



Citizens Advice response to the Work and Pensions Select Committee inquiry into Universal Credit Roll out

Summary

Universal Credit isn't working for too many people.

We support the principles underpinning Universal Credit - to simplify the benefit system and make work pay - and believe it has the potential to bring about much needed positive changes to our benefit system. However, our evidence suggests significant changes are required if it is to achieve its aims.

The 6 week wait risks pushing people into debt

Universal Credit is designed in a way that means people have to wait 6 weeks before they receive an income. Our evidence shows that Universal Credit is leaving thousands of people unable to pay essential bills and pushing them into debt and hardship:

- Over half of the people we've helped who receive Universal Credit were forced to borrow money while waiting for their first payment.
- People we've helped with debt issues who receive Universal Credit are 14% more likely to have problems with priority debts like rent and council tax, if they're on Universal Credit compared to legacy benefits.
- 2 in 5 people on Universal Credit receiving help from Citizens Advice to manage their debts have had no money to pay creditors.

Evidence from the The Department for Work and Pensions' evaluation of rollout for families also shows that people on Universal Credit are falling into debt - over 2 in 5 claimants said their rent arrears were due to problems with Universal Credit like the time taken for the claims process or communication and system errors.

The impact of this on people is huge. We've helped people who have rent arrears of over £1000 and have no idea how they are going to be able to afford to pay it back. Others who have never been in debt before claiming Universal Credit. People having to choose between rent, heat, electricity or food during the 6 week wait. We have seen clients who have lost childcare places and then had to stop working due to delays receiving their payments.

Advance Payments help but are only partially propping up a flawed system

We welcome the Government's decision to make Advance Payments more accessible to claimants. However this does not go far enough to fix the problems that people are experiencing. 52% of people receive advance payments and the Government want this to increase. This need for the majority to receive Advance Payments illustrates that people cannot cope with such long delays for their benefits and therefore that the 6 week wait is flawed.

Advance Payments aren't likely to be able to protect people from going into debt. They provide people with only 50% of a payment, which covers 2 weeks, and most people wait 6 or more weeks.

It's important to acknowledge that Advance Payments are a loan, which can exacerbate people's debt problems. The loan is deducted from your future Universal Credit payments. The Government capped the amount that can be taken from people's payment at 40% for creditors, however this cap does not cover the advances. Therefore people can end up receiving substantially less than they were awarded to cover their ongoing costs.

1 in 5 wait longer than 6 weeks and support isn't available to fix this

The Department for Work and Pensions data shows around 80% of people are paid in full by the end of the 6 week period. The government cites that the reason for people waiting over 6 weeks is problems with verification of evidence or people not signing the claimant commitment.

Universal Credit is a people project, rather than an IT project. To be successful people must be supported to change behavior. Universal Support was designed to help people who are struggling to adapt to the new system. However it does not cover helping people who are having issues making a claim, for example because of problems with evidence verification or their claimant commitment. Publishing the minimum standard of support available and expanding the scope of Universal Support would help to reduce the number of people waiting longer than 6 weeks.

Pausing the roll-out would allow the government to focus resources on fixing the problems

We're disappointed the Government decided not to pause the roll-out of Universal Credit to fix its problems. Our evidence suggests the decision to accelerate its implementation - without having adequate fixes in place - has put tens of thousands more people at risk of debt and unable to make ends meet.

A pause would allow the Government to focus its resources on fixing the problems rather than resourcing the expansion and acceleration of roll-out. Now that rollout is accelerating we believe the government must take urgent action to ensure:

- no one is left waiting longer than 6 weeks without an income;

- those who need it get a payment within 2 weeks, which they do not need to pay back; and
- people have access to a minimum standard of support - which is shared publicly - to help them adapt to Universal Credit.

Background

Citizens Advice is a charity that provides free, confidential and independent advice to help people overcome their problems. Last year we helped over 2.7 million people face to face, by phone, email or webchat and our online advice pages were viewed 36 million times.

Citizens Advice is an evidence-based organisation that aims to provide people with the advice they need, while also working to fix the underlying causes of their problems.

Citizens Advice has unparalleled evidence on the roll-out of Universal Credit:

- Citizens Advice has helped people with over 100,000 Universal Credit issues since it was introduced.
- In the last 12 months our advisers supported more than 40,000 people with more than 70,000 Universal Credit issues.
- We've had over 800,000 visits to our UC webpages in the last 6 months. Nearly half of all these enquiries relate to the initial claim.
- We are currently seeing the equivalent of 1 in 10 new Universal Credit claimants every month.
- In September 2017, 60% of the people we helped with UC lived in full service areas despite only 40% of all UC claimants being from local authorities with full service.

In April, Citizens Advice submitted [evidence](#) on UC to the Work & Pensions Select Committee. Since then, we have continued to monitor UC closely and have published two detailed reports. We published [Delivering on Universal Credit](#) in July looking at delivery issues, payment delays and support for claimants. In September, we published [Universal Credit and Debt](#), highlighting aspects of UC which are causing or exacerbating personal debt problems. In this submission, we bring together some of this evidence, and provide the latest insight from our network of local offices.

1. Making an initial claim

This section addresses the following questions

- What have been the effects of the introduction of full Universal Credit service in areas where it has replaced the live service?
- How long are people waiting for their Universal Credit claim to be processed, why, and what impact is this having on them?
- What impact is Universal Credit having on rent arrears, what effect is this having on landlords and claimants, and how could the situation be improved?
- Is the advance payment system appropriate and is there adequate awareness of its availability?

Summary

The government has acknowledged the problems people face when waiting for their first payment of Universal Credit. In this chapter, we welcome the government's decision to refresh guidance on **Advance Payments** and discuss how the Advance Payment system can be improved. Advance Payments are loans up to the value of half of a claimant's first payment. Awareness needs to be raised about Advance Payments and the rules that apply to them. Our evidence suggests that, even with improvements, they cannot be sufficient to address the problems faced by people claiming Universal Credit.

We then explore the reasons that **1 in 5 people are waiting six weeks or more** for their first Universal Credit payment. This includes administrative delays, difficulty making online claims, confusion about which benefits to claim and evidence requirements for complex claims. We look at the impact of the six week wait and longer delays. The current approach risks causing people hardship and pushing people into **debt and arrears**.

Recommendations

The government should take the following steps to ensure Advance Payments work for everyone who needs one:

- Make Advance Payments non-repayable or consider alternative ways of getting a non repayable payment to claimants earlier.
- Increase awareness through all possible channels
- Proactively target those most likely to need Advance Payments
- Make it easier to claim Advance payments
- Help those requiring Advance Payments to stabilise their finances for the longer-term

To reduce the amount of time people are waiting for their award government should also:

- Remove the seven waiting days at the start of a claim, to reduce the waiting period by a week
- Reduce additional delays for first payment by reviewing evidence requirements for housing and childcare costs and improving communications to claimants and providers or landlords relating to this
- Develop a centralised system to help claimants evidence their childcare costs. This could form part of the Government's new online childcare service.

Advance Payments

Many people are struggling with the six week or more wait between applying for Universal Credit and receiving their first payment. The main financial support available to help people through the initial wait is an Advance Payment. All of this submission is based on the current guidance for Advance Payments not new guidance which is due to be released. Advance Payments (APs) are worth up to 50% of a claimant's estimated UC monthly payment¹. These payments are loans which claimants must pay back from their ongoing Universal Credit payments within the first 6 to 12 months of their claim.² Currently claimants are asked over what time period they would like to pay back the loan, rather than being offered the full 6 or 12 months. In very exceptional circumstances a claimant may be able to get a 3 month break on repayments.

Advance Payments are only available once and only during the first assessment phase, unless the claimant has a change of circumstance. This section does not apply to Advance Payments for changes of circumstance as these follow different rules.

We welcome the Secretary of State's announcement that guidance will be reviewed to ensure more people can access Advance Payments. However, they are **not sufficient in their current form** to fully address the problems.

First, the **level of financial support** offered by Advance Payments is often not enough to prevent claimants being forced to borrow or fall into arrears. The maximum Advance Payment someone can receive is half of what DWP calculates they need for living and housing costs for a month. They must then stretch this over six weeks - and one in five will wait even longer for a full payment. Few claimants will have any savings to rely on and many will be making a claim for UC at a time when they are already experiencing hardship, such as having lost a job. In these circumstances, Advance Payments cannot cover all costs of rent, food and basic bills for such a long period.

¹ Although this level is capped at 6 x 40% of the standard allowance

² Advance Payments are different for those who have recently been on legacy benefits. This group have 12 months to repay their Benefit Transfer Advance, whereas those new to welfare benefits have 6 months to repay their new claims Advance Payment.

Client case study:

Eman was employed by an office services company but was made redundant. On 15th February 2017, after only a month's employment. Shortly after this, she applied for UC. At an appointment at her Jobcentre, she was told that her first UC payment would be on 8th April so she applied for an Advance Payment. When the time came, she did not receive her payment. When she contacted her Jobcentre Eman was told that she had allegedly earned £330.60 during March, so she would now not get any UC until May. This was Eman's final payment from her former employer, but because she received it later than she expected and after the start of the UC Assessment Period from 2 March - 5 April, this payment was understood to be earnings for March, rather than February. Therefore, Eman was not eligible for any UC payment until May. As Eman had already had one Advance Payment, she was not eligible for another. Her last wages had been used to cover outstanding costs from February and her Advance Payment was not enough to pay her ongoing bills and allow money for food.

