have exceeded the required standards. Financial accuracy results have been outstanding, with all six monitored benefits performing above their respective benchmarks. This year, the Department has improved on previous performance, achieving an overall accuracy rate of 99.4%. It has now consistently achieved 99.3% or higher for four successive years, demonstrating strong consistency supported by a thorough checking regime. Particularly notable is the achievement of a 99.3% financial accuracy rate in Universal Credit—an excellent outcome, especially given the ongoing migration of customers from legacy benefits.

I would like to recognise the essential contribution of our staff in delivering these strong results. I offer my sincere thanks for their continued commitment and hard work throughout what has been another demanding year. I also extend my appreciation to the teams responsible for producing case samples and carrying out case examinations. The outcomes set out in this report clearly reflect a commitment to maintaining high standards of accuracy.

The Department remains dedicated to learning from feedback and identifying opportunities to further strengthen decision making and financial accuracy going forward.

Finally, I would like to express my gratitude to Marie, Owen and Matt for their ongoing support on the Committee. I look forward to continuing our work together in the coming year, as the Committee provides important advice and assurance to the Department. Its role is vital in supporting the Department's commitment to protecting public funds, reducing error, and ensuring that essential welfare support is effectively delivered to those in our community who need it most.



Julie Nelson
Acting Director of Debt Management, Benefit Security, Child Maintenance Service NI and Make the Call Wraparound Service

Part 1 Background

This 2025 Annual Report on Decision Making and Financial Accuracy sets out the categorising and reporting on decision making standards within the Department for Communities (DfC). It also reports on the financial accuracy of payments for Carer's Allowance, Employment and Support Allowance, Personal Independence Payment, State Pension, Pension Credit and Universal Credit. The standard of financial accuracy for these benefits, along with Attendance Allowance, Bereavement Benefit, Disability Living Allowance, Incapacity Benefit, Income Support, Industrial Injuries Disablement Benefit, Jobseeker's Allowance, Maternity Allowance, Social Fund, and Widows Benefit, is also published in the DfC Annual Report and Accounts.

Following the introduction of the Social Security (Northern Ireland) Order 1998 the requirement for the Chief Adjudication Officer to report on standards of adjudication was removed. To help ensure transparency, it was decided to have independent oversight, and in 1999, a Northern Ireland Joint Standards Committee (the Standards Committee) for both the Social Security Agency (SSA) and Child Support Agency (later renamed Child Maintenance Service (CMS)) was set up to oversee monitoring arrangements and report on performance. Following the change in Government structures in May 2016, both the SSA and CMS were dissolved, and their services were incorporated within the DfC.

The Standards Committee includes an independent chairperson, together with two other independent members, and has terms of reference agreed by the DfC. The Standards Committee members are:

Marie Cavanagh
Independent Chairperson

Owen McCloskey
Independent Member

Matt Cole
Independent Member

Julie Nelson
Acting Director of Debt Management, Benefit Security, Child Maintenance Service NI and Make the Call Wraparound Service, DfC

Mark Morrison
Acting Deputy Director Debt Management and Benefit Security, DfC

John Mcilwaine
Acting Deputy Director NI Child Maintenance Service, Make the Call Wraparound and Standards Assurance Unit, DfC

Michael Woods
Head of Audit, DfC

Appendix 1 sets out the terms of reference for the Standards Committee.

Part 2 Measurement and Sampling Methodology

The DfC Annual Report on Decision Making and Financial Accuracy for the period 1 January to 31 December 2025 (the Report) summarises the results for standards of decision making and financial accuracy for social security benefits in 2025. Measurement of decision making and financial accuracy for social security benefits is carried out by Standards Assurance Unit (SAU). Decision making and financial accuracy checks are carried out using a random sample of cases for each benefit.

All cases from the official error sample with a decision made within the 12 months prior to the date the payment for the selected period was issued, are checked and recorded to measure the standard of decision making. This methodology can result in very small numbers of cases being checked for decision making as has occurred this year with State Pension.

Categorising

SAU completes the following checks on a case from the random sample:

Decision Making

The categoriser checks if a decision has been made on the case within the last 12 months prior to the date the payment for the selected period was issued and if so, the case is used to measure the standard of decision making. The purpose of this check is to establish if the actual decision awarding a new claim to benefit or changing the rate of benefit in payment is correct. A decision making error is only recorded where the incorrect decision also results in the payment being incorrect. The standard of decision making is expressed as a percentage. It is important to note that when SAU reports on the standard of decision making, it is only on decisions made prior to the date the payment for the selected period was issued, that the quality of current decision making can be assessed. It does not cover the full live load. For revision and supersession decisions, the check is based on the last change of circumstances which involved a change to the previous outcome decision.

