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Corruption – A social disease

Part 65

The unethical practise of double dipping

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Double dipping, also known as double recovery, is a global phenomenon that can be found in a number of industries, especially those which charge tariffs and are not strictly regulated.
Double dipping is "the practice of receiving compensation benefits, etc. from two or more sources in a way regarded as unethical" (Your Dictionary). An example is "a person who seeks and obtains permanent disability insurance benefits as a result of a workplace injury and then seeks also to receive full retirement benefits even while and overlapping with disability benefits" (Duhaime's Law Dictionary).
Another example of double dipping is where "a child support recipient receives child support from the natural father of a child and then seeks to recover further child support from a subsequent step-father to the child, without revealing the flow of child support from the natural father" (Duhaime's Law Dictionary).

THE VEHICLE INDUSTRY

Incidents of double dipping also seem to occur in the motor vehicle insurance and motor vehicle hiring industry. For example, if you have insurance for your car at two different insurance companies and your vehicle gets stolen or damaged, you claim the full insured amount form both insurance companies.
An example in the motor vehicle hiring industry is if a motor vehicle hiring company insures a vehicle and the customer pays for such insurance. Double dipping happens when the customer damages such vehicle and the motor vehicle hiring company claims from both the customer as well as from the insurance company.
It can happen that when customers lease motor vehicles they are - without reading the fine print - under the impression that they are covered under all circumstances in terms of insurance provided by a motor vehicle hiring company. This is almost never the case.

REGULATORS

In a strictly regulated industry especially where tariffs are charged (in Namibia electricity, regulated by the Electricity Control Board, is an example of such a regulated industry), the relevant regulator should vigilantly scrutinise tariffs for double dipping and, if detected, may not allow such additional or double charge to be passed on to customers. This means the customer should pay a cost-reflective charge/tariff - i.e. the real cost of the service provided and not a cost inflated by double charges.
In unregulated or less strictly regulated industries, the customer is usually at the mercy of the service provider. One would assume that increased competition could be an incentive to such service providers to cut such double charges from their costing structure or, alternatively, as industries become more regulated that such cost would be eliminated through tariff regulation (Scholz).

• References
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