Second, **Advance Payments are loans**, meaning people are getting into debt at the very beginning of their UC claim - if they aren't already. Currently their monthly payments will be reduced as the loan has to be paid off within 6 or 12 months, depending on what the claimant decides and their circumstances. These repayments will begin even for claimants who do not receive a first full payment. Many are not aware of the ability to pause repayments for 3 months and others struggle to get this extension. Given each claimant's payment level is set at the amount DWP calculates they need to meet basic living costs, reduced payments over a long period risks people falling into a cycle of borrowing. This is even more of a risk where 1 in 5 claimants are not getting full payments immediately.

On top of these Advance Payments repayments, a claimant may also be repaying up to 40% of the standard allowance in other debt deductions, including up to 20% for rent arrears. Debt can then undermine financial work incentives, as people find that any increase in earnings is eaten up with repayments. This risks contradicting the basic aims of UC.

Third, **there are challenges with the way Advance Payments are currently administered**. Claimants cannot access an Advance Payment before their claim has been 'verified', meaning they have provided documentation such as a passport or driver's licence. As our report *Delivering on Universal Credit* set out, 57% of our survey respondents in full service areas had struggled with the Verify process - some with the online service, and others because they did not hold the documents needed.³ These issues can then delay people receiving the financial support they need.

³ Citizens Advice, [Delivering on Universal Credit](#), pp.26-7

Further challenges exist as claimants are not told the maximum loan available to them or the maximum length of time they have to repay it.⁴ Only if a request is higher than the 50% cap are they told what this figure is. This could lead to claimants missing out on support they need and are entitled to, simply because they are unaware of what they can access. We understand that new guidance will be looking at this issue.

Finally, **awareness of the existence of APs is still not widespread**. Of Citizens Advice UC clients we surveyed in full service areas, one in three (33%) respondents had not been told about APs. Of this group, 71% suggested they would have taken one had they known about them.⁵ DWP has announced that revised guidance on APs will be published to raise awareness, which is welcome, but has not yet specified the changes which will be made.

The latest statistics from July 2017 suggest that 52% of new claims to UC full service now receive an Advance Payment. This has improved since April 2017 when 38% received Advance Payments. However, in January 2017, this figure was 50%.⁶ Current guidance states that APs are only for claimants in 'financial need'. This is defined as: "a serious risk of damage to the health or safety of [the claimant] or any member of their family."⁷ This definition could mean that many who need this assistance are not offered it.

Recommendations for Advance Payments:

It is welcome that DWP are looking again at the system of advance payments. There are a number of steps that could be taken that would help ensure Advance Payments get to those who currently need them:

- **Making Advance Payments non-repayable or consider alternative ways of getting a non repayable payment to claimants earlier:** at the minimum, this should apply to anyone who is likely to struggle with repayments - those transferring from legacy benefits and those already in financial hardship, such as debt and arrears, or those who only have a weeks wages to stretch over the 6 week wait.
- **Increase awareness:** Make sure everyone moving onto Universal Credit is told (via their claim form, a Work Coach, in their journal, and as automated information if they make a call to the UC helpline) that they are able to access an Advance Payment
- **Proactively target those most likely to need APs:** These individuals can be identified in a number of ways, including using questions in a claim form to identify financial distress, including existing debts and previous income. APs should also be offered to anyone who is moving to UC from the legacy benefit system and to all those eligible for Alternative Payment Arrangements or Personal Budgeting Support.

⁴ [DWP, Universal Credit Advance Payment Guidance](#)

⁵ Survey of Citizens Advice UC clients in full service areas Aug 2016 to Sep 2017 N=786

⁶ [DWP, Universal Credit Statistical Ad Hoc: Payment Advances, October 2017.](#)

⁷ [Guidance on Benefit Advances, 2015.](#)

- **Make it easier to claim APs:** Allow work coaches to award APs and claimants to request them via their journal, in addition to the option of calling the helpline. Evidence required to demonstrate financial need should be minimal. People should be told upfront how much they are able to get and how long they have to repay it.
- **Help those requiring APs to stabilise their finances for the longer-term:** Anyone who asks for an advance payment should be referred to funded Personal Budgeting Support - and those with existing debts should be referred to funded debt advice.

Whilst it won't resolve the flaw of a 6 week wait at a bare minimum Government should:

- **Making repayments more manageable:** APs should be included in the cap on deductions from a UC award. The repayment period should be extended to allow for affordable repayments and Advance Payments should not start to be collected until a claimant's *full* UC payment is in place.
- **Increasing the maximum level of payment:** The current cap of 50% of estimated payment could be raised, meaning APs become a more realistic option for covering living costs and avoiding borrowing.
- **Ensure people can access advances if they haven't been paid on time:** APs are only available to people during their first month's assessment period. However, one in five new UC claimants do not receive a full UC payment even *after* their first assessment period has passed.⁸ Some form of benefit advance should therefore be available to all UC claimants who need one in this situation.

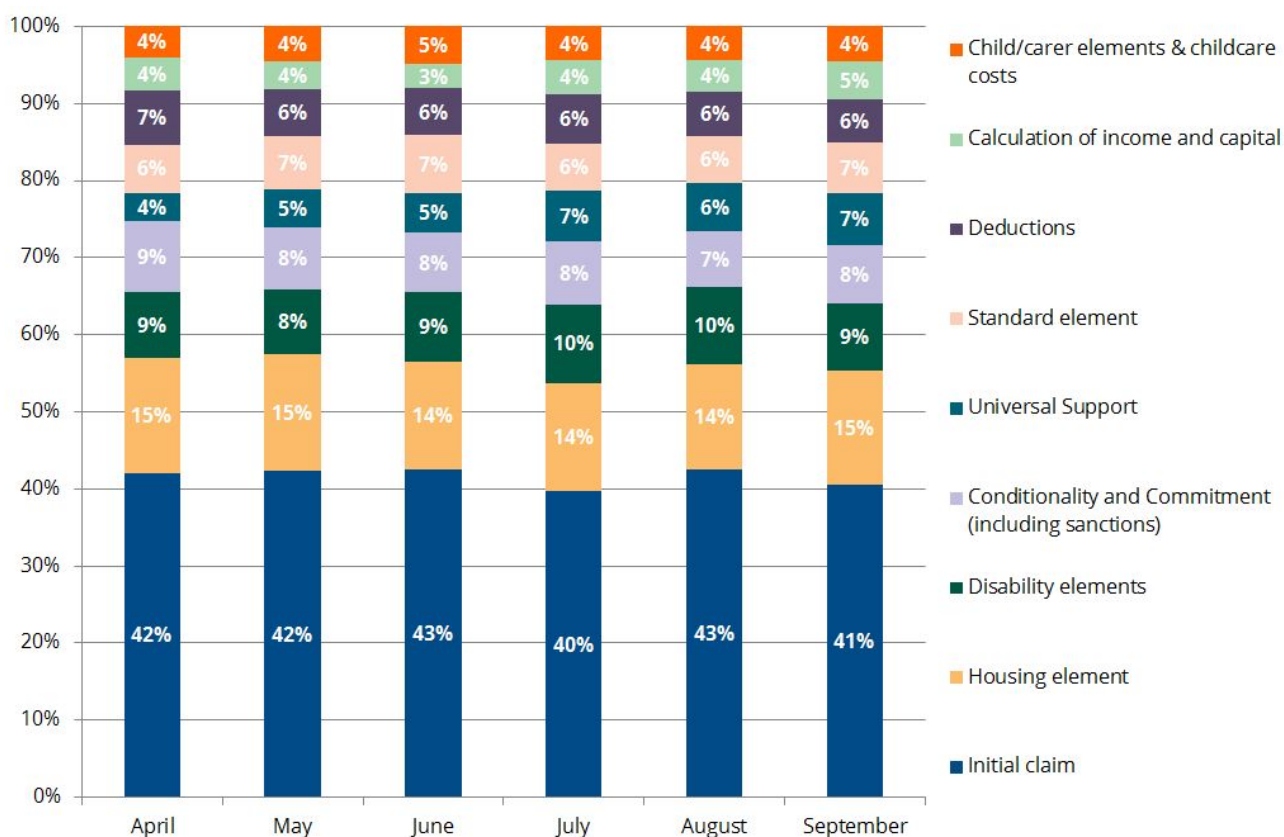
Wait for initial payment

In our response to the previous inquiry on Universal Credit, we highlighted a range of problems with the initial claim for UC which were causing confusion and hardship for claimants.⁹ At Citizens Advice when a person comes to us for help we record the type of enquiry they have. In April 2017, we introduced more detailed data recording for our Universal Credit advice. This has allowed us to monitor which aspects of UC our clients need most help with. Help with the initial claim currently accounts for just over 40% of all the advice we give about UC:

⁸ 80% figure refers to the last confirmed percentage from week commencing 31/07/17. Source: [Universal Credit Statistical Ad Hoc: Payment Timeliness \(October 2017\)](#)

⁹ Citizens Advice, [Written response to the Work and Pensions Committee inquiry into Universal Credit](#), April 2017

Chart 1: Proportion of UC part 2 issue codes by month April 2017¹⁰



Source: Citizens Advice UC advice issue code data April 2017 to September 2017

The advice we give on an initial UC claim is made up of a wide range of issues, but the initial wait for payment is the second most common, behind calculation of entitlement.¹¹

How long are people waiting for their first UC payment?

