Universal Credit needs to be paused now

The Government needs to pause Universal Credit roll-out and fix the problems so that:

No one is left waiting longer than 6 weeks for an income.

Those who need it get a payment within 2 weeks, which they do not need to pay back.

People have access to a minimum standard of support to help them adapt to Universal Credit, which is published.

Our new analysis\(^1\) shows Universal Credit is pushing people further into debt

People we've helped 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 with legacy benefits.

2 in 5 people on Universal Credit receiving help from Citizens Advice to manage their debts have had no money available to pay creditors.

Over half of the people we've helped who receive Universal Credit were forced to borrow money while waiting for their first payment.\(^2\)

1 in 5 people are being left without enough money to live on for over 6 weeks

Work and Pensions Secretary, David Gauke, recently acknowledged that only 80% of people receive their full payment within 6 weeks.

The most vulnerable are waiting even longer. 1 in 3 people we've helped on Universal Credit are waiting more than 6 weeks to receive any income. 11% are waiting over 10 weeks.\(^2\)

The government is using outdated evidence to justify speeding up the roll-out

The government made the following statements about Universal Credit in response to our report ‘Fixing Universal Credit', published in July 2017.

“82% of Universal Credit customers reported they were satisfied or very satisfied with the service.”

This is evidence from live service in 2015-16.

“Under Universal Credit people are moving into work faster, and staying in work longer than under the old system.”

This is evidence from live service in 2013-14.

Both use evidence that relates to an early and very different version of Universal Credit.
Why Universal Credit matters

7 million families in the UK will receive Universal Credit by 2022. Over half of those will be working families.

The aim of Universal Credit is right. But the way in which it is being implemented is already leaving thousands without the means to make ends meet.

From October this year, the government plans to significantly speed up the roll-out of Universal Credit. This risks causing serious problems for hundreds of thousands more families.

Client story: Universal Credit pushing people into debt and hardship

Carly is a lone parent and had recently moved into a housing association property with her 13 year old son. Carly has depression.

She had managed to find work as a carer but, after losing her job, she needed to make a claim for Universal Credit. When she submitted her claim in late December, she was told that she would not receive her first payment until mid-February.

Carly was already repaying a previous overpayment of tax credits and had no savings. She was unable to pay rent or Council Tax during the six week waiting period and was relying on her family for everyday items.

When she came to Citizens Advice for financial advice, she was afraid of losing her home. The situation was causing her mental health to deteriorate.

If you’d like any more information, please contact becky.ely@citizensadvice.org.uk
