



Work and Pensions Committee Universal credit update inquiry

NAWRA Further Update Response

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This update is in response to the additional call from the Work and Pensions Committee for updates on developments since April 2017 and recommendations for policy changes.

NAWRA has already submitted a response to the original inquiry in March 2017 and an update in September 2017 in response to an email from the Committee. This report has been compiled, following the recent call for updates, from a survey of the NAWRA community and brings in additional points to both the previous reports.

It is significant that even with the short gaps between reports, further issues are being raised. NAWRA believes that this is the effect of full service roll-out beginning to accelerate sharply in July 2017 (30 jobcentres instead of the previous 5 per month). Many of the problems are arising as more vulnerable people in more complex situations try to claim the benefit.

What has been the effect of the introduction of the full service universal credit?

In response to our survey 50% felt things had got worse, 42% felt the service had got better in some ways and worse in others, and 8% felt it had stayed the same. None thought it had got better.

Areas where the full service had provided improvements –

- Being able to access information online and check payments – this was a useful facility for advisers if they were with claimants
- Claim form is improved and saves as it goes along
- In some areas escalation via the partnership manager was working well (although not in others)

Areas where the full service had made things worse –

- Lack of implicit consent (see page 4 of our September report)
- Difficulty with online verification
- Limited capability for work/work-related activity (LCW/LCWRA) element not being applied when claimants naturally migrate from ESA (see page 6 of our September report) – this issue would not have arisen under live service as ESA claimants were precluded under the gateway conditions
- Delays getting a home visit - again the need for home visits would have been unlikely to arise under the gateway service due to the gateway limitations on claimants

- Claimants being misadvised to claim universal credit when in fact they could stay on legacy benefits which may be more advantageous – examples were raised where a claimant on ESA including a severe disability premium had been advised that they had to claim universal credit when they moved home within a local authority area. In fact they could have remained on ESA and reported a change in circumstances in their housing benefit claim. As there is no transitional protection when ‘natural migration’ occurs (due to a change in circumstances) this can result in a loss of between approximately £40 and £62 per week depending on the particular circumstances. In at least one case¹ it has been reported that, following a pre-action letter, a claimant who was mis-advised was allowed to return to legacy benefits. NAWRA has grave concerns about others who may be similarly mis-advised but cannot access the support of a lawyer.
- Advisers can only get information about a claim if they are with the claimant as it requires access to the journal – this makes it very difficult to advise a claimant at distance, for example through a telephone helpline.
- If claimants forget their password they are unable to access their journal – the cost of the phone line makes it prohibitive to ring – it can take a number of minutes to get through automated part at a cost of around 50p per minute
- Claimants who need digital support being told they have to have an appointee when there is no issue about mental capacity
- Couples having to provide an email address each – for many claimants setting up one email address is difficult enough and it seems an unnecessary hurdle to require members of a couple to have to provide different email addresses
- Where a claimant’s earnings increase so that there is nil universal credit payment for a number of months (less than 6) and then the earnings decrease, universal credit does not automatically go back into payment as it did under the live service. It is now necessary for the claimant to report this themselves even though the DWP have the information – this seems unnecessary and likely to make people miss out on benefits to which they are entitled
- Some areas do not have reliable broadband and transport links can be poor. This is a massive issue for digital support. There needs to be more access for ongoing maintenance of claims, especially for people with learning difficulties or cognitive impairment. Very little is available currently and most of this is provided by voluntary organisations and charities. The DWP are not meeting their responsibilities under the Equality Act

¹ <https://www.leighday.co.uk/News/News-2017/October-2017/Law-firm-call-on-the-Government-to-re-consider-dec>

How long are people waiting for their universal credit claim to be processed, and what is the impact on them?

In response to our survey 8% said around 6 weeks, 54% said 6-8 weeks, 31% said 8-10 weeks, and 8% said more than 10 weeks. It is acknowledged that advisers are more likely to see claims where things are going wrong.

Our members reported that although the first payment may come before 8 weeks there are frequently mistakes eg the LCW/LCWRA element being missing (see above). In some cases it would take months for the correct payment to be sorted out.

Other members commented that even when there is no ‘delay’ in the payment, ie it arrives after the 6 weeks legislation provides for, the wait causes immense hardship.

Impacts arising for claimants include –

- Rent arrears
- Eviction
- Reliance on food banks and welfare funds
- Mental stress
- Debt
- Strain on family relationships
- Inability to heat the home

It was highlighted that the devastation of the first month or two can take months or even years to recover from, both financially and emotionally.

How many of your claimants that want/need an advance payment are successful in getting one?

In response to our survey, 45% said 75% or more of claimants were getting one, 27% said 50-75% were getting one, and 27% said 25-50% were getting one.