The decision making check continues to examine the 4 main areas as follows:

- evidence - is there enough evidence on which to base a decision?
- determination of questions - have all relevant questions been decided?
- findings of fact - have the correct facts been found from the evidence available at the time of the decision?
- interpretation and application of the law - has statute law and case law (previous commissioner/court decisions) been correctly interpreted and applied?

Financial Accuracy

The financial accuracy standard represents the estimate of the percentage of the benefit expenditure that is paid correctly. Financial accuracy is measured by considering the monetary value of each error, either overpayment or underpayment, identified during the official error check. The monetary value of each error identified is passed to Analytics Division (AD) who extrapolate the figures to estimate the level of financial error in the live load for the benefit concerned.

All errors identified in the decision making and financial accuracy checks, including errors which do not cause a payment error, are reported back to operational managers and staff for the purpose of continuous improvement and to enable them to take corrective action. A further analysis of the financial accuracy results can be found in Part 4 of this report.

Sample Size and Selection

Random Sample, Confidence Level and Confidence Intervals

Statisticians provide SAU with a monthly random sample of cases from each benefit live load, encompassing both the oldest and most recent cases. This approach meets Northern Ireland Audit Office requirements to reflect the full live load. The samples aim to ensure financial accuracy results within a confidence interval of +/- 1% for all benefits and the results of the decision making exercise to achieve a confidence interval of no more than +/- 5% for all benefits.

Financial accuracy, defined as the percentage of annual benefit expenditure paid correctly, is estimated from these random samples throughout the year.

SAU sets overall sample sizes to measure financial accuracy, considering factors such as confidence levels, confidence intervals, and available resources. They consult with AD before determining the required samples for the upcoming year.

Stratification

For some social security benefits, financial accuracy is estimated from stratified random samples selected throughout the year. Stratification ensures that known cohorts are proportionally represented in the sample. This acts to increase the precision of the estimates.

Variability and Sample Size

The variability of the measured attribute within the population is an important factor in determining the required sample size. Greater variability necessitates larger sample sizes to achieve a given confidence interval.

Annual error estimates, based on samples, are subject to uncertainties presented as confidence intervals. The lower and upper confidence intervals associated with each estimate are based on a 95% confidence level. These define the range within which we could be 95% certain that the true value lies.

When reporting estimated errors from random samples, it is best practice to include confidence intervals.

For the Decision Making exercise, confidence intervals are expected to be within +/- 5% for all benefits, calculated using cases from the official error sample that have had a decision within the last 12 months.

Part 3 Results - Decision Making

The table below sets out the standard achieved against the decision making benchmarks for social security benefits. These results are also shown in the graph in Appendix 2 to the Report with comparison to last year's result.

Appendix 3 to the Report details the type of decision making errors made under the 4 main headings.

Benefit	Total Cases Checked	Number of Incorrect Cases	Error Rate	Decision Making Benchmark	Decision Making Standard	Variance
Carer's Allowance	96	0	0%	98%	100%	2%
Employment and Support Allowance	15	0	0%	95%	100%	5%
Pension Credit	126	2	2%	95%	98%	3%
Personal Independence Payment	51	4	8%	95%	92%	-3%
State Pension*	24	2	8%	97%	92%	-5%
Universal Credit	591	13	2%	95%	98%	3%

*Some of the percentage variances from the benchmarking will be attributed to small sample sizing as evidenced in the number of State Pension cases checked where even a very small number of errors can create a noticeable variance.

The results from the table above show that 4 decision making benchmarks have been achieved, with all 4 exceeding their benchmark.

Decision Making Performance

This part of the Report details the standard of decision making for Carer's Allowance, Employment and Support Allowance, Personal Independence Payment, State Pension, State Pension Credit and Universal Credit.