DWP's figures covering all new claimants in full service areas show that, as of July 2017, 80% of claimants were receiving their complete first payment on time.¹² These figures have improved from lows of 53% at the beginning of March 2017 and are now showing much smaller improvements. DWP predict they will have increased payment timeliness slightly throughout August and September 2017. However, even with these improvements, **1 in 5 people are still waiting more than 6 weeks (or 5 weeks when waiting days don't apply) for their first full payment.** This also includes 12% of claimants who do not even receive a partial payment after 6 weeks. As rollout gathers

¹⁰ Excludes 'other' and 'not recorded' codes

¹¹ Between April and September 2017, 14% of clients given advice about the initial claim needed help with the initial wait for payment. 46% needed advice about calculation. Source: Citizens Advice UC advice issue data April 2017 to September 2017 (excludes 'other' and 'not recorded categories')

¹² 80% figure refers to the last confirmed percentage from week commencing 31/07/17. Source: [Universal Credit Statistical Ad Hoc: Payment Timeliness \(October 2017\)](#)

pace, tens of thousands of new claimants throughout the country will face these extended periods without income.

For the most vulnerable or those with extra support needs, these problems can be even greater. In our report *Delivering on Universal Credit* we found that more than 1 in 3 of the people we helped in full service areas were waiting over 6 weeks for their first payment, with 11% waiting more than 10 weeks.¹³

What causes long waiting times?

The design of Universal Credit means a 5 or 6 week wait is built into the system.

New claimants must wait for the first seven days without entitlement (although those moving from legacy benefits and some other groups should be exempt¹⁴). The benefit is then paid monthly in arrears, meaning all claimants must wait for a calendar month's 'assessment period', followed by a week to process the payment. This means new claimants wait a minimum of six weeks and those transferring from the legacy system a minimum of five weeks.

This inbuilt wait is challenging for many people, but DWP data and Citizens Advice evidence show that many people are waiting longer than six weeks. These **longer delays are often linked to the complexity of a claim and the process**. This is more of an issue in full service areas, where claimants in more complex circumstances are required to claim UC for the first time. This includes claimants who would be receiving Income Support or Employment Support Allowance in the legacy benefit system. From the evidence we have three causes of delays are identifiable:

1. Confusion about whether people should claim UC or legacy benefits and when they should make a claim

Our advisers tell us that the people that we help struggle to understand how Universal Credit works, which elements of the benefit they are entitled to, and whether they should be claiming it or a legacy benefit instead. Advisers note that sometimes DWP staff are also unsure about this meaning that claimants can face additional delays following poor advice. This confusion may increase over the next 3 months as (according to the latest [commencement order](#)) some Jobcentres due to transition to full service will be staggering the rollout with different postcode districts moving over at different times. This means multiple benefit systems may be in place in one area and Jobcentre including: the 6 legacy benefits, 2 old style contribution benefits, 2 new style contribution benefits, live service UC and full service UC.

Some of our clients come to us for help as they are confused about when to make a claim, particularly when they are expecting a final wage payment from their last job. Our

¹³ Citizens Advice, [Delivering on Universal Credit](#), p22

¹⁴ Examples of exemptions are listed on Gov.uk via the following link: <https://www.gov.uk/universal-credit/how-youre-paid>

previous submission describes in detail how making a claim at different times can have a significant impact on the first payment amount.¹⁵

2. Difficulties making an online claim

Online claims are proving difficult for some people, leading to delays in registering a claim and receiving initial payments. In the UK, 1 in 10 adults have never used the internet¹⁶, and 1 in 5 lack basic digital skills¹⁷. Problems with digital skills and/ or access could delay the start date of a claim, adding to the inbuilt initial wait.

3. Evidence requirements for complex claims

Claims in full service areas can be more complex and take longer to process due to the additional evidence requirements needed for elements such as housing costs and childcare.

As part of the claimants process claimants must first **verify their identity online**. Three in five (60%) of the people we help in full service areas found verifying their identity online difficult.¹⁸ Some found an online process challenging, others lacked the relevant documentation, such as a passport or driver's licence, whilst others encountered technical problems with the service. If claimants cannot complete the online verification process, they are not always made aware that they have alternative options, such as a face-to-face appointment at the Jobcentre.

Client case study: Difficulty verifying identity leads to problems registering claim

Usain's sister tried to make the claim for Universal Credit on line for him, as he has no computer access. There was a problem with verifying Usain's identity, as he has neither a Passport nor a Driving Licence and his sister was not able to register his claim. They eventually found out that those who have difficulty in registering online for UC need to click on the option on the screen that says they cannot verify online, and then contact the helpline within seven days. Usain had difficulty getting through to speak to anyone on the helpline, and used all his phone credit up in trying, by the time he managed to get help his claim had expired and he had to start the process again.

Claimants must then provide **evidence of their childcare and housing costs**. This must be recently dated and in an acceptable form (for example, on headed paper).

¹⁵ Citizens Advice, [Written response to the Work and Pensions Committee inquiry into Universal Credit](#), April 2017

¹⁶ ONS. (2016) Internet users in the UK: 2016

¹⁷ Go On UK and Ipsos Mori. (2015) Basic Digital Skills UK Report 2015

¹⁸ Survey of Citizens Advice UC clients in full service areas August 2016 - Sep 2017 N = 739

Additionally our advisers tell us that, in a number of cases, information given to claimants about what is required can be inconsistent and prove incorrect.

There is a **limited period of time to provide evidence**. Problems can lead to delays to initial payments, or claimants not receiving their full entitlement in their first payment. For example, if someone cannot produce their tenancy documents on time (perhaps because they have held their tenancy for a long time or they cannot access documents from their landlord), their housing element will not be paid in their first payment, which could mean they build up 10 to 12 weeks rent arrears. In the private rented sector, some landlords move to evict at this stage.

Client case study: Difficulty proving housing costs

Phil is living in a local authority that has had full service UC for six months. He recently moved out of his family home into private rented accommodation and was told he needed to claim UC.

To receive housing support, Phil needed a copy of his tenancy agreement. He was struggling to contact his landlord, and when he finally reached him, the landlord was not willing to provide a tenancy agreement until all Phil's rent was settled. Phil needed the tenancy agreement to get his housing costs paid, but he couldn't get the tenancy agreement without paying his rent.

A Citizens Advice adviser spoke to Phil's landlord and convinced him that the tenancy agreement would ensure he could start paying back his rent arrears. However, by this point, Phil had already received his first UC payment without housing costs. This meant he was going to accrue at least ten weeks of rent arrears by the time he received his a UC payment with housing costs included.

Despite improvements to instructions in the online claim form and guidance for work coaches and landlords, providing evidence remains a significant problem. **More than a third (39%) of the clients we surveyed in full service areas told us they found it difficult to prove their housing costs**,¹⁹ with a similar proportion finding it difficult to provide other types of evidence (40%).²⁰ Over a third (35%) also told us they found the face to face evidence interview difficult.²¹ We hope that the continued development and rollout of the landlord portal for social tenants will assist claimants in verifying their housing costs and reduce the number of people who miss out on their housing element in their first payment. It is not clear what steps are planned for private tenants.

Additional flexibilities and the initial wait

¹⁹ Survey of Citizens Advice UC clients in full service areas Aug 2016 - Sep 2017, N=718

²⁰ Survey of Citizens Advice UC clients in full service areas Aug 2016 - Sep 2017, N=712

²¹ Survey of Citizens Advice UC clients in full service areas Aug 2016 - Sep 2017, N=744

Twice monthly payments are available to most new UC claimants in Scotland and Northern Ireland. Whilst a welcome measure to support claimants with budgeting in the long term - particularly for those who are used to budgeting over shorter periods - this is not available until after the first assessment period meaning these flexibilities won't address the six week wait for payment. Depending on how flexibilities are introduced, there is a risk that this could create additional problems. For example if a claimant were to receive a half month payment after the 6 week wait, rather than a full month payment, they face living on a 2 week payment for 7 or 8 weeks.

Impacts of initial wait for payment

How are people coping with the initial wait for payment?

The built-in wait for payment requires UC claimants to have savings, money from their previous employment or benefits payments that are sufficient to cover their costs for 5 or 6 weeks. For many people moving onto UC this is not the case. Our survey of clients in UC full service areas found that under a quarter (22%) were able to use wages and less than a fifth (18%) used savings to pay for essential costs during their first wait for payment (see Chart 2 below).

Client case study: Money worries when circumstances change

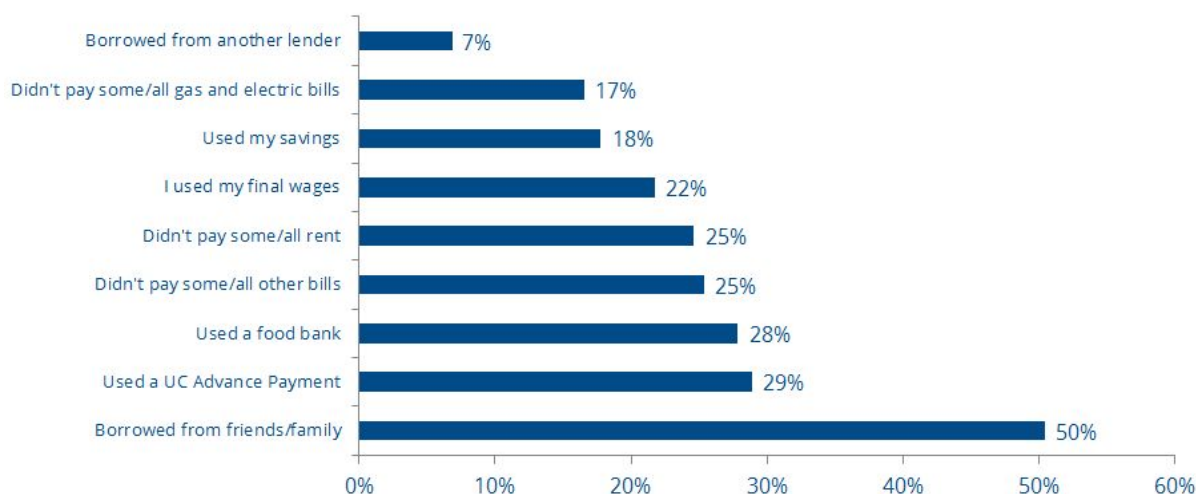
Sarah made a claim for UC in July 2017, after her grandmother - with whom she had been living and working for as a full time carer - moved into a residential care home. Sarah was told she would not receive her first payment until 2nd September. As her Carer's Allowance had been stopped, Sarah was concerned that she would not have enough money to live on while she waited. When our adviser saw her at the end of July, Sarah had not yet received a date for her UC interview so was not yet able to ask for an Advance Payment. She had no money and was relying on food banks.

