



FOLKETINGET  
STATSREVISORERNE



FOLKETINGET  
RIGSREVISIONEN

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**Extract from Rigsrevisionen's report  
submitted to the Public Accounts Committee**

# **One-off payment to citizens affected by surging energy prices**

# 1. Introduction and conclusion

## 1.1. Purpose and conclusion

1. The report concerns the government's one-off payment to households that were particularly affected by energy price increases in the heating season 2021-2022.

2. In April 2022, the Danish parliament (the Folketing) passed a bill on a *one-off payment to low-income households affected by surging energy prices in the heating season 2021-2022* (in the following the act is referred to as the One-off Payment Act). The act prescribes that the intended recipients of the one-off payment are households with a total annual income of maximum DKK 650,000 and a source of heating that is affected by soaring energy price increases. The act also prescribes that the one-off payment should be transferred to the recipients automatically with no preceding application process and based exclusively on register data and pre-defined cut-off dates.

3. In August 2022, DKK 2.4 billion was paid to just under 405,000 households, which each received a one-off payment of DKK 6,000. It is stated in the One-off Payment Act that because it is not possible to identify all eligible households based on the available sources of data, some households will receive the one-off payment, even though they *are not* in the target group, while other households *that are* in the target group will not. For this reason, the act also states that households that do not receive the one-off payment in the first round will have an opportunity to apply for one later.

After the payment was made, it attracted some attention in the media that several households, that were not among the intended recipients, had received the one-off payment, and it was therefore decided to set up and implement a voluntary repayment system late in March 2023. As of 10 May 2023, two households had returned the payment to the Danish Energy Agency.

4. Rigsrevisionen initiated the study in September 2022 at the request of the Danish Public Accounts Committee.

5. The purpose of the study is to assess whether the Danish Ministry of Climate, Energy and Utilities has implemented the one-off payment in a satisfactory manner.

### Cut-off dates

Cut-off dates determine when data can be extracted and delimit the population of households entitled to receive the one-off payment.

### Application period for households that did not receive the one-off payment in the first round

On 14 March 2023, the Danish Energy Agency opened for applications for the one-off payment. The deadline for applications expired on 10 May 2023.

Households entitled to receive the one-off payment that had not been identified automatically as eligible during the first round could apply for the one-off payment during this period. Also, households that had not received payment in the first round due to, for instance, the death of the intended recipient of the payment or the absence of an appropriate bank account were invited to apply.



## Main conclusion

### Automatic payment solution

Based on several pre-defined criteria and parallel processing of register data and other existing and accessible data sources, the automatic payment solution identifies the recipients of the one-off payment.

**The Ministry of Climate, Energy and Utilities has documented the ministry's considerations on method, data sources, risk and sources of error concerning the one-off payment, and this is considered satisfactory by Rigsrevisionen. Before the enactment of the one-off payment, the government informed the Folketing that the automatic payment solution was affected by several sources of error concerning identification of the eligible recipients. The ministry carried out several relevant controls in connection with the implementation but failed to check the calculation of household income adequately, which is not considered satisfactory by Rigsrevisionen. As a consequence, several households received the one-off payment without being eligible.**

**The Ministry of Climate, Energy and Utilities documented the risks associated with the solution chosen and considered other data sources before the bill on the one-off payment was enacted.**

The study shows that the Ministry of Climate, Energy and Utilities documented the benefits and disadvantages of potential solutions and data sources for identifying eligible households. The ministry also documented the risks associated with the potential solutions and the chosen data sources.

**The Ministry of Climate, Energy and Utilities carried out several relevant checks of the automatic payment solution after the enactment of the heating cheque. However, the ministry did not adequately ensure that household incomes were calculated in compliance with the definitions of the One-off Payment Act.**

The study found that the Agency for Data Supply and Infrastructure, which developed the automatic payment solution for the Danish Energy Agency, had set up several relevant controls when the solution was developed, when the eligible households were identified and when the money was transferred by the ATP (Danish labour market pension fund) to the households. Moreover, the Danish Energy Agency ensured that the Agency for Data Supply and Infrastructure carried out the controls.

The Ministry of Climate, Energy and Utilities did not ensure that the calculation of the household incomes was sufficiently checked. According to the ministry's assessment, one-off payments worth approx. DKK 83 million was paid to approx. 13,800 households that had a total income above the statutory limit. The ministry informed Rigsrevisionen of this error on its own accord.

**Payments to ineligible households**

The Danish Energy Agency estimated the number of payments that would be made to households that were not among the intended recipients. Rigsrevisionen finds the estimate adequate. According to the agency's estimate, payments worth approx. DKK 64 million were, due to errors and insufficient data, paid to 10,700 households out of approx. 411,000 eligible households. This amount should be added to the approx. DKK 83 million paid to the ineligible households.

On 14 March 2023, the Danish Energy Agency opened an application round, and households that had not received the one-off payment but considered themselves entitled were invited to apply. When the application period expired on 10 May 2023, the Danish Energy Agency had received approx. 34,500 applications. The Energy Agency also set up a system that allowed households to return the one-off payment. On 10th May 2023, two one-off payments had been returned to the Danish Energy Agency.