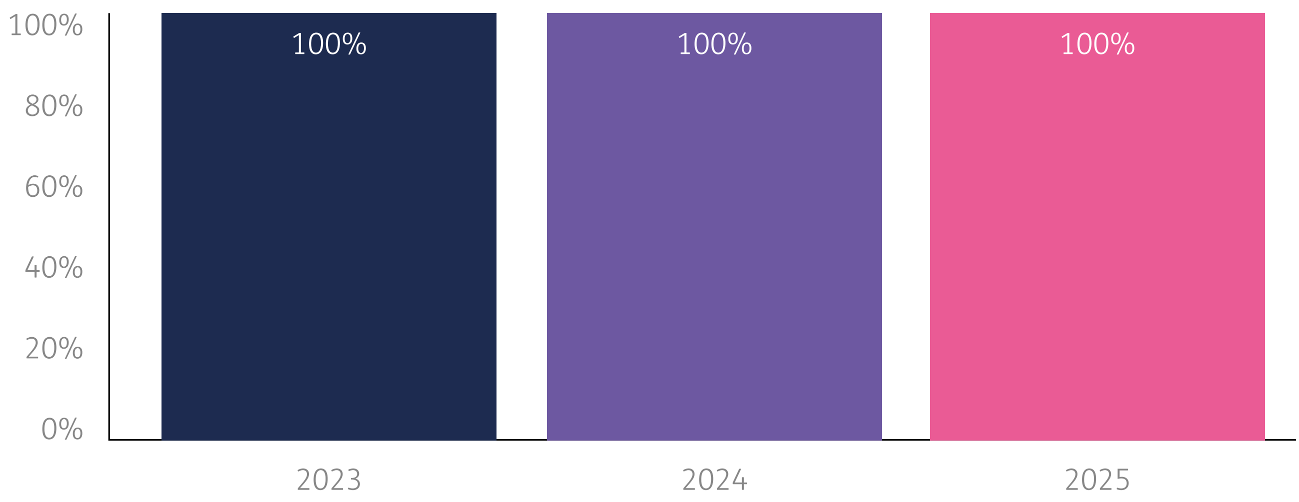
Carer's Allowance Decision Making

To find out the standard of decision making, 96 cases were examined, and all cases (100%) were correct. The decision making standard was 2 percentage points above the benchmark of 98%. The table below shows the breakdown of performance under each type of decision checked.

CA Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	84	0	0%	100%	
Revisions	4	0	0%	100%	
Supersessions	8	0	0%	100%	
Overall Performance	**96**	**0**	**0%**	**100%**	**+/- 2.8%**

The chart below compares decision making standard over the last 3 years.

CA Standard of Decision Making



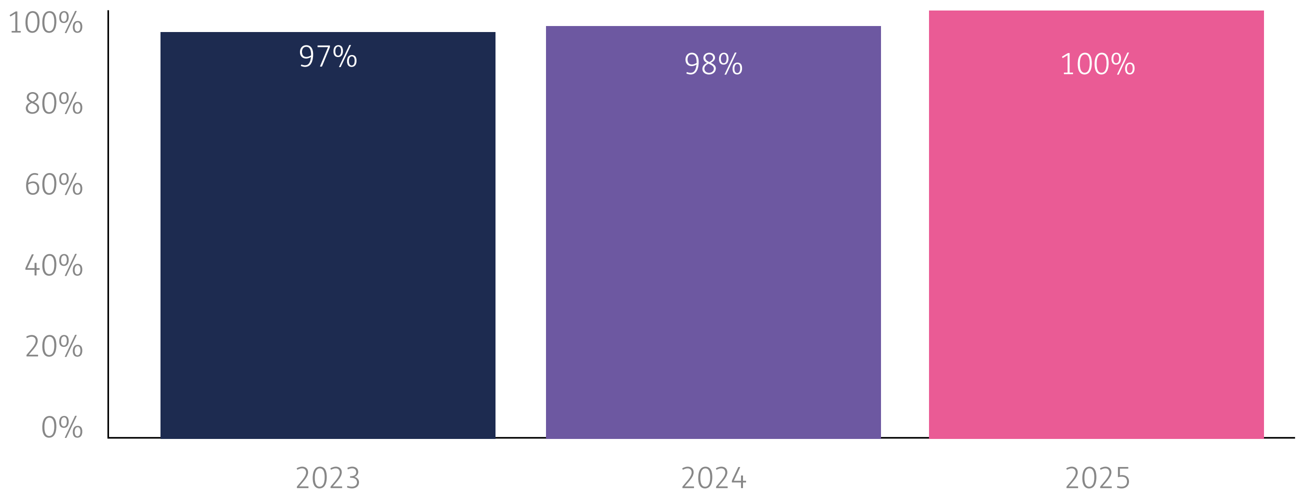
Employment and Support Allowance Decision Making

To find out the standard of decision making, 15 cases were examined, and all cases (100%) were correct. The decision making standard was 5 percentage points above the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

ESA Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Revisions	2	0	0%	100%	
Supersessions	12	0	0%	100%	
Uprating	1	0	0%	100%	
Overall Performance	**15**	**0**	**0%**	**100%**	**+/- 7.1%**

The chart below compares decision making standard over the last 3 years.