The impact in terms of debt and arrears

For those who lack final wages or savings, many have to borrow money, stop paying bills, or rely on foodbanks to get by. In our [Universal Credit and debt](#) report we found that **over half the people we've helped with UC were forced to borrow money during the wait for their first payment.**²² Others end up falling into arrears. As chart 2 below shows, 1 in 4 people we surveyed in full service areas couldn't pay all or some of their rent, a quarter couldn't pay other types of bills, and almost 1 in 5 (17%) couldn't pay for some, or all, of their energy costs.

Chart 2: Proportion of full service survey respondents who used different ways to pay for essential costs during their wait for first payment

²² Citizens Advice, [Universal Credit and debt](#), p15



Source: survey of Citizens Advice UC clients in full service areas Aug 2016 - Sep 2017, N=804 (note: respondents were able to select multiple answers so percentages do not add up to 100)

It is particularly concerning that our evidence shows that people moving onto UC are **more likely to be accruing arrears for priority debts** like rent arrears or Council Tax. We analysed over 50,000 of our debt cases and found that people we help with UC are 14% more likely than those on legacy benefits to have a priority debt.²³ Almost half (47%) of the clients we helped with debt who were claiming UC had rent arrears, compared to 30% of those claiming legacy benefits.

“Quite often they get into Council Tax arrears, almost always water debt, and often don’t pay their TV licence.”

Citizens Advice adviser who took part in UC and debt research

DWP has taken some steps to address the issues, including actions to signpost claimants to make a separate claim for Council Tax Support and work to improve interactions with landlords. These are welcome steps in the right direction. However, our latest service data shows that there are still persistent links between UC and priority debt. In August and September 2017 combined, 19% of people we helped with UC also needed help with debt, compared to 16% of those on legacy benefits.²⁴ The top 3 types of debt advice we gave to those same clients showed a **stronger link between UC and rent arrears** in particular:

²³ These cases were from October 2016 to June 2017 and included information about debt clients’ income, expenditure, creditors and debts, as well as their profile and the local authority area where they lived. By looking at sources of income we were able to isolate cases where the client was claiming UC or one of the 6 benefits it replaces allowing us to make a comparison between their types and amounts of debt.

²⁴ Citizens Advice client data August and September 2017

Rank	Types of debt advice given to clients we helped with UC (% of these clients)	Types of debt advice given to clients we helped with legacy benefits (% of these clients)
1	Council Tax arrears (7%)	Council tax arrears (4%)
2	Rent arrears to housing associations (4%)	Credit, store and charge card debts (3%)
3	Rent arrears to local authorities (4%)	Rent arrears to housing associations (2%)

Source: Citizens Advice client data August 2017 to September 2017

Whilst the cause of debts can be varied, the initial wait for UC payment and some of the administrative problems discussed already are contributing to a build up of rent arrears in particular. DWP's [own evaluation](#) of Universal Credit shows that some families are going into rent arrears immediately after applying for the benefit, with over a third saying arrears were either due to time waiting for a payment, issues with benefit delays, benefits being stopped, or errors in the benefit system.²⁵

Client case study: Initial waiting period and rent arrears

Marzena has been signed off sick as a result problems with her sight which are worsening. She made a claim for UC online in July and was still waiting for her first payment when we saw her in mid-September. Marzena received an Advance Payment on 6 August, but this money had now run out and she had already built up rent arrears of £520 whilst waiting for her first payment.

Her landlord, a local authority, is aware of her situation and had agreed not to pursue the arrears at this point. Recently Marzena posted a note on her UC journal asking what to do. She was told to contact the service centre who only told her that she would be paid on 6 October, but could not tell her how much she would get.

If claimants build up debt and arrears in the early stages of their UC claim, this can have a wide-range of knock-on effects, some of which undermine the basic aims of the benefit. First, third-party deductions from UC payments to cover arrears will reduce payments in the long-term, meaning claimants are at risk of falling into a cycle of borrowing.

Debt also risks undermining some of the basic aims of UC by damaging a claimant's likelihood of, and incentives to, move into work. Dealing with ongoing debt can have a range of negative consequences for financial stability, relationships and

²⁵ DWP, [Universal Credit Test and Learn Evaluation: Families](#), September 2017

mental and physical health - all of which can hinder job search. In the case of rent arrears and other priority debt build up there can be severe consequences including eviction and imprisonment. Finally, work incentives are reduced when claimants see any potential gains from moving into work eaten up in debt repayments and interest.²⁶

2. Managing a claim

This section addresses the following questions

- What have been the effects of the introduction of full Universal Credit service in areas where it has replaced the live service?
- How are claimants managing with being paid Universal Credit monthly in arrears? Is the Alternative Payment Arrangements system working effectively?
- Has Universal Credit improved the accuracy of a) payments and b) registration of claims?

Summary

Managing Universal Credit's **monthly payments in arrears** requires a significant shift in how people manage their budget, particularly if they are used to weekly, fortnightly or other non-monthly incomes. Some people are struggling with this - this chapter explores why this is and what support they are getting. Those who need **budgeting support** are not always receiving it and many are not aware of **Alternative Payment Arrangements** that could help them.

We also explore the problems people face when their wage schedule doesn't line up with UC's **monthly assessment periods** and we address the problems people face when **Real Time Information** is inaccurate. Finally, we look at how deductions for debts and arrears are affecting people. **Deductions from Universal Credit payments** can be as high as 40% with repayment for those with Advance Payment debts on top of this. This can leave people with little from their UC payments to live on.

Recommendations

Steps that could be taken immediately:

The Government should ensure that people have access to a minimum standard of support to help them adapt to Universal Credit. This minimum standard should be published and should, at a minimum, include:

- Ensuring all UC claimants are made aware of, and can access budgeting support which is appropriate to their needs
- Support to assist people with their initial claim (including support to gather evidence for example)

²⁶ Citizens Advice, [A Debt Effect?. 2016](#)

- Ensuring all UC claimants who need it can access digital training and support.
- more holistic, personalised help for those facing multiple or inter-connected challenges as a result of the transition to UC or the test and learn approach to roll-out
- Making funding available for free impartial debt advice to meet existing increases in demand as a result of Universal Credit:
- Make Alternative Payment Arrangements available to all claimants.
- For those affected, communicate the possibility of reducing the level of deductions if they are causing financial hardship

Government should also consider:

- Exploring aligning assessment periods, including payment dates, to wages and rental or mortgage payments. This would mean UC is closer to meeting its aim of responding to real-time changing circumstances and reflecting how people work in the modern labour market.
- Clarifying and amending regulations on deductions and repayments to ensure that claimant's ongoing awards are not substantially reduced to cover debt repayments.

Managing monthly payments in arrears

Some people are having difficulty budgeting monthly, particularly if they are used to a non-monthly income. Moving to a monthly payment schedule means a significant change in how many people manage their money. This is true for those moving from weekly or fortnightly payments on legacy benefits, and also for many people who are working or have been working. Amongst those moving to UC from work, fewer than half (43%) of those we have surveyed in full service areas are paid monthly.²⁷

People who are transitioning from weekly or fortnightly incomes will often not have enough money to last them until their first UC payment. Beyond this, many people face budgeting problems as they need to make one monthly lump payment last the whole month, often for the first time.

In our report, *Universal Credit and Debt*, we found that almost 7 out of 10 (68%) advisers surveyed said they had advised UC clients with budgeting problems.²⁸ People who have been used to receiving income more frequently than once a month often have existing systems for budgeting based on more frequent payments.

“I find monthly budgeting really hard because I've always been used to Tax Credits going in weekly. So every Friday I've gone and got my food shopping, and

²⁷ Survey of Citizens Advice UC clients in full service areas Aug 2016 - Sep 2017 N = 498

²⁸ Citizens Advice, *Universal Credit and debt*, p24

my tax credits will get the baby milk, nappies, stuff like that. That's my week's money for my shopping but because I'm getting UC monthly I'm finding it really hard." *Diarist who took part in UC and debt research*

"Some people run out of money before the end of the month. Then they come to us. Sometimes we have to issue them with a food voucher." *Citizens Advice adviser who took part in UC and debt research*

Where wage schedules are not aligned with UC's monthly assessment periods, people are left struggling to budget. People who receive their wages weekly are paid either four or five times in a calendar month. Similarly those paid fortnightly receive two or three wage payments a month, and those paid 4-weekly receive one or two. This can drastically affect the predictability of a claimant's UC payments. For example, if someone is paid every four weeks, there will be some months in which an assessment period can capture two wage payments. This could mean they receive no UC payment at all in the following month, despite the fact that there has been no change to their income. In full service areas, this can also mean they need to put in a new online application for UC, as claims in this version of UC, compared to the older live version, do not stay open for 6 months. The system makes budgeting more complicated from month to month and leaves people who are paid weekly, fortnightly or four-weekly worse off overall than those who receive the same wages but are paid monthly. We will be publishing more detail on this issue shortly.

