



# Public Law Project

The Rt Hon Liz Kendall  
Secretary of State for Work and Pensions  
Caxton House  
Tothill Street  
London  
SW1H 9HA  
Email: [secretaryofstate@dwp.gov.uk](mailto:secretaryofstate@dwp.gov.uk)

Date: 24 February 2025

Dear Secretary of State

**Subject: Opportunity for Government to ‘right’ DWP wrongs of official error Universal Credit overpayments**

We are writing to you as a wide range of civil society organisations to highlight the opportunity for the Government to address the injustice of official error Universal Credit (UC) overpayment recovery via the Public Authorities (Fraud, Error and Recovery) Bill (‘the FER Bill’).

Currently, large numbers of people are finding themselves pushed unexpectedly into debt as a result of mistakes made by the DWP. These are not isolated incidents – DWP data shows that in 2023/24 **686,756** new official error UC overpayment debts were entered on DWP’s Debt Manager system.

## **Mistakes matter**

**DWP mistakes matter - particularly when they have a highly detrimental impact on individuals, as is the case with official error overpayments.**

Take ‘C’ for example, a widow who has been overpaid UC due to the DWP failing to take into account income from her Widow’s Pension. ‘C’ proactively

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and honestly informed the DWP that she received this and was assured it would not affect her claim. She relied on this assurance in good faith and spent the money on daily living expenses. Four years later, the DWP told her they would be recovering the resulting overpayment of £7258.08. *(PLP Case study)*

Another example is Michael, the state pension-age member of a mixed-age couple, who cares for his disabled son and has a partner who has no recourse to public funds. Michael was repeatedly incorrectly advised to claim UC by DWP officials. When reporting a change to do with his partner's earnings, the DWP noticed their official error and stopped the UC claim, issuing an overpayment debt of over £38,000. *(CPAG Case study)*

These are not insignificant amounts of money – the recovery of these official error overpayments can often put individuals like C and Michael, who have relied in good faith on these payments, in financially precarious situations. The stress and anxiety around repaying these debts, which they have received unexpectedly having relied on DWP's assurances, cannot be overstated.

These are just a few examples of the thousands of individuals who have been impacted by official error overpayments. These seemingly 'minor' mistakes from the DWP can have major repercussions for the individuals.

Whilst it may be easy to brush these mistakes under the carpet, with UC official error overpayments representing a relatively small proportion of the DWP's benefit expenditure (0.7% of UC expenditure, and 0.14% of total benefit expenditure, in FYE 2024), the cost is high for the significant number of claimants negatively impacted by them.

### **Opportunity to address unfairness**

The FER Bill presents an opportunity for the Government to 'right' these DWP wrongs, address unfairness and demonstrate the DWP's commitment to getting payments right first time. It would also help instil greater trust in public bodies and create a strong incentive for reducing the rate of DWP errors in the first instance.

We are urging the Government to seize this opportunity to amend the FER Bill to restrict UC official error overpayment recovery by bringing the test for recovery into line with the test that applies to Housing Benefit. This would mean they could only be recovered where the claimant could not reasonably have been expected to have realised that they had been overpaid.

We look forward to receiving your response.

Sincerely,

1. Public Law Project
2. Child Poverty Action Group

3. Z2K
3. Turn2Us
4. The Disability Benefits Consortium
5. Greater Manchester Coalition of Disabled People
6. Citizen's Advice Bournemouth, Christchurch and Poole
7. Buckinghamshire Disability Service (BuDS)
8. Inclusion Scotland
9. Age UK
10. Parkinson's UK
11. AdvoCard
12. CMTUK
13. Positive Money
14. North Bristol Advice Centre
15. Central England Law Centre
16. Mencap
17. WAMES
18. Association of Pensions and Benefits Claimants CIC
19. Inclusion Barnet
20. National Kidney Federation
21. Expert Link
22. National Survivor Users Network
23. The Disability Law Service
24. Cystic Fibrosis Trust
25. Richmond AID
26. WinVisible (Women with Visible and Invisible Disabilities)
27. Amnesty International UK
28. Lewisham Council Welfare Benefits Team
29. Disabled People Against Cuts
30. Southampton Advice and Representation Centre (SARC)
33. AdviceNow
34. Trussell Trust
35. Carers UK
36. Kevin Sandy
37. Adam Straw KC