

# Fighting Fraud and Corruption Locally

Adult Social Care Fraud Toolkit



# With support from:



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# Executive summary

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*This report examines the issue of adult social care fraud for local authorities and contains a toolkit to help raise awareness of it. It attempts to establish the scale of the problem by addressing a lack of data relating to this type of fraud. The group responsible for this work feel that the amount of money adult social care fraud costs local authorities is far greater than available statistics would suggest.*

Adult social care fraud presents itself in many ways, from financial abuse to misuse of direct payments. There is a well-established legal framework in place allowing councils to investigate fraud. Increasing knowledge of this area of fraud as well as the legislation used to tackle it would encourage more fraud to be reported and addressed.

Best practice guidance is included for local authorities that want to do more to address adult social care fraud. This covers how to build an anti-fraud culture, strengthening systems, recovering losses, and working with external organisations.

There are considerable barriers to addressing fraud in this area, including insufficient evidence gathering powers for investigators, an

absence of funding and requirement for local authority fraud investigation, limited civil recovery options, and lack of awareness amongst employees.

The report recommends several actions – for both local councils and central government. These attempt to address the barriers explored, such as building an anti-fraud culture around adult social care, and the need for new or revised legislation so that investigators can gather evidence in the same way they can for other, often lower value, fraud types.

Beyond recommendations, the associated toolkit makes a number of resources available to councils. These include template presentations and a guide for employees to help raise awareness of adult social care fraud internally.

We hope this report is useful for all local authorities responsible for the provision of adult social care.

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# Introduction

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Fraud in adult social care is an area not widely investigated by local authorities. However, it can often lead to significant financial losses due to the large amounts of money involved in funding care for those who are in need and meet eligibility criteria.

In 2020, the Fighting Fraud and Corruption Locally (FFCL) group – a partnership between local authorities and key stakeholders – released its latest [strategy for local government](#). The strategy proposed a number of working groups to support counter fraud work within councils, including adult social care fraud.

The adult social care fraud working group consists of counter fraud professionals from different organisations across the country. The group has examined how different councils address adult social care fraud.

This report is a collaborative effort by group members, which considers the problems adult social care fraud poses, the ways in which local authorities can be better equipped to address them, and how central government can provide more support. It is informed by the collective experiences of group members as well as published material on the subject.

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## Aims and objectives

The report and toolkit aim to highlight issues surrounding the investigation of adult social care fraud and the loss of public sector funds to fraud in this area. The principal objectives of the report and toolkit are to:

- Explore whether there is a disparity between published statistics and actual levels of fraud.
- Encourage councils to take strong action.
- Document the variety of fraud types that can be committed against local authorities.
- Highlight best practice in the investigation of adult social care fraud.
- Make recommendations to overcome barriers to investigation.
- Make available resources to assist local authorities and other organisations to raise awareness of adult social care fraud amongst employees.

# Cost of adult social care fraud

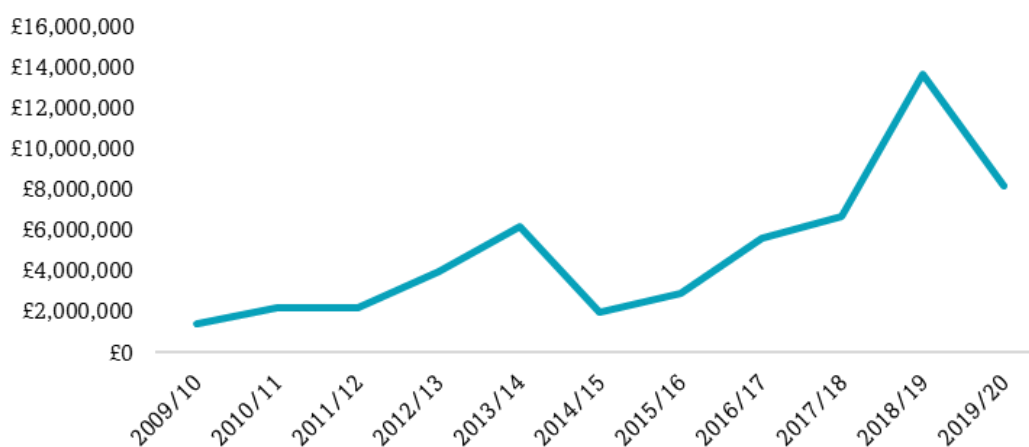
In order to determine how to address any form of fraud it is important to understand the scale and cost of the problem. Due to the number of organisations delivering adult social care, a lack of a national fraud recording standard, and the variance in the level of resource invested in local authority fraud investigation, it is hard to accurately estimate levels of adult social care related fraud occurring against councils.

