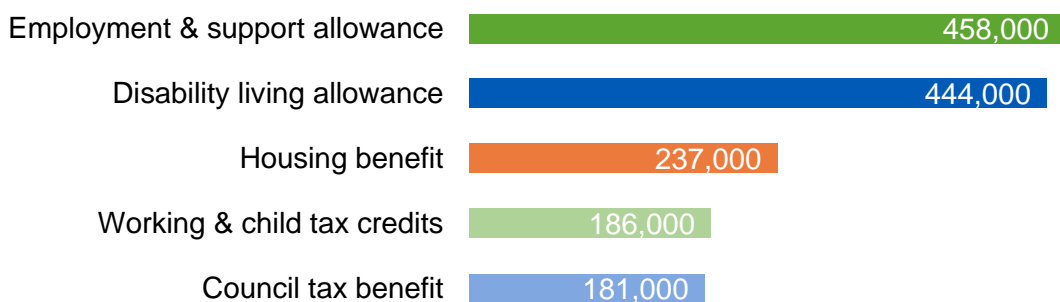


# The impact of welfare benefits advice



Around 30 million people in the UK receive income from at least one social security benefit or tax credit (roughly half the total population)<sup>1</sup>. In 2012/13, the Citizens Advice service dealt with over 2.3 million benefit and tax credit problems.

## Top 5 benefit/tax credit problems in 2012/13



Benefit and tax credit problems increased as a proportion of all problems seen at bureaux from 2011/12 (33%) to 2012/13 (36%).

## Why is welfare benefits advice needed?

<p><b>Take-up</b> People don't always claim what they are entitled to</p>	<p>The Department for Work and Pensions (DWP) estimate that £12.3 billion went unclaimed in 2009/10<sup>2</sup> – which, if claimed, could have improved living standards for many.</p>
<p><b>Complexity</b> The benefits system can be difficult to understand</p>	<p>Claimants need different levels of support to understand their entitlement, or to complete forms with full and accurate information.</p>
<p><b>Error in claims</b> The claiming process can involve both official and claimant error</p>	<p>The DWP estimate that £2.4 billion are overpaid in error, and £1.4 billion are underpaid<sup>3</sup>.</p>
<p><b>Appeals</b> Without help, people are unsure when it's right to appeal</p>	<p>Claimants need support to understand whether there are grounds to challenge a decision on benefit entitlements.</p>
<p><b>Welfare reform</b> The existing rules are changing</p>	<p>Many people are turning to Citizens Advice to help them manage the transition from one set of rules to another.</p>

## How can we help?

Citizens Advice provides free, independent and confidential information and advice on welfare benefits, offered over the phone and face-to-face. Bureaux offer a combination of generalist and specialist advice, tailored to each client's needs. Advice is free, independent and confidential. In 2012/13, bureaux helped more than 773,000 clients with welfare benefit and tax credit problems.

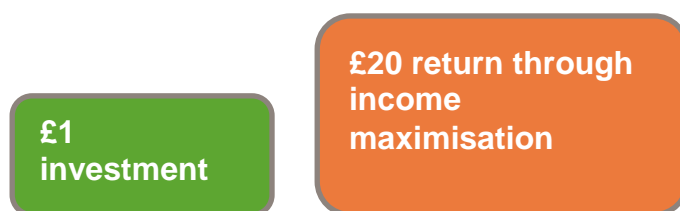
Through [adviceguide.org.uk](http://adviceguide.org.uk), we also provide extensive self-help information online. In 2012/13 there were around 4.6 million views of welfare benefit and tax credit content pages - around 20% of the 23 million total views to all content pages.

Welfare advice services are effective in addressing the problems associated with benefits and tax credits. A literature review commissioned by the National Association of Welfare Rights Advisors found that advice services are successful in improving take-up of benefits and delivering significant financial gains for clients<sup>4</sup>.

The extra money that clients gain helps to improve living standards because it enables additional spending on fuel, food, education, recreation and transport. This in turn may contribute to the reduction of social exclusion. Clients may also experience better mental health after receiving welfare rights advice<sup>4</sup>.

Local economies benefit from claimants who spend their money locally. In fact, research by Sheffield Hallam University shows that an estimated £19 billion loss of benefits through welfare reform could depress the economy by as much as £30.4 billion a year<sup>5&6</sup>.

There is also growing evidence that delivering welfare rights advice is cost effective. For example, a study by the Office of Public Management (OPM) on the impact of Macmillan's welfare rights service<sup>7</sup> concluded that for every £1 spent on delivering the service there was a £20.80 return in benefit claims, compensation and financial rewards<sup>8</sup>.



## What have we achieved?

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Our advice on benefits and tax credits can lead to ongoing benefit gains, lump sum benefit gains and other types of increased income. We also achieve a range of non-financial outcomes for clients, such as resolved administration problems or challenges to discrimination. Citizens Advice research conducted in 2010 shows that:

- 2 in 5 benefit/tax credit clients achieve an outcome
- 1 in 3 benefit/tax credit clients achieve an outcome involving financial gain

The national outcomes for the Citizens Advice service in 2012/13<sup>9</sup> show that:

- 48,000 clients achieved an ongoing benefit award (£5,700 average value<sup>10</sup>)
- 10,000 clients achieved a benefit back payment (£1,900 average value<sup>11</sup>)

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<sup>1</sup> Institute for Fiscal Studies. (2012). *A Survey of the UK Benefit System*.

<sup>2</sup> DWP. (2012). *Income Related Benefits: Estimates of Take-up in 2009-10*.

<sup>3</sup> DWP. (2013). *Fraud and Error in the Benefit System: Preliminary 2012/13 Estimates (Great Britain)*.

<sup>4</sup> National Association of Welfare Rights Advisors. (2006). *The benefits of welfare rights advice: a review of the literature*

<sup>5</sup> New Economics Foundation. (2013). *Surviving austerity*.

<sup>6</sup> Sheffield Hallam University. (2013). *Hitting the poorest the hardest*.

<sup>7</sup> In 2012/13, at least 19,200 clients accessed this service through Citizens Advice Bureaux working in partnership with Macmillan.

<sup>8</sup> Macmillan. (2010). *Economic Impact Case Study: Durham Welfare Rights Service*.

<sup>9</sup> Only known outcomes are recorded in our case management system; an unknown number of outcomes go unrecorded each year.

<sup>10</sup> Per client who achieved an ongoing benefit award where the value was known and recorded. Recorded values are annualised for one year.

<sup>11</sup> Per client who achieved a back payment where the value was known and recorded. Recorded values are annualised for one year.