

Universal Credit needs more changes to work

Universal Credit isn't working for too many people.

At Citizens Advice we've helped people with over 100,000 Universal Credit issues since it was introduced.

Our evidence shows that Universal Credit can leave people unable to pay essential bills and push them into debt and hardship.

We welcome the Government's recent decision to make the Universal Credit helpline free and ensure all claimants are told they can get an advance payment. We called for these changes in July because they will make a real difference to the people we help.

We support the principles underpinning Universal Credit - to simplify the benefit system and make work pay - but more action is needed if it's to achieve its aims.

For more information, please contact becky.ely@citizensadvice.org.uk

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3 changes the Chancellor should make in the Budget

1. Reduce how long people have to wait for their payment

Why: Universal Credit is designed to pay people after 5 or 6 weeks. This wait risks pushing people into debt - over half of the people we've helped who receive Universal Credit had to borrow money while waiting for their first payment.

How: Remove the 7 waiting days at the start of a claim, to reduce the amount of time people have to wait for their first payment. Allow people to adjust to Universal Credit by offering everyone a choice of how they would like the benefit to be paid. Ensure people who need it get a first payment within 2 weeks, which they do not pay back.

2. Make sure people get paid on time

Why: 1 in 5 people face a delay in receiving their full payment, mostly because of problems completing their claim. 10% of the people we help waited longer than 10 weeks. However, the Government's support offer to help people adapt to Universal Credit doesn't include help completing a claim.

How: Ensure people have access to a minimum standard of support to help them access and adapt to Universal Credit, which is published.

3. Improve people's incentives to work

Why: Cost cutting measures have reduced Universal Credit's original work incentives. Making every hour of work pay used to be its driving principle, but now groups such as lone parents are now likely to be worse off compared to the old benefits system.

How: Invest in work allowances or reduce the taper rate to ensure people keep more of what they earn.