The Audit Commission introduced a national fraud survey in 2009/10 as part of their annual

[Protecting the Public Purse report](#). When the Audit Commission was disbanded, CIPFA began gathering and publishing council fraud data annually for the [Fraud and Corruption Tracker](#) (FaCT). CIPFA published its last report in 2020, which covered the 2019/20 financial year.

These two surveys represent the best available data tracking the detection of adult social care fraud nationally by local authorities.

## Recorded levels of adult social care fraud\*



\*Combined data from Audit Commission and CIPFA

The highest amount of adult social care fraud estimated to have been detected was £13.7m in 2018/19, however CIPFA qualified this figure saying that it might be inflated by “a small number of very high value frauds identified in two councils”.

Over the course of the 11 years of data

available, the surveys estimated there was an average of £5m per year in adult social care fraud and the average value per individual case was £15k. In the 2019/20 FaCT survey, adult social care fraud was thought to account for only 3.4% of estimated annual fraud loss for local authorities (£8.2m of a total estimated losses of £239.4m).

The average loss detected by members of the FFCL adult social care working group was £29k – considerably higher than the national averages estimated in CIPFA’s annual reports.

By its nature an average fraud figure incorporates a wide range of offences, however in recent years a number of extremely high value frauds in this area have been uncovered, bringing in to doubt the accuracy of previous estimates.

For instance, an investigation by the Shared Anti-Fraud Service (SAFS) for Hertfordshire County Council led to a £600k direct payment fraud being prosecuted in 2022.

The amount spent on adult social care by local authorities has been subject to annual increases for some time.

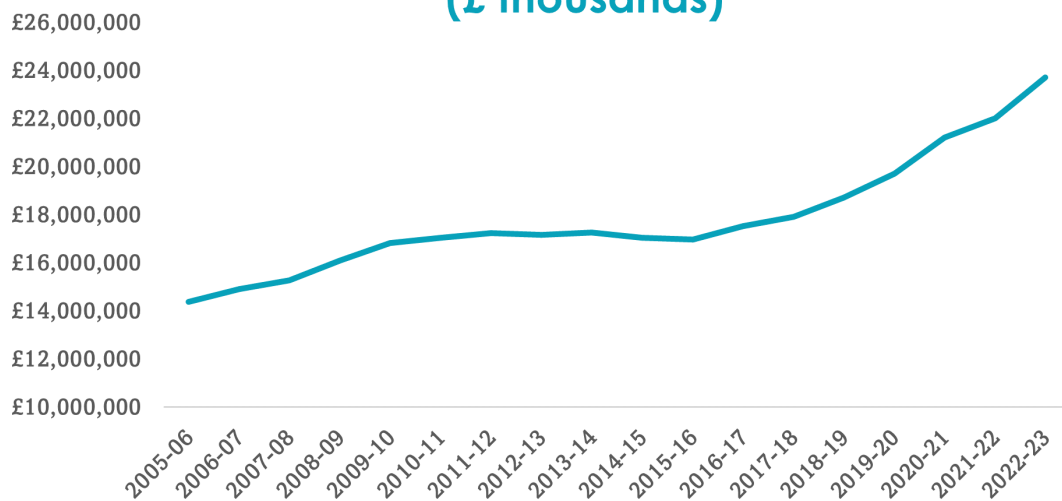
## Case study

### SAFS: Direct payment fraud

*Three people were prosecuted for their part in a £624k direct payment fraud against Hertfordshire County Council.*

*A woman faked a neurological condition to falsely claim direct payments over a number of years, and involved her daughter and son-in-law by claiming they were caring for her and transferring some of the money to them. The defendant also provided forged emails purporting to be from carers she was employing. The direct payment recipient pleaded guilty to fraud and transferring criminal property before fleeing to Germany where she passed away shortly after. Her daughter and son-in-law both received prison sentences after admitting to fraud and acquiring criminal property.*

## Adult social care spend - England (£ thousands)



In 2022/23 the total amount spent on adult social care in England rose to almost £24bn, of which 75% was spent on long term support. According to a [report by the NHS](#) on 2022/23

expenditure there were 835,335 people receiving long term support across 152 English local authorities.

