



Rt Hon Amber Rudd MP
House of Commons
London
SW1A 0AA

12 June 2019

Dear Ms Rudd

Re: Fraudulent universal credit claims being made to obtain advance payments

NAWRA members have reported via the rightsnet discussion forum¹ that clients have been contacted by a loan company offering a 'government grant'. The loan company then takes information sufficient to verify ID and submit a universal claim without the client's knowledge, arranges an advance and then keeps a substantial amount of it for themselves. The first the client knows is their legacy benefits have stopped, and they find they are now a universal credit claimant with a large advance to repay that they did not receive.

This matter has been reported in the press² and Justin Tomlinson agreed³ on 13 May 2019 to look into the matter urgently. However, NAWRA is aware of similar cases continuing to be reported, and there has been no word from government about what it is doing to resolve the problem

It appears that the 'loan companies' are getting enough information to verify ID online and then requesting an advance online. Clearly this matter needs dealing with before any more claimants are left destitute.

NAWRA recommends -

- where verification has been carried out online, the facility to request an advance payment online should be removed thereby ensuring a payment cannot be made without having attended an appointment with a work coach - it would also increase the likelihood of the claimant being made fully aware that the advance is a debt which needs to be repaid, and the financial consequences of taking one out as repayment of advances is causing considerable hardship.

¹ <https://www.rightsnet.org.uk/forums/viewthread/14469>

² <https://www.bbc.co.uk/news/uk-england-derbyshire-48275021>

³ <http://bit.ly/2LFTC1U>

- where an advance payment has been fraudulently obtained there is no recovery from the claimant who has been the victim of that fraud.

We look forward to your response as a matter of urgency.

Yours sincerely

Daphne Hall, Vice-Chair NAWRA

Cc Frank Field, Chair of Work and Pensions Committee