People who need budgeting support are not always aware that it is available and many are not receiving adequate support. Budgeting support is supposed to be provided to all Universal Credit claimants who need it. However, fewer than 1 in 4 (22%) UC claimants we surveyed in full service areas reported they had been told about help with budgeting or managing debts.²⁹ We discuss concerns about budgeting support in more depth in the next chapter of this submission.

Many people are not aware of Alternative Payments Arrangements (APAs) that could help them manage their payments. DWP has recognised that some people will face difficulty managing their UC payments, and put APAs in place to safeguard against this.

There are currently three types of APAs:

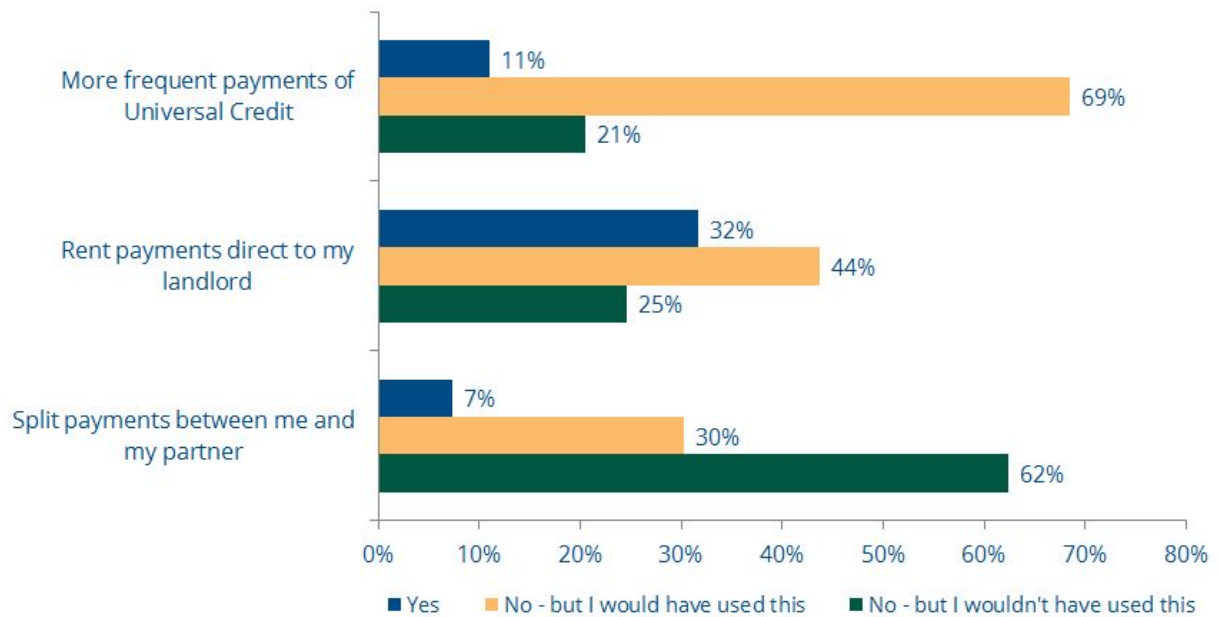
- Offering fortnightly or weekly payments;
- Arranging to pay a claimant's housing costs directly to their landlord; and
- Splitting payments between different partners in a claim made by a couple.

APAs have the potential to offer vital transitional support for many claimants, helping them achieve financial stability on a new benefit and putting them in a position where they feel able to move into or progress in work. However, our recent evidence suggests that awareness of this help is very low. As chart 3 shows, of the UC claimants we have

²⁹ Survey of Citizens Advice UC clients in full service areas Aug 2017 - Sep 2017, N = 697

surveyed in full service UC areas, just 11% were aware that more frequent payment schedules were possible under UC, with nearly 70% believing they would have benefited from this had it been offered. Similarly, less than one in three (32%) were aware that housing costs could be paid direct to a landlord under UC, and just 7% knew payments could be split between a couple.

Chart 3: proportion of full service survey respondents who were aware of APAs



Source: Survey of Citizens Advice UC clients in full service areas Aug 2017 - Sep 2017, N=867

We also continue to see evidence of claimants who would clearly benefit from an APA struggling to secure one, even if they fall into a group likely to need this kind of support.

Client case study: Lack of access to Alternative Payment Arrangements

Keith was formerly receiving ESA. He was exempted from job search due to a serious head trauma that had left him with a lasting brain injury. He lives alone in private rented accommodation. Following a change in circumstances, he was told he needed to claim UC.

Keith came to Citizens Advice in the South West after he got into rent arrears. He had asked his work coach for his rent to be paid direct to his landlord, as his condition means he has difficulties with memory and concentration. He had also seen a drop in his monthly payments until he underwent a new work capability assessment under UC.

His UC Journal showed that his work coach had requested evidence of rent arrears to justify an APA, despite the vulnerability evident from his previous ESA award. Keith had struggled to get this evidence from his landlord. The delayed decision meant he had fallen even further behind on his rent.

Accuracy of payments

Problems with Real Time Information

Universal Credit is calculated monthly by DWP using Real Time Information (RTI) from HMRC about people's earnings. The aim is to provide up to date information and prevent underpayments and overpayments. Our advisors report, however, that there are some instances where employers have submitted inaccurate information to HMRC, or there have been problems with RTI submissions. This leads to people receiving inaccurate Universal Credit payments, including not receiving full payments. DWP's data³⁰ shows that for all UC claimants, including those beyond the initial wait, 8% do not receive their full payment on time.

In these cases, it is not clear whether DWP or HMRC need to be contacted to address the issue and what routes there are to provide the correct information. Our advisors and the people we help have been passed between DWP and HMRC while trying to rectify the situation for claimants.

Client case study: Real Time Information errors are difficult to correct

Toby started a new job in February. Unfortunately his new employer quoted the wrong NI number for him when they sent details of his pay to HMRC for the first month of his employment. They corrected this the following month. However when HMRC received the correction, their Real Time Data recorded his total pay for both months as one payment, rather than two separate monthly payments. So Toby was considered to have earned over his UC allowance and did not receive the correct UC payments. Toby raised this with DWP, but they responded that they could only carry out calculations based on the data they receive from HMRC. Citizens Advice helped Toby request a mandatory reconsideration.

Deductions

High deductions from Universal Credit payments are making it hard for people to manage once their claim is in place. DWP can collect debts directly from people's monthly UC payments if they have received a UC Advance Payment, fallen into arrears for rent or household bills, or have received a previous benefit overpayment. A similar system existed under legacy benefits, but new rules in UC mean deductions can now make up a significantly higher proportion of a payment.

Under legacy benefits, housing arrears could be deducted at no more than 5% of a claimant's payment. Under UC, the default proportion for those with housing arrears is 20% of the standard allowance. The maximum deduction rate is 40% of the standard

³⁰ 8% figure refers to the last confirmed percentage from week commencing 31/07/17. Source: [Universal Credit Statistical Ad Hoc: Payment Timeliness \(October 2017\)](#)

allowance. In practice though, total deductions can be even higher; this cap does not include previous overpayments (from either UC or tax credits) and can be breached for mortgage payments, rent arrears and fuel costs.

Deductions interact with other aspects of UC in ways that create particular problems for claimants. For example, long waiting periods before an initial payment mean that many claimants require an Advance Payment during the six week wait. AP repayments are not included in the 40% deductions cap. For those accruing significant debt and arrears during the initial waiting period, this means that, once UC payments start, multiple repayments can leave them with very little to live on. **For example, a claimant who fell into rent arrears and required an Advance Payment during the six-week wait could then face a reduction of their standard allowance of more than 40%.**

3. Support for claimants

This section addresses the following questions

- What have been the effects of the introduction of full Universal Credit service in areas where it has replaced the live service?
- How well is Universal Support working, and how could it be improved?
- What effect will the scheduled Jobcentre Plus closure and relocation programme have on the operation of Universal Credit?

Summary

With a reform as complicated as Universal Credit, support needs to be in place for those who need it.

This chapter begins by looking at problems some claimants have had getting through to the telephone **helpline**; and with the inadequate and inconsistent levels of **support** provided for those with complex queries.

We then look at how people are adapting to **making and managing claims online**, why some people are struggling with this, and the support in place for them. Then we look at **Universal Support**, which can be variable and limited depending on location. Finally, we look at the impact of **Jobcentre closures**.

Recommendations

Steps that could be taken immediately:

A comprehensive support package for Universal Credit must be in place before roll-out continues. Minimum standards for this should be published and it should cover:

- support for budgeting
- assisted digital and online skills,
- support for making a claim, including helping with evidence requirements
- more holistic, personalised help for those facing multiple or inter-connected challenges as a result of the transition to UC or the test and learn approach to roll-out
- funding available for free impartial debt advice to meet existing increases in demand as a result of Universal Credit

To support the learning from the Universal Support delivered locally trial, we recommend the government:

- Should review support further as new claimants join and progress onto full Universal Credit, including an evaluation of Universal Support in full service Universal Credit areas
- Needs to ensure Jobcentres and local authorities have the time and training to provide effective triage, or sub-contract the triage work to those who already have the skills and expertise
- Needs to ensure that, no matter where claimants present with the need for Universal Support, they are able to receive it. DWP should seek to include a “no wrong door” policy as far as possible for referrals and ensure that warm referrals are quick and efficient for the claimant.
- Should explore effective and formal data sharing agreements with advice and support organisations.