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In trying to determine the scale of fraud within adult social care it may be useful to compare it to state benefits which are means tested with similar criteria (ie levels of income and capital). In 2024 the UK government spent £226.2bn across a range of benefits (eg Universal Credit, Employment Support Allowance, Disabled Living Allowance). A [Department for Work and Pensions report](#) estimated that the rate of fraud was on average 4.84% of total expenditure across means tested state benefits\*. The highest estimated rate of fraud was 10.9%, found in Universal Credit claims.

If the level of fraud found in state means tested benefits is broadly similar in adult social care then there is a large disparity between the amounts found in the Audit Commission and CIPFA surveys and the true extent of fraud occurring. Applying the estimated average rate of fraud to adult social care spend equates to annual losses of £1.1bn of adult social care

funding in England alone. This is 140 times the level of fraud estimated to have been detected in the last CIPFA survey. This disparity suggests that more public money has been lost due to undetected adult social care fraud than previously thought.

\* Average of estimated fraud rates within means tested state benefits in payment during 2024.

# Types of adult social care fraud

Adult social care fraud affects all councils responsible for delivering care services, but it can present in a variety of ways. Often multiple types of fraud will feature in a single case. This is particularly evident in instances where a care package has been in place for a long period of time, and different types of fraud may have been committed at different stages during care provision.

In some instances, fraud may also have been committed against other organisations – for example the Department for Work and Pensions, other local authorities, and housing providers – as shown in the case study provided by Halton Borough Council.

Types of fraud committed against local authorities providing adult social care can be broadly split into the following offences defined within the Fraud Act 2006:

- [fraud by false representation](#)
- [fraud by failing to disclose information](#)
- [fraud by abuse of position](#)

Other offences including forgery, money laundering and those relating to unfair trading may also be committed, so the following list is not exhaustive.

## How does fraud by false representation occur?

- By providing false information during a financial assessment

For example, not declaring or providing false information about savings, income, or assets, such as property. False information may lead to an individual being incorrectly assessed and receiving funding to which they are not entitled.

### Case study

#### Halton Borough Council: Direct payment fraud

*Halton Borough Council worked with the DWP and police to investigate and successfully prosecute a £1 million fraud involving direct payments and benefits.*

*A local resident was simultaneously claiming both benefits and direct payments from two different local authorities, and supplied numerous forged documents in order to claim money she was not entitled to. She falsified care needs, including claiming to be blind, and surveillance was carried out which showed her doing a number of activities which she was claiming to be unable to do. She provided names of a number of friends and family members, claiming they were her carers, however when interviewed they all denied providing any care. Even after she had been arrested and interviewed the woman submitted further false benefit claims, still claiming to have the same disabilities.*

*As a result of the investigation the woman was prosecuted and sentenced to three years and eight months in prison.*

- By submitting a false claim

This can include – but is not limited to – timesheets, mileage claims and invoices, often in relation to direct payments. These can be used to show exaggerated hours for care that have not been provided or for completely fictitious carers. This type of fraud can be committed by an agency contracted by a local authority to provide care, by the recipient of a direct payment, or by a direct payment agent who manages this on the person's behalf.

- By providing false information in relation to care needs

This would often occur at the initial care assessment stage, or a reassessment for new care needs, where the claimed requirements are exaggerated or entirely false. This may then result in funding provision, particularly by direct payment, that is in excess of what should be awarded.

### How does fraud by failing to disclose information occur?

- From a reduction in care needs that is not reported

In most cases the level of care required for an individual increases over time rather than decreases. However, if care requirements reduce and the local authority is not made aware, then payments can be issued for care that is no longer required.

- By failing to disclose a change in financial circumstances

Financial changes relating to income, capital and assets can have a major effect on levels of funding a council provides. This offence includes failing to notify the authority about the sale of a property, changes in occupancy of a property, or receipt of a lump sum payment which could affect ongoing entitlement.