ESA Standard of Decision Making



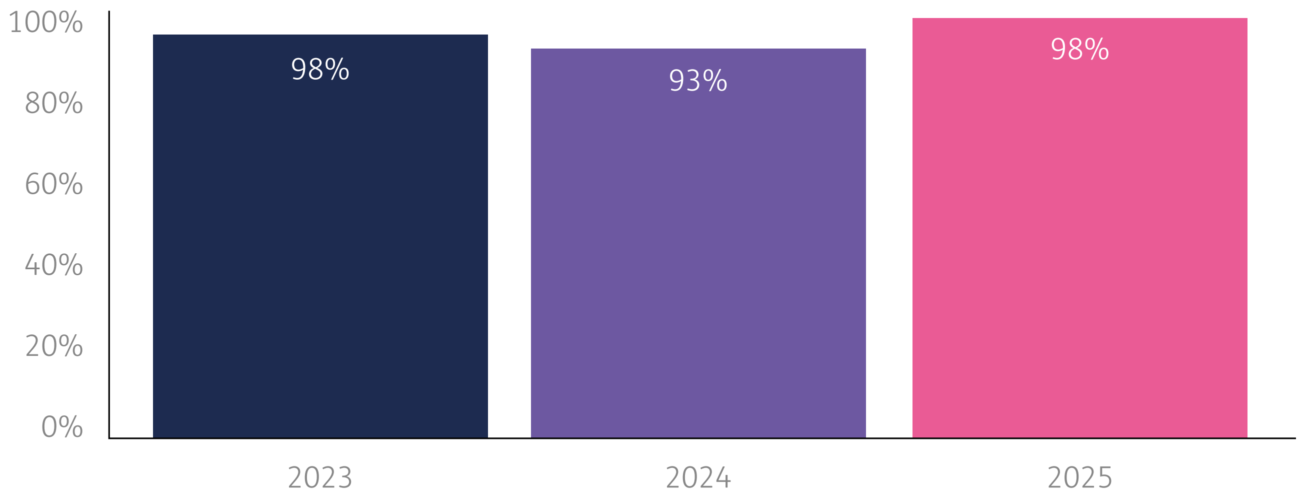
Pension Credit Decision Making

To find out the standard of decision making, 126 cases were examined, and 124 cases (98%) were correct. The decision making standard was 3 percentage points above the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

PC Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	40	0	0%	100%	
Revisions	20	1	5%	95%	
Supersessions	66	1	2%	98%	
Overall Performance	**126**	**2**	**2%**	**98%**	**+/- 2.1%**

The chart below compares decision making standard over the last 3 years.

PC Standard of Decision Making



The area of error were

- findings of fact with 2 errors (100%) both relating to income taken into account incorrectly.

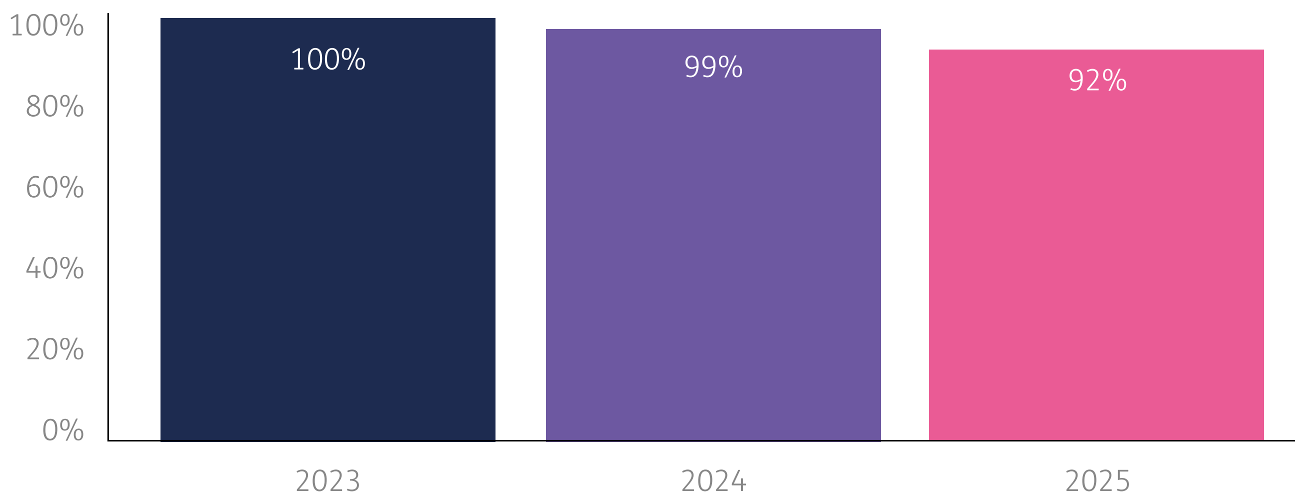
Personal Independence Payment Decision Making

To find out the standard of decision making, 51 cases were examined, and 47 cases (92%) were correct. The decision making standard was 3 percentage points below the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

PIP Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	39	3	8%	92%	
Supersessions	12	1	8%	92%	
Overall Performance	**51**	**4**	**8%**	**92%**	**+/- 7.4%**

chart below compares decision making standard over the last 3 years.