Government should also consider:

- People’s support needs and whether they are met by the support on offer should be subject to **ongoing review** as new claimants join full service Universal Credit. Resources should be available to provide accessible, multi-channel support to all UC claimants who would benefit.
- As Jobcentres become less accessible for some claimants, it is vital that systems are in place to **minimise the requirements on people to attend the Jobcentre in person**. For example, DWP should ensure all working parents are able to electronically upload or post evidence of their childcare costs as standard, rather than having to physically attend the Jobcentre to give these to a work coach. In the longer term, there should be a centralised system to help claimants evidence their childcare costs, which could form part of the Government’s new online childcare service.³¹
- It is also important that **Jobcentres work even more closely with other local support services** to ensure claimants can access the help they need - particularly in areas where some Jobcentres are closing with the loss of those local relationships. Local Citizens Advice offices are committed to working with their local Jobcentres to ensure regular and effective communication about individual claimant issues; frequently occurring or systemic issues and strategic planning and local priorities.

Helpline

For any claimants who have a problem with their application or account management, there is a UC helpline. Due to the complex nature of UC and the problems many claimants have in making and managing a claim online, the helpline is vital to ensure that problems are resolved as quickly as possible.

³¹ For more information on new childcare service: <https://childcare-support.tax.service.gov.uk/>

All claimants have to call the helpline as part of their claim, but beyond this we can see from our survey of the people we help in full service areas, the most common reasons people have for ringing the helpline are:

- A delay to all or part of their payment (55%)
- To make a claim (30%)
- To update a change in circumstances (24%)
- To query an error in their payment (23%)
- Because they struggle to manage their claim online (22%)³²

Some claimants are struggling to get through to the UC helpline In our report [Delivering on Universal Credit](#) we raised a number of issues with the full-service helpline, particularly around waiting times. This can mean that some problems or delays go unresolved, further delaying the claim.³³

DWP are aware of the challenges with accessing help on the phone. A statement in April 2017 suggested waiting times had fallen to an average of 9 minutes due to an increase in resourcing.³⁴ More recently, a freedom of information request response from DWP suggested that waiting times had improved further and averaged just over 4 minutes in the week commencing 21 August 2017. In the same week, however, the longest someone waited was 29 minutes and the average duration of calls after they were answered was just under 11 minutes.³⁵

Whilst these improvements are welcome, an average claimant will still have to spend just under 15 minutes on the phone to answer a single query. For those who have to call the helpline multiple times, costs can quickly mount up, especially for those who have a limited amount of money to spend on phone credit.

Client case study: Problems getting through to the UC helpline

Karen and her husband tried to make a joint UC claim when full service rolled out in their area of East Anglia. Karen was given a code to register her husband's details, but it wasn't accepted by the online application system. She tried to get through to the helpline to complete the claim, but after numerous attempts her credit ran out. Karen came to Citizens Advice and an adviser called the helpline on her behalf. After waiting to get through for around 40 minutes, Karen was told the UC service centre did not have the IT required to deal with her problem and that she needed to go to the Jobcentre. By the time she had visited the Jobcentre to have the problem resolved, the family's application had been delayed by an extra week. Given this is then followed by a six-week wait for a first payment, small implementation issues considerably increased the financial pressures on Karen and her family.

³² All percentages from survey of Citizens Advice UC clients in full service areas Aug 2016 - Sep 2017, N=618

³³ Citizens Advice, [Delivering on Universal Credit](#), p13-15

³⁴ 1 Hansard, [Universal Credit: Highlands](#), 20 March 2017.

³⁵ What do they know.com, [FOI request response from DWP](#), 4 October 2017

All claimants must call the helpline to book their first appointment with a work coach. This is costing some claimants and will place considerable demand on the helpline as rollout accelerates. Currently, for each UC claim, claimants must make a call to the helpline to book an initial appointment with a work coach - this is a mandatory part of the claim. DWP data shows there are between 35,000 and 50,000 new claims each month. This will place considerable extra demand on the helpline as roll-out accelerates and larger numbers of people move onto UC. DWP is currently procuring an online appointment booking system for Jobcentre appointments to address this problem. Following the tendering process, work will need to be undertaken to build the required functionality to link the booking system to the Universal Credit Full Service³⁶. The aim is to introduce the online booking system during 2018³⁷. In the meantime, accelerated rollout will mean tens of thousands of new claimants will need to make calls to the helpline every month as a mandatory part of their claim.

Some call handlers lack the experience and in-depth knowledge of UC required to deal with more complex queries. Advisers from our network who have assisted clients with ringing the UC helpline have told us that the helpline staff are friendly and want to help, but often lack the technical knowledge to deal with queries. Whilst it is expected that there will be an initial period of adjustment for both claimants and DWP staff, incorrect advice can have a hugely detrimental impact on individual claimants.

Client case study: Incorrect advice from helpline given to terminally ill claimant

Terry is in his 50s and lives with his partner and their 16 year old son who is in full time education. Terry was recently diagnosed with a terminal brain tumour and had to give up work. He wanted to make a claim for Universal Credit, but due to his circumstances was advised to claim contribution-based Employment and Support Allowance instead.

Following a phone call to the Universal Credit helpline, Terry was told to fill out an ESA1 form and take it to his local jobcentre. When he got to his appointment he was told that he had been given the incorrect information and that he actually needed to apply for Universal Credit.

Terry returned to his local Citizens Advice and his adviser contacted a liaison at the jobcentre, who confirmed that he *did* need to apply for contribution-based ESA, but using a different form.

³⁶<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2017-09-13/105004/>

³⁷<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2017-07-14/5056/>

The incorrect advice given by both helpline and jobcentre staff caused Terry significant distress and has led to delays in him receiving an income when he is struggling to come to terms with a terminal illness.

Making and managing claims online

One of the big changes under Universal Credit is the switch to a 'digital' benefit. For the first time with the full digital service, claimants both apply for and manage their UC claim online. Digital channels improve the experience for some people and have the potential to help claimants improve their digital skills. However, an online claim represents a significant hurdle for some of the most vulnerable people applying for UC unless there is sufficient support and alternative options available.

20% of UK adults lack basic digital skills³⁸ and 1 in 10 have never used the internet.³⁹ **Those who will be claiming UC are particularly likely to fall into this category**, with people on lower incomes much more likely to have lower levels of basic digital skills.⁴⁰ At Citizens Advice, our face to face clients are twice as likely to lack basic digital skills as people in the UK and are more likely to lack access to the internet.⁴¹ More than 2 out of 5 (43%) clients we surveyed in full service areas told us they either struggled to use the internet, struggled to access the internet, or struggled with both.⁴²

The two big issues for people making and managing an online claim are around skills and access. Some claimants struggle because of limited digital skills and confidence. Others have health conditions or disabilities that limit their ability to use digital services without assistance. But even those who have basic skills can find access barriers. Some cannot afford internet access at home or have limited broadband coverage where they live. Transport to public internet access points such as libraries and job centres can be costly and time consuming, particularly in rural areas.

Client case study : Lack of access to the internet leads to difficulty making a claim

Tom has learning difficulties including severe dyslexia. He was claiming ESA but due to moving address he now has to make a full digital claim for UC. He has no computer or access to the internet at home. The closest place he can get help with his claim and access the internet is 6 miles' walk away. He does not have access to any transport and cannot afford travel costs. He was very anxious about how to both make and manage his claim online and was worried about being sanctioned.

Making a claim online

³⁸ Go On UK and Ipsos Mori. (2015) Basic Digital Skills UK Report 2015

³⁹ ONS. (2016) Internet users in the UK: 2016

⁴⁰ Go On UK and Ipsos Mori. (2015) Basic Digital Skills UK Report 2015

⁴¹ (p2, Digital Capability report)

⁴² Survey of Citizens Advice UC clients in full service areas Aug 2016 - Sep 2017, N=882

Problems with making an online claim can delay the start date of a claim, adding to the inbuilt initial wait for payment. These issues will not be picked up in DWP's official statistics on waiting times for payments. More than half (51%) of the clients we surveyed in full service areas found the online application difficult.⁴³

For claimants in this position it is important that they are informed of alternative ways to claim. More than three quarters (76%) of the people we help in full service areas had not been told about alternatives to the online claim.⁴⁴

Client case study: Lack of digital skills causes further delay in claiming

Graham is in his 60s. He was diagnosed with cancer earlier this year, and since then the cancer has spread. He has been unable to work since the Spring due to his ongoing treatment. In May he came to Citizens Advice for help applying for Universal Credit. He had never used a computer before so we helped him set up an e-mail account and start the application but could not get beyond the part where a code was to be sent to his e-mail address. Over the summer, we helped him contact the DWP and Jobcentre and to set up several different accounts, but we were still unable to get the verification code. He also had problems with his security questions but finally got an interview with the JobCentre on 20 September. On 21 October he was told he would get his first payment in 22 days mid-November – some 6 months after the claim had started.

Whilst gradual improvements to the online claim form and the publication of video guidance for claimants has gone some way to making the process easier for people who struggle to use the internet, it has not helped address some of the more significant barriers faced by those with limited internet access.

Managing a claim online

One of the significant differences between live and full service Universal Credit is the requirement to manage a claim online. Although in live service, the claim is made online, following this ongoing management is much more like legacy benefits. However, in full service UC ongoing management of a claim - such as communication with a Work Coach, payment statements, reporting of jobseeking activity - is expected to take place using the online UC journal.

We see numerous cases where **people have to travel to access the internet and manage their claim**. They may have no alternative other than to use public internet access points to manage a claim such as libraries, Jobcentres or community centres. Travelling to these locations can be both costly and time consuming, and in some

⁴³ Survey of Citizens Advice UC clients in full service areas Aug 2016 - Sep 2017, N= 828

⁴⁴ Survey of Citizens Advice UC clients in full service areas Aug 2016 - Sep 2017, N=523

instances access to them is limited to one or two days a week. This is an issue that is particularly problematic for claimants who live in rural areas.