- Failure to notify the council that a care recipient has died

This offence could be committed by third parties, eg carers, care homes or agencies, who continue to receive funding.

### How does fraud by abuse of position occur?

- Financial abuse of a care recipient

## Case study

### Lambeth Council: Direct payment fraud

*A couple from Brixton were investigated by Lambeth Council and received prison sentences in May 2023 after being convicted of numerous counts of fraud committed over almost 20 years, worth approximately £1 million.*

*The fraud came to light following a fraud awareness session provided to social care staff. At the session a social care worker mentioned that they had seen something suspicious on a visit – they had seen a direct payment recipient moving their leg when they claimed a complete lack of mobility.*

*The subsequent investigation proved that the man had failed to tell Lambeth Council that he had recovered from his illness and no longer required support. He also failed to declare that he and his wife had separately purchased five properties whilst he was receiving direct payments. The couple were receiving a rental income from these properties.*

*The man was sentenced to 11 years in prison and his wife was sentenced to four and a half years. A third defendant, who the couple had claimed was providing care, was also convicted and received a suspended sentence.*

For instance, by a third party, resulting in the local authority being required to fund care that would otherwise be unnecessary. This is a common type of fraud found within adult social care. It is often committed by family members, friends, or third party professionals responsible for the care recipient who have been placed in a position of trust.

- **Misuse of direct payments**

Individuals in receipt of direct payments or those managing them on behalf of an individual may deliberately misuse payments for purposes not included in the care plan.

## **Non-criminal acts**

Deprivation of capital occurs when someone's assets are moved, ahead of or during an application for support, with the intention of avoiding care fees, whether that be residential care or care at home. This can result in a local authority awarding funding to someone who is not eligible for support. Deprivation of capital is a civil matter and not illegal in itself, however if a person in need of care (or their representative) is asked about transfers of capital, and they lie about them, then this can constitute fraud by false representation. This is why it is important that forms relating to the receipt of care funding ask the right questions. Routes to investigate and recover losses due to deprivation in capital through civil action are shared in the 'Best Practice' section of this report.

## **Perpetrators and victims**

Whether adult social care fraud involves direct payments or entitlement to care, a common theme has emerged within the working group: the people in need of care are often not the people committing fraud. More commonly, people around them devise and execute frauds for their own gain. In many cases the person in need of care is the victim of fraud themselves, eg financial abuse, which in turn leads to financial loss to local authorities who are a secondary victim of the crime. This means that safeguarding an individual and protecting local authority funds often go hand in hand.

## **Case study**

### **Warrington: Financial abuse**

*Two sons in Warrington, who both held Power of Attorney for their father, financially abused him by paying their own bills from his account, receiving rental payments for a property owned by their father and failing to pay him this money.*

*They also failed to make payments for his care for a significant period of time. The case was investigated by the Office of the Public Guardian as well as the local authority, however the police did not investigate following a referral being made to them.*

*In this case no criminal action was taken, however a safeguarding enquiry was conducted and corporate fraud officers were involved in this process, which led to the sons agreeing to pay back the money they had that belonged to their father, cancel any bill payments from his account that were not for him and ensure all future rental payments for their father's property would be paid to him. They also agreed to pay the debt owed for their father's care fees.*

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# Legal framework for investigation

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Local authorities have the power to bring legal proceedings under section 222 of the [Local Government Act 1972](#), where they consider it expedient to do so to promote or protect the interests of local residents.

The investigation of fraud offences requires qualified fraud investigators who have knowledge of relevant legislation and standards. Investigation involves the legal gathering of evidence under the principles and processes set out in the [Criminal Procedure and Investigations Act 1996](#).

The [Data Protection Act 2018](#) provides exemptions for criminal investigations which allow, but don't compel, data holders to provide relevant information. Many local authorities utilise the [National Anti-Fraud Network](#) (NAFN) as an intelligence gateway. NAFN will make requests for information on behalf of member organisations, for example to credit reference agencies, the Land Registry, the General Register Office, TV Licensing, the Passport Office, and utility companies.

