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EXPERIAN SAVES LOCAL AUTHORITIES £23 MILLION IN COUNCIL TAX FRAUD SO FAR

A further £100 million a year could be saved

Experian has saved local authorities £23 million by preventing fraudulent single person discount claims on council tax. Over 100 local authorities have used Experian's Residency Checker service since 2006 to prevent thousands of fraudulent applications for the single person discount on council tax.

If Residency Checker was adopted by all 380 local authorities in the UK, Experian estimates that the saving to the tax payer could be in excess of £100 million a year¹.

The Audit Commission estimates that council taxpayers could be losing almost £2 million a week to fraudsters who claim the 25 per cent single person discount on their council tax. This amounts to around £90 million a year lost to fraud which can be prevented through better detection practices.²

Derek Lovell, Head of Local and Regional Government at Experian, commented: "It is clear that fraud is a significant problem for local authorities, costing council tax payers millions each year. Evidence suggests that the problem is getting even worse during the recession. Experian's Residency Checker has proved highly effective in preventing fraud - but millions more can be saved each year if councils adopted it in all local authority areas."

Residency Checker uses Experian's unique Consumer Viewpoint database which, through data matching techniques, combines a range of compliant public and proprietary data sources to detect thousands of fraudulent claims. Local authorities provide Experian with a list of addresses which are receiving a 25% single person council tax discount and are believed to be occupied by a single adult. Experian then returns an indication of whether an address is possibly occupied by more than one adult.³

By working with Experian, the City of Edinburgh Council was able to collect an additional council tax income of £1.2 million during 2006 / 2007 and £1.25 million during 2007 / 2008.

Danny Gallacher from Edinburgh City Council, an Experian client, commented: "Edinburgh Council has used Experian's Residency Checker to improve its eligibility checks on SPD claims. The Council supplied Experian with a list of single residency addresses which were processed using Experian's Residency Checker's Occupancy Count Service. The service uses Experian's range of up-to-date data sources in combination to create a picture of the residency make-up at each address.

"The results reaffirmed that 54,000 households were still entitled to receive the council tax single person discount. This meant the Council did not have to send a

¹ Of the 100 *Residency Checker* projects Experian has worked with since late 2006, it has saved local authorities approximately £23million. When extrapolated to the whole 380 LAs, it estimates that between £105m and £159m revenue could be realised if all local authorities used *Residency Checker*.

² 'Protecting the Public Purse' Audit Commission, September 2009; report into how local authorities can reduce fraud including Single Person Discount fraud.

³ Access to *Residency Checker* by Local Authorities is permitted under Section 29 of the Data Protection Act, which covers legitimate use of consumer data for prevention of fraud.

letter to these residents or process the returned documents. Where the information returned showed the possibility of more than one person living at an address, the Council sent each address a canvass form asking the known resident to confirm the number of people living at that address. Where the Council suspected there was a fraudulent claim, based on the data provided, a request for further information was made to Experian.”

In its latest report “Protecting the Public Purse”, the Audit Commission states that fraud is likely to increase because of the recession and there is more that councils could do to minimise fraud opportunities. This includes assessing the effectiveness of their current arrangements, focusing on high-risk areas, setting clear targets and working with other organisations to reduce fraud and the harm it causes.

The Commission goes on to say that: “There are significant financial benefits to councils in using targeted resources to prevent and detect SPD fraud. Some authorities are already using or considering cost-effective and innovative means of reducing this type of fraud including the use of data matching, annual reviews focused on high risk SPD fraud cases and verification checks when the first application for SPD is made.”

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For more information please contact:

BRUNO ROST, Experian Press Office, Embankment House, Electric Avenue, Nottingham, NG80 1EH. Tel 0115 968 5009 or mobile 07967 567012. Email: bruno.rost@uk.experian.com.

Notes to Editors:

The total annual amount to be raised from council tax in England in 2009/10 is £25.6 billion. This tax is collected locally and is a significant proportion (on average 24 per cent) of the funding that councils use to provide services.

A SPD can be claimed by householders where there are no other residents aged 18 or over living at an address. The discount amounts to a 25 per cent reduction in their council tax bill. Nationally 35 per cent of households receive this discount. Local council taxpayers meet the cost of these discounts.

Experian in the Public Sector

Experian has been working with the public sector for over 20 years where it has specialised in delivering real cost benefits and efficiencies across a broad range of public services.

Experian is a recognised and established provider of customer insight and revenue protection services to many hundreds of public sector organisations in central and local government. Its client list includes major government departments, over 70 per cent of UK local authorities, Regional Development Agencies, Strategic Health Authorities, Primary Care Trusts, Acute Trusts, Police Forces and Fire & Rescue Services.

Experian helps the UK Public Sector meet its transformational objectives for improving outcomes and reducing inequalities for the citizen and community.

About Experian

Experian is the leading global information services company, providing data and analytical tools to clients in more than 65 countries. The company helps businesses to manage credit risk, prevent fraud, target marketing offers and automate decision making. Experian also helps individuals to check their credit report and credit score, and protect against identity theft.

Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Total revenue for the year ended 31 March 2009 was \$3.9 billion. Experian employs approximately 15,000 people in 40 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; Costa Mesa, California; and São Paulo, Brazil.

For more information, visit <http://www.experianplc.com>.