PIP Standard of Decision Making



The areas of error were

- evidence with 2 errors (50%) both relating to incorrect outcome decision.
- findings of fact with 1 error (25%) relating to incorrect decision to award benefit.
- interpretation and application of the law with 1 error (25%) relating to incorrect outcome decision.

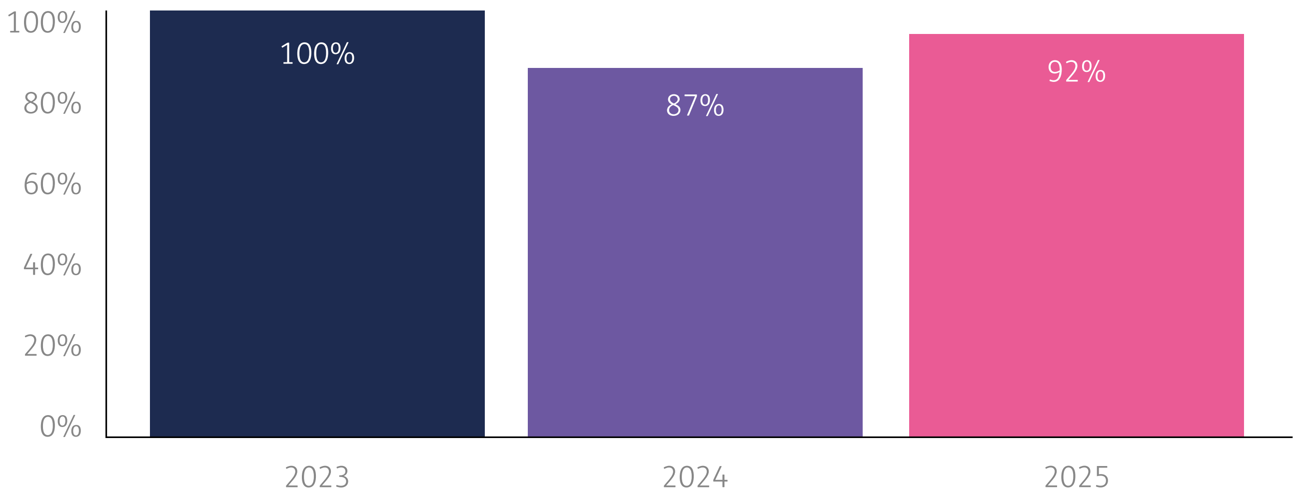
State Pension Decision Making

To find out the standard of decision making, 24 cases were examined, and 22 cases (92%) were correct. The decision making standard was 5 percentage points below the benchmark of 97%. The table below shows the breakdown of performance under each type of decision checked.

SP Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	6	0	0%	100%	
Revisions	13	1	8%	92%	
Supersessions	5	1	20%	80%	
Overall Performance	**24**	**2**	**8%**	**92%**	**+/- 11.0%**

The chart below compares decision making standard over the last 3 years.

SP Standard of Decision Making



The areas of error were

- evidence with 2 errors (100%) both relating to incorrect awards/rate of benefit.