Managing a claim online can be more difficult for clients in debt or financial difficulties. Those struggling financially are more likely to be unable to afford internet access at home. This, in turn, will mean they are more likely to miss instructions or appointments from a Work Coach, increasing the risk of sanctions and a cycle of financial problems.

“Because of the problems with debt UC has pushed me into, my internet has been cut off. I work 24 hours a week and also have a child - it is very hard for me to find time to go to somewhere that I can access the internet.” *Nicola, 40, Survey respondent in UC full service area*

“I need to have permanent credit on my phone or I am likely to miss a journal entry [a communication from a Jobcentre work coach] - if I miss a journal entry my [UC] money stops” *Marzia, 48, Survey respondent in UC full service area*

Universal Support

The support available alongside Universal Credit is vital to making it a success and ensuring it achieves its aims. Government policy remains that this should be delivered through ‘Universal Support’. The current intention is this support should be developed and delivered at a local level, with some funding available from DWP to local authorities. The funding levels were previously negotiated individually with each local authority through UC Delivery Partnership Agreements. However, it is unclear what system is now in place. This means it is difficult to find details of the level of funding or the scope of local services. It is down to local authorities whether to deliver these support services in-house or to commission other local support and advice providers. Although some agreements are in place, **there are a number of problems with the current model of support.**

First, a lack of published minimum standards of support means that the delivery can vary by area. Some of our local offices have described how the support available is being restricted - for example no longer including debt advice - whereas for others, their local authority has added additional investment, on top of the money from DWP, to provide and commission a comprehensive support package across their area. Assisted digital support can also be varied. In our *Delivering on Universal Credit* report, we found that many felt this support was not available and that there was a need for one-to-one support in addition to access to a computer. Although some had asked family or friends, this was not always an option.⁴⁵

⁴⁵ Citizens Advice, [Delivering on Universal Credit](#), p17

Second, some of our local offices report that **the scope of support available is limited and there is a need to widen this**. In particular, there is little available to help people in making their claim, or with evidence requirements. These are areas that may help reduce the numbers not being paid on time, as discussed in Section 1. With many of our Universal Credit clients struggling with debt, widening support to include debt advice, which Personal Budgeting Support does not often cover, would also help Universal Credit achieve its aims. This is discussed in more detail in our previous submission.⁴⁶

“We have been asked to deliver money advice for UC claimants with rent arrears. However, one of our current challenges is this support is limited to what is more like Personal Budgeting Support, rather than the debt advice these clients need”
Local Citizens Advice office team member

Third, referral mechanisms are often ineffective, meanings people are unable to access the support they need. A small number of our local offices are currently funded to deliver Personal Budgeting Support. A number of these told us that problems around ineffective referral processes and low numbers of referrals remain. There were also issues with inappropriate referrals, or people being referred without explanation of the help they would be getting. This led to increased numbers failing to attend their appointment. One local office who is in a full service area, with around 800 people receiving UC, reported receiving around 2 referrals from their local Jobcentre each month. Based on our UC client numbers, the claimant group, and the numbers receiving APAs in those areas, we would expect this number to be much higher.

Fourth, without a minimum standard of support, it can vary by area who is able to refer claimants to budgeting support, with some areas only allowing Jobcentres to refer. This means those who have been identified by other agencies as potentially benefiting from this help either miss out, or have to go back to the Jobcentre to request it.

Fifth, some of our local offices told us that they see clients who are struggling as the **support claimants are receiving has not been joined up**. For example, they have seen clients who have been referred for multiple support interventions around work searching, Personal Budgeting Support and assisted digital, all with different organisations - but no coordination of when these interventions take place. A pilot survey we conducted with 1,700 potential Universal Credit claimants found that 39% of clients needed support across all five identified capability areas to adapt to Universal Credit.⁴⁷ For these clients, it is important that these support interventions are coordinated to achieve maximum impact and make sure claimants are receiving the right help at the right time.

⁴⁶ Citizens Advice, [Written response to the Work and Pensions Committee inquiry into Universal Credit](#), April 2017

⁴⁷ Citizens Advice, [Universal Credit managing migration pilot: final results](#), December 2013

The Universal Support framework has not been republished or updated since 2014. Without this fully in place, Universal Support continues to be variable and dependent on arrangements in different areas. This means essential learning from the Universal Support trials is not being fully used and opportunities for wider evaluation and learning are being missed. In particular, **there is a need to trial support in areas with full service Universal Credit, where there is likely to be more claimants with additional or complex support needs.**

The impact of job centre closures

DWP has recently announced a major programme of Jobcentre closures and mergers, with around 80 Jobcentres set to close.⁴⁸ While this will have implications for Jobcentre staff, who are already administering the roll-out of an extremely complex reform to the benefit system, our local offices have also raised concerns about the potential impact on our clients. This is a **particular issue for Jobcentres closing in the most rural areas or the outlying parts of larger cities, where public transport links are less accessible.** One local office in a rural area spoke to us about the impact of a local Jobcentre closure and the concern this was raising locally:

“We had a meeting with our district council today, and they are concerned about an aspect of the UC roll out... Their main concern is about some of the communities that fall within those postcodes [that are due to be included in the roll-out]... It would be really difficult for some of these residents to get to the Jobcentre they’ll now need to attend. The bus journey takes 1 hour 44 minutes.”

Less accessible local Jobcentres could increase the risks that clients who need face-to-face help are not able to resolve problems. For other clients, appointments that are a long distance from their home or workplace may lead to increased numbers of sanctions. Finally, UC requires some clients to attend the Jobcentre more frequently. This is a particular issue for working parents, who usually need to hand in proof of their childcare receipts to their work coach in order to have childcare costs covered.

4. Impact on support services

This section addresses the following question

- What impact is Universal Credit having on the income and costs of local authorities, housing associations, charities and other local organisations?

Summary

Across our network of 300 local offices, Citizens Advice is providing advice to the equivalent of 1 in 10 new Universal Credit claimants every month. We have helped

⁴⁸ DWP, [Update on the future of Jobcentres](#), October 2017

40,000 people with 70,000 Universal Credit issues in the last 12 months. This chapter looks at how Universal Credit is affecting frontline advice services.

First, new rules on **explicit consent** within Universal Credit have placed greater demands on some of our clients and frontline advisers. Secondly, unlike the arrangements for legacy benefits, there are no dedicated **escalation numbers** for advisers to contact DWP. Third, there is limited **publically available guidance** on how Universal Credit is administered. Finally, the current **funded support offer** around issues such as personal budgeting is patchy and inconsistent.

Recommendations

Steps that could be taken immediately:

- We recommend that **escalation lines and implicit consent are returned** whilst steps are taken to find a longer term solution to balancing data protection and the support needs of vulnerable UC claimants.
- Regularly updated screenshots of a claim and online journal, or dummy versions of these, should be provided for the advice and support community.

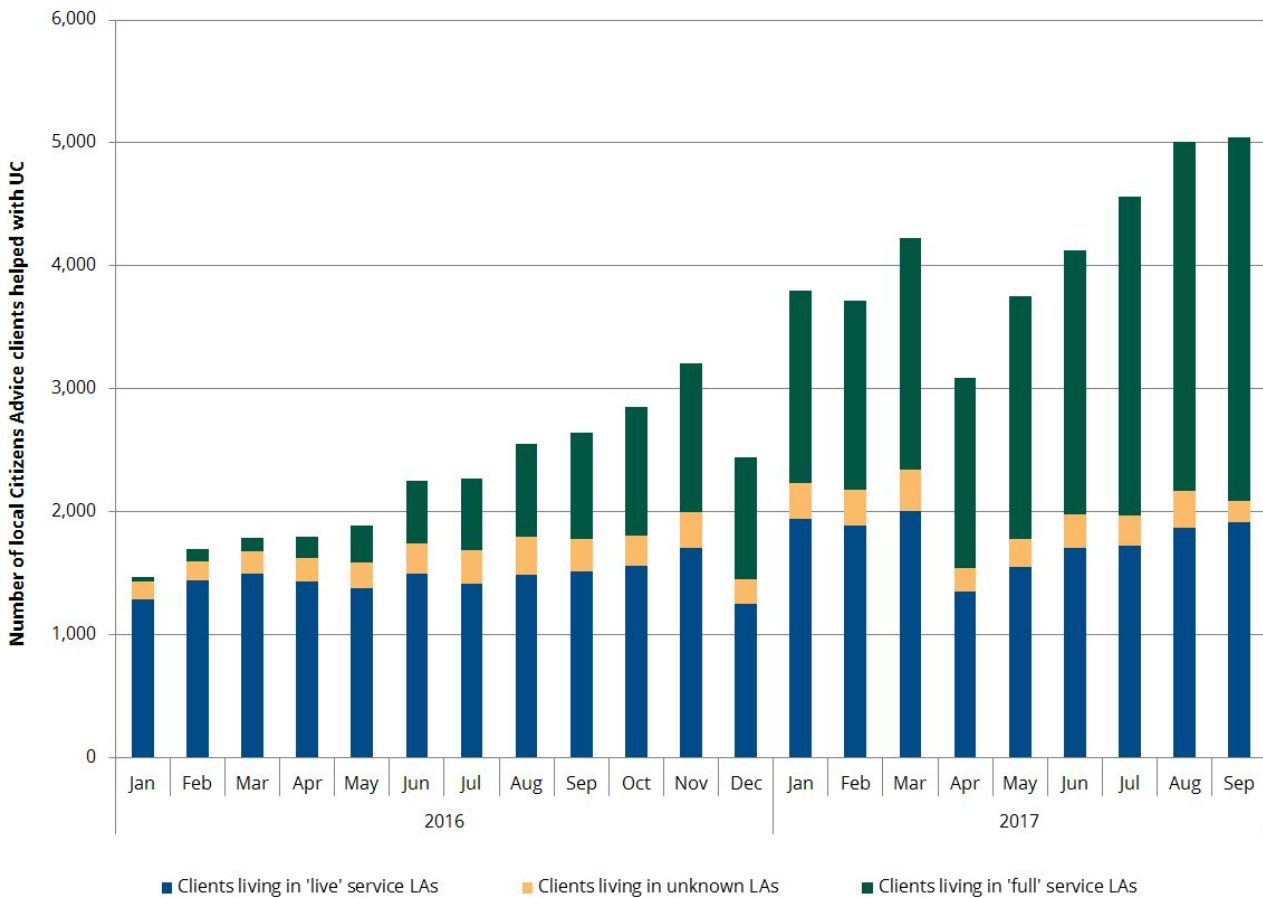
Government should also consider:

- Introducing **a third party support portal**. This would improve security by verifying authentic agencies, reducing the need for explicit consent. This portal should include a mechanism for advisers to escalate issues, view an example Universal Credit journal and claim, and receive updates on any changes to the Universal Credit system.