The [Regulation of Investigatory Powers Act 2000](#) (RIPA) governs the use of covert surveillance by public bodies to ensure that the techniques used are compliant with the right to privacy under Article 8 of the European Convention on Human Rights. Due to the intrusive nature of these powers, there is significant burden placed on the investigating authority to justify the request and ensure it is closely supervised and constantly reassessed.

The [Investigatory Powers Act 2016](#) (IPA) enables communications data to be gathered as evidence (replacing powers previously

contained within RIPA). NAFN act as the single point of contact for IPA requests.

Accredited financial investigators (AFI) have powers under the [Proceeds of Crime Act 2002](#) to obtain material under Production Order or Disclosure Order for the purposes of a financial investigation. These are Crown Court orders where a failure to provide the material requested would bring contempt of court proceedings. Where appropriate an AFI can share material obtained during the course of their financial investigation with a criminal investigation.

Once evidence is gathered that supports a criminal offence having occurred, suspects should be interviewed under caution. All interviews should be conducted within the rules and procedures set out in the [Police and Criminal Evidence Act 1984](#).

If sufficient evidence of fraud is established, councils can then consider prosecuting offences under the [Fraud Act 2006](#), and/or other relevant legislation including the [Forgery and Counterfeiting Act 1981](#) and anti-money laundering regulations. Where a criminal prosecution is not possible or desirable, councils can use the [Care Act 2014](#) to take civil action to recover loss due to deprivation of capital.

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# Best practice for prevention, detection and investigation

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This section draws from the experience of the members of the adult social care fraud working group. While not exhaustive, the measures detailed should be considered by any local authority wanting to do more to address fraud in this area.

## Fraud awareness

Building an anti-fraud culture amongst employees should be an ongoing goal for every local authority, and fraud awareness training for employees is key to achieving this.

Training can be conducted in a variety of ways, such as in-person training sessions, virtual presentations, e-learning, and other forms of engagement with staff.

Presentations covering adult social care fraud can be general or targeted at staff undertaking specific roles, such as those conducting financial assessments, managing direct payments or assessing initial and ongoing care requirements.

Employees should receive regular communications about adult social care fraud, such as cases in the news from across the country, reminders of what to look out for, and how to report any concerns of fraud. Adult social care employees on the frontline are the most likely people to spot the signs of fraud during their contact with care users.

The toolkit contained in this report has three presentations and a pocket guide which have been designed to help local authorities raise awareness amongst employees.

## Application forms

Strengthening forms, declarations and care plans is a straightforward and inexpensive way to prevent and deter fraud. Declarations should include statements about what constitutes fraud and what action can be taken if it is committed. It is important to ensure that forms include strong, simple, and unambiguous questions. This helps to strengthen any potential criminal action as well as preventing fraud by deterring people from giving false information. Direct payments are an area where this is particularly important, and the direct payment agreement and care plan should be clear and specific on what funding can be used for.

If wording is too vague in application forms for any adult care services then it can be very difficult to take any criminal action or even recover losses.

On the next page, compare two examples from financial assessment forms designed to determine whether deprivation of capital has occurred. One is a closed and vague question relating to assets. The second question specifies what can be considered as an asset, the different ways in which deprivation can occur, and sets a time period for when the action has taken place.



**Q1)** Have you disposed of any assets recently? If so please give details.

**Q2)** If you (the person with care and support needs) have disposed of, gifted, or transferred any assets in the last xx years, including property, investments, stocks, shares, and savings, then please give details below. This should include what the asset was, when it was transferred, to whom, and for what purpose. Please provide any relevant documentation.

## Civil recovery of assets

Councils should be aware of [section 70 of the Care Act 2014](#) to assist in the recovery of losses in deprivation of capital cases. It states that where deprivation of assets has occurred, ‘The transferee is liable to pay to the local authority an amount equal to the difference between:

- (a) the amount the authority would have charged the adult were it not for the transfer of the asset, and
- (b) the amount it did in fact charge the adult.’

Section 70 is an essential tool to recover money in cases where financial abuse cannot be proven, but there is sufficient evidence that deprivation has occurred, on the balance of probabilities (the standard of proof for civil cases).