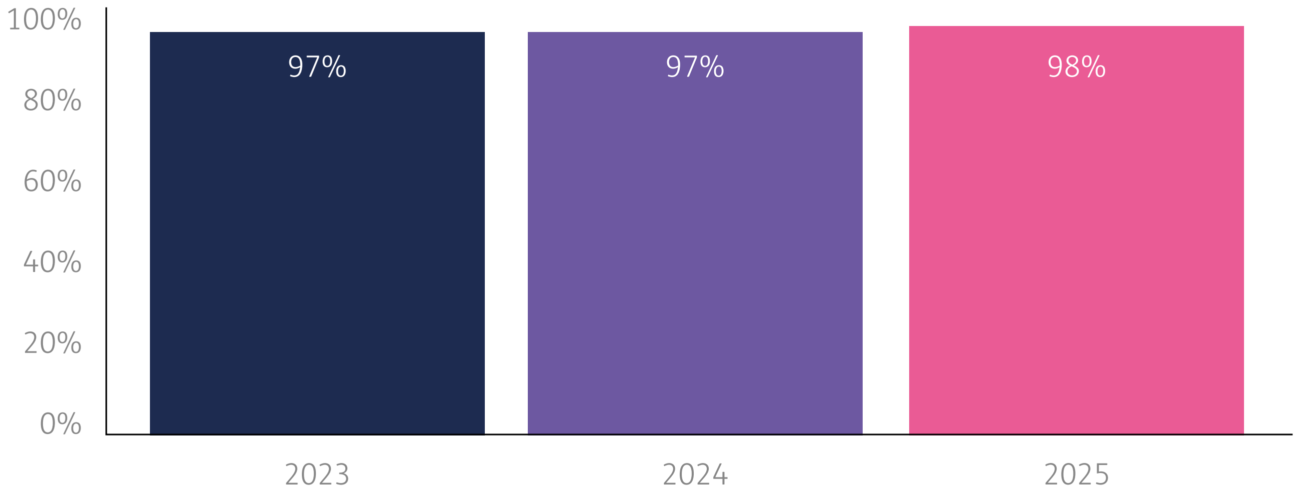
Universal Credit Decision Making

To find out the standard of decision making, 591 cases were examined with 578 cases (98%) correct. The decision making standard was 3 percentage points above the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

UC Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	84	2	2%	98%	
Revisions	41	0	0%	100%	
Supersessions	466	11	2%	98%	
Overall Performance	**591**	**13**	**2%**	**98%**	**+/- 1.2%**

The chart below compares decision making standard over the last 3 years.

UC Standard of Decision Making



The areas of error were

- findings of fact with 9 errors (69%). The main types related to incorrect rent amount and incorrect disabled child addition (2 errors each).
- evidence with 3 errors (23%).
- interpretation and application of the law with 1 error (8%).

Part 4 Results - Financial Accuracy

Financial Accuracy is the estimate of the percentage of the benefit paid correctly from an official error perspective. The table below shows the 2025 end of year performance against targets. Appendix 4 details the estimated monetary value of error.

Benefit	2025 Target	2025 Financial Accuracy Result
Carer's Allowance	99%	99.8%
Employment and Support Allowance	98%	98.9%
Pension Credit	98%	98.7%
Personal Independence Payment	95%	98.8%
State Pension	99%	99.9%
Universal Credit	95%	99.3%

The results from the table above show that all of the 6 benefits monitored exceeded their target set.

Analysis of the data used to calculate Financial Accuracy for 2025

The table below shows the number of cases used to calculate the 2025 Financial Accuracy results.

	January – December 2025	
Benefit	**Total Cases Checked** (January – December 2025)	**Total Cases in Error** (January – December 2025)
Carer's Allowance	652	1
Employment and Support Allowance	356	8
Pension Credit	643	18
Personal Independence Payment	348	9
State Pension	1150	89
Universal Credit	780	28

Part 5 Overpayments and Appeals

Overpayment Decisions

A total of 131 cases were examined and 6 errors were raised resulting in an overall standard of 95%.

The areas of error were:

- evidence with 3 errors (50%) relating to the amount of the recoverable overpayment being incorrect (2 errors) and decision to recover being incorrect (1 error).
- findings of fact with 2 errors (33%) both relating to the amount of the recoverable overpayment being incorrect.
- interpretation and application of the law with 1 error (17%) relating to the period of the recoverable overpayment being incorrect.

In 2015 a financial accuracy methodology was developed to put into context the financial consequences of decision making errors in relation to overpayment categorising. Both the Decision Making and Financial Accuracy standards for the past 3 years are shown in the table below.

Year	*Total cases Checked	Number of Errors	Decision Making Standard	Financial Accuracy Standard
2025	131	6	95%	99%
2024	109	12	89%	92%
2023	120	11	91%	97%

*2025 Overpayments are made up of ESA, PC, PIP, & SP cases

Appeal Submissions

A total of 73 cases were examined and 1 error was raised resulting in an overall standard of 99%. The decision making results for the past three years are shown in the table below.

Year	*Total cases Checked	Number of Errors	Error rate	Decision Making Standard
2025	73	1	1%	99%
2024	79	0	0%	100%
2023	78	1	1%	99%

*2025 Appeals are made up of ESA, PC & PIP cases (nil SP cases available)

The area of error (100%) related to the failure to summarise all facts of the case including disputed facts.

Part 6 The Department's Strategy to Reduce Error in Decision Making and Improve Financial Accuracy

The Department's Benefit Security teams take the lead in driving activity to minimise fraud and error. This complements the work carried out by benefit operational branches to address error. Counter-fraud activities are overseen by the Benefit Security Board. Membership comprises a wide selection of internal stakeholders guiding the Department's priorities to address the areas of highest risk. Ultimately responsible to the Departmental Management Board, they share the wider Departmental aim of providing assurance of effective counter fraud and error activities. Mitigating the losses from fraud and error is one of the Department's key priorities.