It should be noted however that claimants seeing an adviser will likely have been advised by them of the availability of the advance payments and will know to ask for one. Indeed in response to the question about how they found out, the responses were (members could tick all that applied) –

- 50% were advised by the work coach
- 17% found out online
- 0% found out from a poster in the jobcentre

- 92% found out from an adviser
- 33% found out by word of mouth

Comments were also made by members about the punitive rate of recovery (over the next 6 months payments) and the hardship recovery causes. It was also highlighted that where claimants have migrated over from legacy benefits they should be allowed a benefit transfer advance which can be recovered over 12 months.² Work coaches/case managers seem unaware of these rules and are insisting on recovery over 6 months.

How are claimants managing being paid monthly in arrears?

In response to our survey 93% said debts were getting worse and 7% said they were about the same.

Are alternative payment arrangements working?

In response to our survey 82% said they were working some of the time, while 18% said they were rarely working.

Problem areas identified included –

- taking a number of months to get the alternative payment arrangement set up – they rarely seem to be used as a preventative measure where there is evidence that arrears are foreseeable but more as a response when things have gone wrong
- cases where housing costs have been verified by landlord using the SRS email system (which is shortly to be replaced by a landlord portal) and DWP say they have not received it – delaying assessment of housing costs.
- cases where ‘exemption’ from bedroom tax, joint tenancies (where one partner has left – sometimes called ‘untidy tenancies’) or exemption from non-dependant deduction – these seem to take much longer than normal to be assessed – takes at least 2 months sometimes into the third or fourth month.
- APA sometimes ‘falls off’ for administrative reasons – eg a managed payment is in place and then a claim is amended to pay fortnightly on the grounds of vulnerability, the managed payment stops, but there is no notification to landlord, and the customer receives two unexpected payments which are spent as he confuses the money for arrears of

² http://data.parliament.uk/DepositedPapers/Files/DEP2016-0778/Universal_Credit_Advances_v2.0.pdf

benefit he is owed, and anyway he already notified that he was vulnerable and unable to budget.

Has universal credit increased the accuracy of payments?

In response to our survey 55% replied no, while 45 % replied it varies.

It was again raised that the LCW/LCWRA elements were not being paid when they should be (see above). Also cases where the benefit cap has been applied incorrectly and problems with deductions from benefit. And many examples of housing costs elements either not paid or not paid correctly or on time.

One positive noted was that the real time information system has enabled people on variable earnings to be paid correctly as their wages vary.

Has universal credit improved the registration of claims?

In response to our survey 10% responded yes, 60% responded no, and 30% responded it varies.

Members commented that while being able to make online claims was good for those who were digitally able, it has not been properly addressed or resolved how vulnerable claimants who are not digitally able will be properly supported. One member reported that approximately 10-15% of their clients have no access to, or understanding of the internet, either due to: literacy, numeracy, learning disability, visual impairment or anxiety. They also struggled with telephone claims and the cost is prohibitive in any event.

What impact is universal credit generally having on rent arrears?

In our response 100% answered that it has increased arrears **substantially**.

Members reported clients with suspended possession orders, under threat of eviction – without the adviser's help it is likely that many would be evicted. A significant number has no arrears history prior to claiming universal credit.

Another issued reported is that of landlords refusing to let to universal credit claimants because of the well documented problems concerning housing cost payments.

A typical case study is as below –

Currently working with young couple who are expecting first baby. DWP lost tenancy agreement and took 3 months to make housing cost payments – discretionary housing payment not possible until universal credit housing costs in place (knock on effect) leading to immediate 3 months arrears . Relationship with landlady breached right from the start as a result. Relationship irreparable due to the time it was taken to sort out rent payments - she has just told the claimant she will she will be seeking a section 21 repossession at end of 6 months as they are 'unreliable'. This will be will be the time when the baby is born putting the client in a very very vulnerable situation and conferring cost to the local authority who will have a duty to house

NAWRA members highlighted that the seven waiting days at the start of a claim mean a claimant will always be in rent arrears even if universal credit payments are made on time. NAWRA strongly contends that the waiting days requirement should be removed as a priority – increasing debts of claimants can only have an adverse affect both on their ability to find work and on their emotional health.

How well is universal support working?

In our response 27% said it works well where it's available but there isn't enough, 64% said it works for some people, 18% said it is only available in very limited circumstances and 36% said it's difficult to access.

Comments showed a lack of consistency in the support available – sometimes jobcentre staff were stepping into help as were local authority staff but support was taking longer than envisaged and resources were stretched. Major concerns were expressed about how the support services would cope as roll out accelerated.

What effect will the scheduled Jobcentre plus closure and relocation programme have on the operation of universal credit?

In our response 94% said it would cause more problems while 6% thought it would make no difference.

Issues raised included –

- Less access to IT and the internet
- Expensive travel costs – people with disabilities or caring duties may be less able to walk or have to walk and so will be affected more
- More difficulty getting ID verified
- Less face to face assistance

Is the roll-out schedule appropriate?

In our response 93% answered no while 7% answered maybe. Nobody answered yes.