## Use of accredited financial investigators

Obtaining financial information is often crucial for the successful investigation of adult social care fraud. Currently the best way to obtain relevant information is through the use of accredited financial investigators (AFIs).

AFIs can obtain bank statements through production orders where there is a suspicion of money laundering. They also have powers to

## Case study

### Veritau: Deprivation of capital

*An investigation was carried out into a son and daughter in North Yorkshire who had received funds and property from their mother.*

*There were suspicions of financial abuse but this could not be proven as the care recipient said that she had given permission for her son to take the money he received. However, it was found that she had deprived herself of assets by selling her property to her son and daughter at well under market value.*

*The council instigated civil court proceedings to recover the resulting debt owed in care fees from the son and daughter under section 70 of the Care Act. Both individuals settled with the council ahead of the court hearing, agreeing to pay a large proportion of the debt owed in addition to legal costs.*

freeze accounts and force repayments through Proceeds of Crime Act proceedings. Counter fraud teams may have their own AFIs or access to them in other teams, such as Trading Standards. For teams with no available resource, it may be possible to utilise the services of AFIs based within other local authorities or public bodies.

## Case study

### West Yorkshire Financial Exploitation and Abuse Team – Financial abuse

*A will writer targeted a number of vulnerable people in a series of frauds totalling almost £1 million.*

*He befriended one woman who he had written a will for along with her husband. He then offered to deal with her husband's estate after he had passed away. He received money directly and did not pay this to the woman.*

*Financial investigators from West Yorkshire Trading Standards made enquiries into his bank accounts and discovered more victims – he had committed similar frauds against at least eight people – and investigations showed he had used the money to fuel a gambling habit. He was prosecuted and sent to prison for five years and three months.*

## Intelligence sharing and safeguarding

It is important in the realm of adult social care fraud – arguably more so than in any other local authority fraud area – to share intelligence with other agencies and promote multi-agency working.

Intelligence sharing can take many forms, including attendance at safeguarding meetings which provide opportunities for counter fraud investigators to work jointly with the police, Department for Work and Pensions (DWP), Office of the Public Guardian (OPG), Court of Protection (COP) and Care Quality Commission (CQC).

Effective multi-agency working helps safeguard vulnerable adults as well as their finances and those of the local authority, whilst ensuring that appropriate action is taken in relation to all parties involved. It reduces duplication of work and can make the investigation process less arduous for those under investigation, as well as those conducting investigations.

Investigators can and should be involved in the safeguarding process whenever appropriate, as this provides a valuable route for information sharing and promotes multi-agency working.

## Financial monitoring

The monitoring of purchase cards and direct payment accounts is an important preventative measure. Local authorities should be carrying out regular checks as part of the administration of direct payments. Adult social care processes have been changing due to a variety of factors resulting in less frequent or detailed monitoring. Internal audit teams should routinely test controls in this area to ensure that systems are robust and identifying potential fraud.

If a person routinely does not provide monitoring information regarding their direct payments, referrals should be made to counter fraud teams as a matter of course, as this can be a sign of fraud.

Similarly, referrals to counter fraud and safeguarding teams should be made where debts accrue unexpectedly due to non-payment of care fees. This can indicate possible financial abuse or deprivation. Addressing these issues quickly helps to reduce potential loss to local authorities.

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## Use of data

Data matching and analysis is an essential tool in detecting fraud. The Public Sector Fraud Authority's [National Fraud Initiative](#) (NFI) historically matched data which identified deceased care home residents who were still in receipt of direct payments. It also identified care users who were receiving a personal budget from more than one authority at once. HMRC data was also used to identify possible undeclared capital or property ownership in relation to care funding. This data matching stopped when it became apparent that social care data could not be used for this purpose due to legislative restrictions.

The Public Sector Fraud Authority (PSFA) is currently working towards changes in legislation to enable this work to resume. Once these changes have taken place councils should consider what datamatching and analysis can take place beyond the NFI to help detect fraud already within the system. New technology should also be explored to run checks on new applications for adult social care to prevent fraud from entering the system in the first place.

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# Barriers to addressing the problem

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## Lack of awareness

Adult social care workers across public, private, and charitable sectors have extremely difficult and demanding jobs. They do fantastic and vital work, often under a lot of pressure with limited resources. Whilst there is training in safeguarding and how to spot different forms of abuse, there is relatively little in respect of financial abuse and fraud specifically. A lack of awareness of fraud and how to spot it can result in fraud not being detected or reported.