In May 2024, the Department published a new Benefit Fraud, Error, and Debt Strategy. The Strategy recognises what we currently do well whilst remaining aware of areas in which we need to respond in a rapidly changing environment.

The Strategy sets out five strategic objectives designed to minimise loss to the public purse. Our aim is to prevent fraud and error from occurring where we can and, if we are unable to, detect it early and take corrective action. Throughout the lifespan of this Strategy, we will achieve this aim through the delivery of the five strategic objectives.

Prevention of error is fundamental to the success of the strategy; preventing error entering the benefit system impacts on the amount of money lost through overpayment of benefit and minimises the risk of underpayment of benefit to customers.

The need for a strategic approach is emphasised by the scale of transactions handled by the Department. In 2025 over £10.2billion was paid out in benefits. Across all benefits, staff handled 214,101 new claims as well as taking action on some 699,642[1] changes of circumstances notified by customers. This large volume of activity has the potential to allow a significant amount of error into the benefit system.

Official Error

The overall financial accuracy position for 2025 is 99.4%, a slight improvement on the 2024 result of 99.3%. Official error overpayments have remained static at 0.4% of expenditure, while underpayments have dropped to 0.2% of expenditure.

The Department has now achieved 99.3% or above for four consecutive years; showing a high level of consistency achieved through a comprehensive checking regime.

Error Reduction Division Activity

During 2025-26 the Department's Error Reduction Division continued to direct dedicated resources within benefit offices to undertake an error reduction programme to identify and correct error. This resourcing, approved annually by Benefit Security Board to ensure best value for money, funds specialist teams across the Department to perform checks on cases which, through statistical analysis, are deemed to be at greatest risk of error. It also funds activity to remove anomalies identified by matching data from various information systems. Resources are allocated to each benefit based on the level of risk, and within each benefit all cases are targeted further using risk-based selection. This approach ensures maximum impact from targeted error reduction activity.

During the period, 1 April 2025 – 31 March 2026, almost 19,000 checks or case reviews were actioned, which led to the adjustment of benefit in 3,234 cases, with a total monetary value of almost £24.3million.

1 This figure does not include Universal Credit change of circumstances as there is no single measure to count change of circumstances transactions.

Key to Appendices

Key to Appendices

Appendix 1

Terms of Reference for the Standards Committee

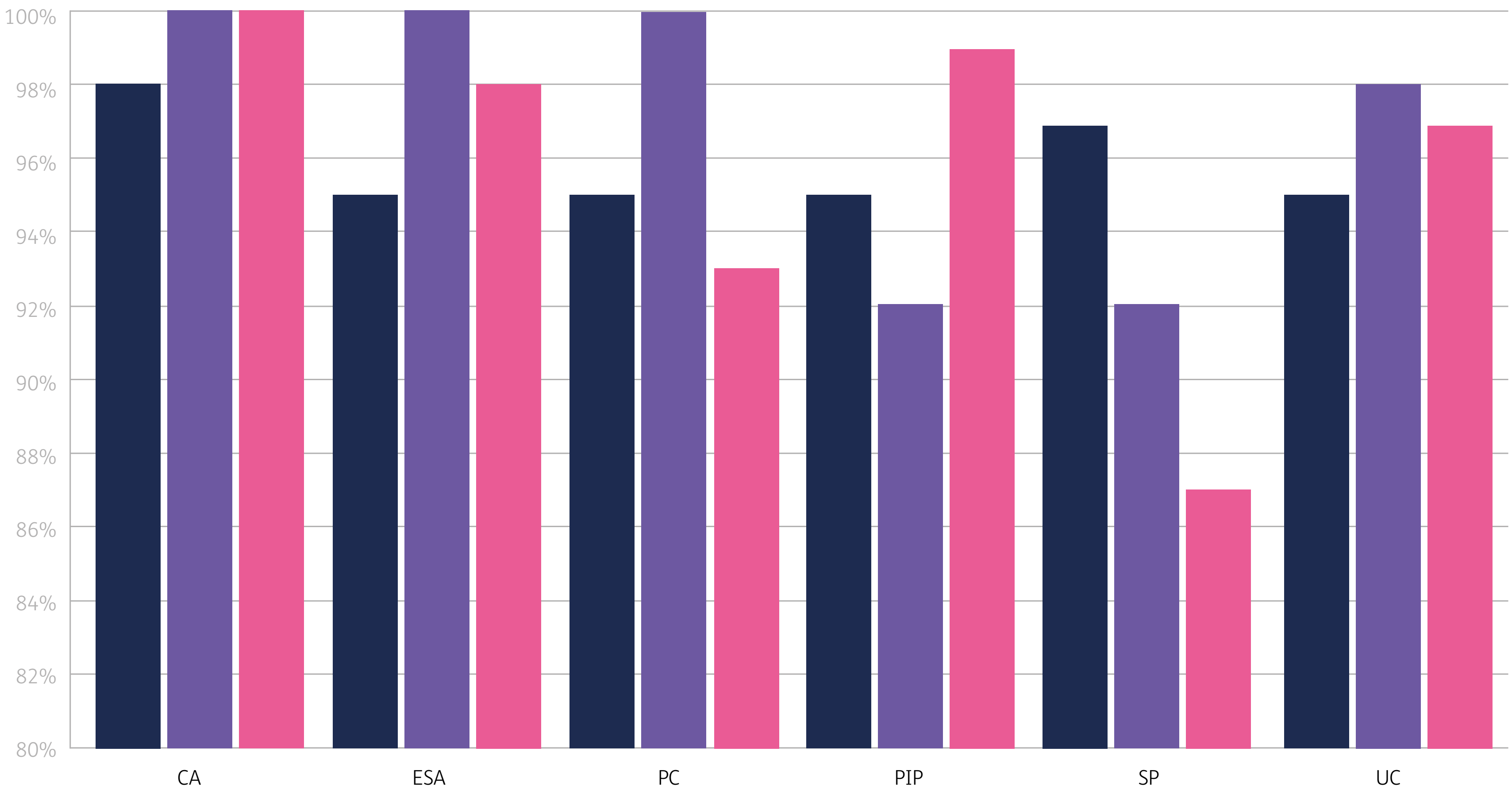
1 The Standards Committee will have an advisory rather than executive role. Its objectives will be to:

