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Home

News

Sport

Weather

iPlayer

NEWS

[Home](#) | [UK](#) | [World](#) | [Business](#) | [Culture](#) | [Politics](#) | [Health](#) | [Tech](#) | [InDepth](#) | [BBC Verify](#) | [Climate](#)

[Scotland](#) | [Scotland Politics](#) | [Scotland Business](#) | [Edinburgh, Fife & East](#) | [Glasgow & West](#) | [Highlands & Islands](#)

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Watchdog finds £22m of fraud and errors in Scotland's public services



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Frauds and errors worth an estimated £22m in Scotland's public services have been identified by the country's spending watchdog since 2024.

These included overpaid pensions, council tax discounts that should not have been claimed and £1.1m in duplicate payments for goods and services.

The investigation, by Audit Scotland's National Fraud Initiative (NFI), also identified a small number of public sector employees who had taken on second jobs when they were already working full-time or on sick leave.

They could be prosecuted, sacked or face disciplinary action depending on the circumstances.

Audit Scotland said about £6m of the total was money which could be recovered, while about £9m was in savings and income resulting from the investigation.

The remaining money, about £7m, is the estimated - or 'notional' - value of the fraud and error which does not directly impact public bodies' finances.

For example, the potential cost of bus pass fraud is calculated by multiplying each bogus bus pass by £420, a sum based on the average fraudulent use over two years.

In cases of fraudulent blue badge use, a figure is generated to reflect the potential loss of revenue from parking and congestion charges, had the badges not been issued.

The investigation has resulted in thousands of blue badges being cancelled, millions in council tax discounts being removed and 400 people being taken off housing waiting lists.

The NFI carries out its investigation every two years, with the latest results from 2024/25.

It cross-checked information from public bodies – such as payroll records, electoral registers and housing benefits claims – in an attempt to prevent things like benefits fraud, tenancy fraud and fraudulent payments of wages and pensions.

Here are some findings and results from the latest probe:

- **2,367** cases where people were claiming single-person discounts on council tax when they were not eligible. Councils withdrew **£1.6m** of these discounts as a result.
- **555** cases of people claiming council tax reduction - a benefit for low-income households - who were not eligible. Councils withdrew **£1.2m** in these discounts as a result.
- **17** council houses were recovered in cases of fraudulent tenancy. The NFI looks for instances of abandonment, inappropriate succession or fraudulent subletting.
- **260** duplicate payments worth **£1.1m** to suppliers of goods and services
- **5,000** blue badges have been cancelled, estimated to be worth **£3.5m**
- **Two** cases of workers having more than one full-time job with another **three** potential cases still under investigation
- **Three** cases of people working in another role while off sick from their main job. Another **five** potential cases are still under investigation.

John Cornett, executive director of Audit Services, said the NFI "remains vitally important" at a time of ongoing financial pressures across the public sector.

He said public bodies were getting better at delivering the initiative but they needed to ensure they had staff available to follow up on findings.