Members of the public can equally be unaware of adult social care fraud and the system in general. This can lead to unrealistic expectations of the care system, including means testing, the cost of care, and limitations on funding available. This contributes to fraud within the system because people may believe they are entitled to funded care and enter into the application process with that mindset.

Increased awareness is especially important for individuals managing another person's finances (often family members). If a person holds lasting power of attorney (LPA) for another person, they are responsible for making and keeping records of important decisions such as how a person's money is spent. Despite government guidance being available many attorneys remain unaware of their responsibilities. This can lead to fraud and loss within the adult social care system.

## Powers to investigate fraud and recover losses

Unlike other areas of fraud faced by local authority investigators, there is no legislation granting powers of investigation specifically for adult social care fraud.

If a council tax reduction scheme fraud or housing fraud occurs, then investigators have wide-ranging powers to gather evidence, such as financial records which can be obtained directly from banks.

Access to financial information is crucial to the successful investigation of fraud. Fraud investigations are often reliant on access to accredited financial investigators (AFIs) where there is an unwillingness by the claimant or their representatives to provide records of transactions. Limited numbers of AFIs nationally have resulted in their services being less available and/or affordable for some councils. Even with access to an AFI there are limitations on their powers which means only certain frauds can be investigated.

Section 70 of the Care Act is an important civil debt recovery route when debt has arisen through deprivation of capital, but it also has limitations. Debt can be transferred to the recipient of money that someone has gifted them in order to deprive themselves. However, there is no way to similarly transfer a customer's debt to their financial representative, including attorneys with LPAs, if they have failed in their capacity to pay care costs and spent the service users' money inappropriately.

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## Funding gaps

Reduced funding for local authorities and a focus on cost-cutting has resulted in less oversight of adult social care provision. This can mean fewer checks at application stage, less frequent financial assessment reviews, and reduced monitoring of direct payments. There is no specific or ringfenced funding for local government fraud investigation, nor any requirement for councils to invest in counter fraud services. Many councils in the UK have limited or no access to qualified counter fraud professionals. This greatly reduces the likelihood of adult social care fraud being detected, investigated and prosecuted, and money lost through fraud being recovered.

## Service provision

Councils are increasingly investing in digital application processes for adult social care services. Whilst this is a more modern and cost-effective way to deliver services, it can result in systems that are more open to fraud.

Adult social care delivery has evolved differently within individual local authorities and can often be administered by several different departments or teams (eg social care, financial assessment, direct payments, credit control and legal services). This can cause the overall service to become disjointed as each department deals with their own remit and issues. A lack of cohesion and consistent oversight can lead to fraud entering and remaining in the system.

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# Conclusions

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Adult social care fraud can manifest in a variety of ways, and fraud is often committed by a third party rather than the person in need of care. Case studies have shown that some local authorities are addressing the problem and have been successful, however there is insufficient data to establish the true scale of the problem. Comparisons with other means tested benefits suggest that substantial amounts of fraud within adult social care are not being detected.

Changes in the way that adult social care is being delivered may have resulted in systems that are more open to fraud occurring, this includes online application processes as well as the frequency of financial monitoring.

Fraud awareness training delivered to a range of employees, from frontline social care workers to financial assessment officers, within the social care sector can help develop an anti-fraud culture across local authorities leading to better detection and recovery. Raising awareness of adult social care fraud amongst the public, especially those who hold LPA, will help prevent fraud.

Inconsistency in the level of counter fraud resource within councils, as well as a lack of awareness, may help explain the relatively low levels of adult social care fraud captured in national surveys to date. This inconsistency can stem from or be exacerbated by there being no requirement on councils to invest in counter fraud services as well as a lack of government funding for it.

Counter fraud professionals have insufficient powers to investigate adult social care fraud and are reliant on access to accredited financial investigators who can assist in some but not all types of fraud. Additional evidence gathering powers would increase successful outcomes for investigations and recovery of funds lost to

fraud by allowing investigators to obtain financial information for adult social care fraud cases.