- provide assurance to the Deputy Secretary of Operational Delivery Group that effective decision making checking procedures are in place;
- confirm legislation is properly applied;
- monitor and report performance against quality targets;
- identify common trends relating to the quality of decision making in the Department and to highlight those areas where improvement is needed;
- make specific recommendations on any area considered appropriate;
- provide assurance to the Deputy Secretary of Operational Delivery Group that mechanisms are in place to feed back results to the Department to enable continuous improvement;
- report to the Deputy Secretary of Operational Delivery Group on the operation of the decision-making process and where necessary to make recommendations for changes. The Deputy Secretary of Operational Delivery Group should be free to meet the Chairperson informally and discuss issues that may arise during the year;
- provide the Deputy Secretary of Operational Delivery Group with an annual assurance in the form of reports on the quality of decision making in the Department and such other reports as the Deputy Secretary of Operational Delivery Group or the Standards Committee consider appropriate; and
- provide assurance on the quality of decision making with the results of financial accuracy.

2 Standards Committee meetings will be held 4 times yearly to coincide with the reporting programmes and minutes will be taken and agreed by the Committee members.

3 An agenda will be prepared in advance of each meeting and circulated to the Committee members for consideration

Decision making standards versus benchmarks: 2024 and 2025



Decision making benchmark	98%	95%	95%	95%	97%	95%
Decision making standard 2025	100%	100%	98%	92%	92%	98%
Decision making standard 2024	100%	98%	93%	99%	87%	97%

Type of decision making errors 2025

		Evidence		Determination of Questions		Findings of Fact		Interpretation and Application of the Law		Total Number of Errors
Benefit	Decision making Comment Rate %	Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	
Pension Credit	2%					2	100%			2
Personal Independence Payment	8%	2	50%			1	25%	1	25%	4
State Pension	8%	2	100%							2
Universal Credit	2%	3	23%			9	69%	1	8%	13

2025 Estimated Monetary Value of Error Information for Carer’s Allowance, Employment Support Allowance, Pension Credit, Personal Independence Payment, State Pension & Universal Credit

Benefit	Estimated Annual Monetary Value of Error	Overpayments	Underpayments	Total Expenditure	Estimated Financial Error Rate
Carer’s Allowance	£318,166	£318,166		£206,497,538	0.2%
Employment and Support Allowance	£7,187,394	£1,905,364	£5,282,030	£673,622,802	1.1%
Pension Credit	£3,609,150	£1,616,446	£1,992,704	£282,470,321	1.3%
Personal Independence Payment	£20,921,026	£19,172,938	£1,748,089	£1,735,198,538	1.2%
State Pension	£4,378,694	£826,375	£3,552,319	£3,675,082,282	0.1%
Universal Credit	£15,830,567	£9,966,900	£5,863,668	£2,264,144,573	0.7%

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