As Chart 4 shows, as full service rolls out we have been helping a rapidly increasing number of people with Universal Credit. The number of people we help with UC who live in live service areas has remained fairly stable, whereas the number living in full service areas is increasing rapidly. In September 2017, 60% of the people we helped with UC lived in local authorities with full service. This is despite the fact that only 40% of all the people on UC live in full service areas.⁴⁹

Chart 4: Number of clients helped with UC living in local authorities with full service compared to live service

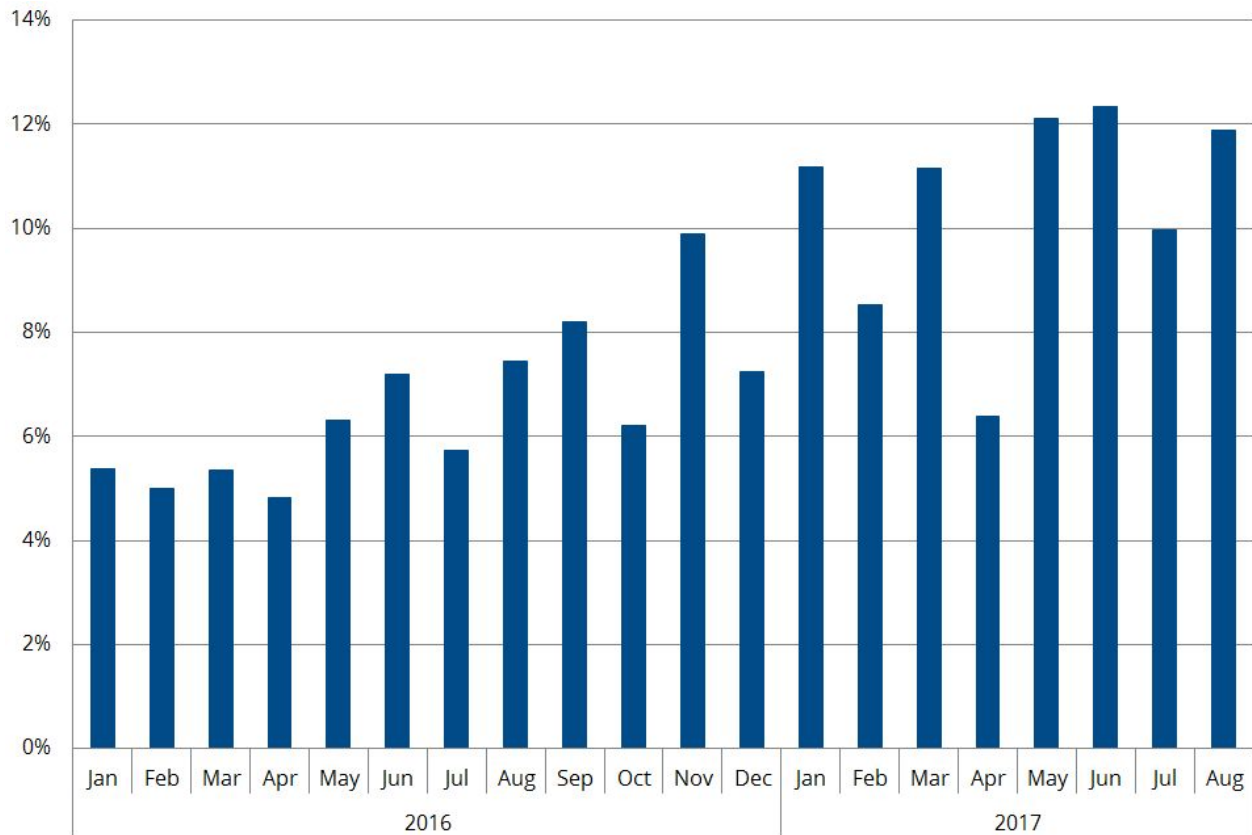
⁴⁹ Calculated using Cltizens Advice client data and DWP 'People on UC' figures from StatXplore for the month of September 2017.



Source: Citizens Advice data January 2016 to September 2017

When the number of clients we help with UC is compared to the total number of new claimants, we now routinely provide support to the equivalent of more than 1 in 10 new claimants every month. As Chart 5 below illustrates, this proportion started growing when full service roll out began in May 2016.

Chart 5: Citizens Advice clients helped with UC as a proportion of new starts since January 2016



Source: calculated using Citizens Advice data and Starts on UC data from DWP StatXplore, January 2016 to August 2016

UC is often closely linked to other advice issues, in particular debt. In August and September 2017, 70% of the people we helped with UC also needed advice about another issue compared to 62% for those who we helped with legacy benefits.⁵⁰ This again adds to the workload for our advisers supporting them. One frontline adviser expressed concern that clients are sometimes now having to wait 2 weeks for an appointment for debt or benefits advice which would previously have taken 2 or 3 days. In other cases, local offices reported that their client numbers were stabilising because they had reached the maximum capacity of their resources, and were having to turn people away.

There are a number of other changes to the way in which Universal Credit is designed and administered which affect those providing frontline advice. **First, new rules on explicit consent within Universal Credit have also placed greater demands on some of our clients and frontline advisers.** Under UC, claimants have to give 'explicit' consent, meaning a claimant must tell DWP through their journal or via the helpline which individuals can speak on their behalf on specific issues, or the adviser must be present on a call. Under legacy benefits and live service UC it is possible for advisers to

⁵⁰ Citizens Advice client data, August 2017 to September 2017

use 'implicit' consent where DWP staff use their experience and judgement to determine whether the adviser is a genuine representative based on the amount of information they know about the client. Explicit consent can be particularly challenging for advisers and caseworkers who often have a limited time with a client and for follow up work due to high demand for appointments. This can be particularly challenging when: the wait for the helpline is long, when providing support in an outreach without computer access for a client to login to their journal or providing telephone advice, or if a client cannot remember their login details for their journal. This increases the time it takes to deal with issues and for some vulnerable claimants it can be practically very difficult to provide repeat consent.

Client case study: Challenges around explicit consent

Craig started claiming Universal Credit in 2016. However, in April 2017 Craig was diagnosed with cancer and was no longer in a position to look for work. He sent DWP the evidence to support his diagnosis, but didn't hear anything further. The following month he did not receive his UC payment.

Craig came to Citizens Advice and was referred to the MacMillan project. However, he was now too unwell to regularly attend the outreach office to ring DWP with an adviser present, and had no facility to make a three-way call to provide consent over the phone. These challenges providing explicit consent meant Craig was often unable to get the support he needed from an adviser to sort out his UC claim. He did try to contact DWP himself and requested that an adviser act on his behalf, but they were not prepared to accept this.

Craig lives alone and was left worrying how he was going to pay his rent and how he would be able to contact DWP while he was in hospital.

Whilst we recognise that the rules around explicit consent can help protect personal information - and that DWP are actively working to resolve some of the issues - the current rules continue to act as a barrier to some of the most vulnerable claimants receiving the support they need. With an increased demand on our service for advice and support on UC, it is vital that this issue is addressed urgently and that the correct balance between data protection and support needs is achieved.

Secondly, unlike the arrangements for legacy benefits, there are no dedicated escalation numbers for advisers to contact DWP under Universal Credit. Where advisers assisting clients experiencing difficulties with the legacy benefit system had escalation numbers allowing them to quickly reach DWP to resolve problems, this is no longer the case for Universal Credit. Our advisers must now phone the UC helpline, which can already entail long waiting times as discussed in section 3 above. In one local office, advisers estimated they were spending 30% of their time calling the UC helpline.

Third, there is limited publically available guidance on how Universal Credit is administered. For example, guidance on advance payments for UC claimants has never

been published - what guidance there is publically available tends to have been requested under Freedom of Information rules. This lack of transparent information can make it challenging for advisers to assist in resolving problems. As discussed in our previous submission, it remains a challenge that support services are unable to view a claim or online journal until they begin supporting clients.

Finally, the current funded support offer around issues such as personal budgeting is patchy and inconsistent. Some of our local offices helping to deliver local authority-funded personal budgeting support (PBS) report low levels of referrals. However, at the same time they are seeing increased demand for crisis loans and other emergency financial support offered by local authorities. This suggests that the support offer - including advance payments, alternative payment arrangements and PBS - is not getting to those who need it, *before* they require emergency assistance (for more detail see section 3 above).