The Care Act contains a useful civil route for local authorities to recover adult social care debt. These powers should be used more routinely by councils, however there are limitations to them. Expansion of these powers would enable more funds to be recovered.

A multi-agency approach assists in the investigation of fraud in this area and should be encouraged. Local authorities should include all relevant agencies in safeguarding enquiries as a matter of course, to ensure the best possibility of safeguarding both the individual and public funds.

Whilst there has been some success from data matching exercises, it is a tool that could be used more effectively with the right resources. A solution to the legislative issue around this data would make it easier for local authorities to carry out their own data matching, as well as enabling social care data to be used in future National Fraud Initiative exercises.

# Recommendations

## For central government:

### Legislative change

*New powers for investigators would allow local authorities to take strong action to address adult social care fraud and prevent loss to the public purse. Allowing council investigators to gather financial information where fraud against the social care system is suspected would increase successful outcomes of investigations.*

*Strengthening recovery powers would give local authorities the ability to recover more money lost to fraud in this area.*

*New or revised legislation creating a specific social care fraud offence or a general fraud offence covering a range of fraud areas, similar to the Council Tax Reduction Scheme (CTRS) Regulations 2013 or the Prevention of Social Housing Fraud Act (PoSHFA) 2013, would be hugely beneficial. This is a key recommendation, as the lack of powers is a major obstacle in the investigation of adult social care, and the average value of a social care fraud case is much higher than that of council tax frauds.*

*The Care Act allows for social care debt to be transferred to others, but only in specific circumstances. Expansion of these powers would mean more public money being recovered and used to support people genuinely in need of funding.*

### Funding

*Sustained financial support for local authorities to invest in counter fraud services would help protect the public purse. Ringfenced funding for adult social care fraud investigation, or counter fraud work in general, would encourage councils to address fraud in this area and demonstrate how beneficial it can be.*

## For local government:

### Counter fraud service

*Local authorities should assess the strength of their counter fraud provision to ensure that it is sufficient to meet the threat of adult social care fraud. Counter fraud teams should have access to accredited financial investigators. Counter fraud professionals should be part of multi-agency safeguarding processes where concerns relate to suspicions of fraud or financial abuse.*

### Internal processes

*Councils should undertake comprehensive reviews of their adult social care services to ensure that fraud is being deterred and detected. This is an area that should be routinely examined by internal audit teams. Improvements in processes relating to applications, financial assessments, direct payment monitoring, communication between departments, and reviews could assist in reducing the risk of fraud.*

*Digital processes should be created with the input of and guidance from counter fraud professionals to ensure that criminal action can continue to be taken, for example audit trails are necessary to show who completed applications and when.*

### Awareness

*Increasing awareness of adult social care fraud should be a goal for all local authorities who administer it. A comprehensive fraud awareness programme for employees working in the area will increase the chances of fraud being prevented, detected, and appropriately dealt with. Increasing public understanding of the system would also be beneficial, especially for attorneys who could be signposted to guidance on their role as they apply for care on behalf of another. Training material designed to help in awareness raising is included in the toolkit.*

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# Toolkit

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The toolkit contains resources designed to be used by local authorities to increase awareness of fraud in adult social care. They are generic in appearance so that organisations can add their own logos and contact details.

The three presentations are tailored for different target audiences, although some of the content is repeated across all three. One presentation is designed for council employees working within adult social care, one for council employees working in finance focussed roles such as financial assessors and direct payment teams, and one for employees of external care providers. The presentations include points for discussion in the notes section to aid presenters.

The guide on detecting and reporting fraud can be shared with anyone working in adult social care, internally and externally.

The resources are available to view on the [FFCL website](#) with editable versions available for download on the [FFCL Knowledge Hub Group](#).

**PowerPoint Presentation: For finance and direct payment staff**

**PowerPoint Presentation: For providers**

**PowerPoint Presentation: For social care staff**

**Short guide for detecting and reporting adult social care fraud**

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# With thanks

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## **The Fighting Fraud and Corruption Locally Adult Social Care Fraud working group is:**

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Andrew Dalecki – Lancashire County Council

Joanne Race – Barnsley Metropolitan Borough  
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**Fighting  
Fraud &  
Corruption**

**LOCALLY**