Invariably the responses highlighted the massive increase in problems that have occurred as the service rolls out to more vulnerable claimants as highlighted above. The latest statistics³ show that just over 500,000 people currently claim universal credit. It is likely that the majority of these are still single healthy jobseekers under the live service yet the level of problems arising is high. If roll-out continues at 55 jobcentres a month the number of problems – and the resulting destitution and hardship – will rise exponentially. This cannot be allowed to happen.

Other issues

Other issues raised outside the questions asked include –

- The requirement for claimants waiting for a work capability assessment to meet all work-related requirements. Although this can be adjusted it is dependant on the work coach understanding the claimant's difficulties which the claimant may find difficult to explain. NAWRA believes that while a claimant is submitting fitnotes and awaiting an assessment they should be treated as having limited capability for work as under employment and support allowance.
- Waiting days – as already stated NAWRA believes the waiting days at the start of a claim should be removed. However, it should also be highlighted that waiting days are often incorrectly applied. Where the claimant has been on ESA or JSA within the last three months there should be no waiting days at the start of claim.⁴ However, because this information is not picked up at the initial claim, people are being deprived of their correct entitlement.
- Disabled students – students can claim universal credit if they are in receipt of PIP/DLA and have been assessed as having limited capability for work. However, students in receipt of PIP/DLA are being turned down for universal credit without having their limited capability for work assessed thus denying them possible entitlement.
- Self-employed claimants – rules about self-employed claimants, such as the minimum income floor and assessing whether it is genuine self-employment, are being applied when they shouldn't be eg for claimants

³ <https://www.gov.uk/government/statistics/universal-credit-29-apr-2013-to-10-aug-2017>

⁴ Reg 19A(3)(b)(vi) Universal Credit Regulations 2013

who are not required to be available for or seeking work such as carers and those with limited capability for work

- Universal credit helpline – aside of the issues around cost of the helpline already raised, members have also commented that helpline advisers give out inconsistent information – some cannot even do the basics such as understand explicit consent, log a mandatory reconsideration, check a payment date, or take a report of self-certificated sickness for seven days. Case studies include -
 - *Helpline has resisted making a new appointment for a customer who needed to re-engage with the jobcentre because sanctioned – wanted instead to explain the reasons for a sanction which we had already challenged*
 - *Helpline refused to look on a customer's journal and describe the content to him because they said he had access himself. In fact the customer had lost his password and could not log in and was waiting for a jobcentre appointment to get it re-set, but in the meantime needed information from his journal and was calling with an adviser who he was able to authorise verbally to be given the information*
- Deductions for debt - the maximum deduction of 40% seems to apply in a very large proportion of case. Where people have got 10 or 20% for rent arrears they have also got deductions for advances, overpayments recovery, social fund and that's before council tax or fines. To get these reduced on the grounds of hardship seems almost impossible. There seems to be no clear procedure. Claimants are passed between universal credit helpline and Debt Management and then back again, and nobody seems able to take details of their income and expenditure and make a simple hardship decision. In some cases they are told it simply cannot be reduced, in other cases Debt Management are asking them to write in with a financial statement (in a digital by default system!!). The overpayments are being recovered without a breakdown of the debt being provided. Case studies include
 - - *an overpayment is being recovered even though the customer has disputed it.*
 - *the client was very assertive and asked to speak to Managers within Debt Management and universal credit to get a deduction of £47 reduced to £20 but when his payment was made, the £47 was deducted anyway and now there is 'no record' of that agreement being made and he has not been refunded the difference in spite of his making them aware he is now in hardship.*
- Case manager role – members report lots of cases where an action has been ‘escalated’ by the helpline because the case manager has not responded, a note appears on the journal advising that the

customer will receive a response from the case manager on a certain date. That response does not arrive. All the customer can do is phone helpline again and the helpline cannot do anything. They cannot put you through to anyone to speak to and the claimant is incurring cost throughout the process.

NAWRA believes the list of additional issues above – which have arisen for members and their clients since our original response in March 2017 – highlight the huge numbers of problems that are arising as full service rolls out and vulnerable claimants are involved. The government has repeatedly stated that it wants to do a controlled roll out on a test and learn approach. NAWRA believes it is imperative that the government stops now and listens to the evidence that is put before it.

Since the start of universal credit NAWRA has participated in the DWP operational stakeholders group inputting evidence about where things are not working. In particular we have directed the DWP to discussion threads on the rightsnet forum⁵ which highlight the range of problems which are arising and being repeated across the UK. While individual staff within the universal credit department have been working hard to resolve the issues in conjunction with NAWRA and other organisations, it seems as though there is a reluctance from higher up within the DWP to take action.

In conclusion, NAWRA hopes that the Committee can use this evidence, and all the other evidence before it, to put pressure on the government to pause and take action to resolve the many issues before further hardship and destitution is caused to vulnerable people.

⁵ <https://www.rightsnet.org.uk/forums/viewforum/30/>