

Submission to the Public Accounts Committee Enquiry – Universal Credit July 2018

A. Executive Summary

- A.1 This submission is being made on behalf of Citizens Advice Swansea Neath Port Talbot, an independent Charity delivering generalist and specialist advice services for the benefit of people living in the Neath Port Talbot County Borough and City and County of Swansea administrative areas principally, but also throughout Wales with its Welsh Government funded specialist benefits telephone service.
- A.2 Our submission utilises the themes expressed by the recent National Audit Office (NAO)¹ report as headings and present links to some case examples to illustrate current evidence of client experience.
- A.3 The data shows that as an organisation serving two local authority areas that are covered by the full service roll out of Universal Credit (UC) that in May 2018 62% more UC issues were presented to our service with January.
- A.4 Our data and client experiences show that clients are experiencing hardship and often need intensive support that takes resources, for which we have not received additional funding for.
- A.5 Case study examples are provided in the Appendix to the submission for ease of reading the key points of the submission. These are referenced in the main narrative.
- A.6 We make recommendations to support the NAO's findings from our own experience and urging for a further rethink about the escalation of the programme to all claimants of the 6 (legacy) benefits UC is aimed to draw into one unified scheme for low income households.
- A.7 We recommend that the DWP take cognisance of the numbers of people facing problems with UC rather than the percentage of people for whom it is working well. We also recommend that the managed migration process should not begin until the issues with the current 'basic' system, largely complemented by continuing manual processes, have been addressed. Finally, we recommend that a full impact assessment on advisory services is undertaken including how supporting a UC client has impacted on other services. This should be accompanied by an analysis of the cost implications of the additional work for those local authority services which have utilised additional funding, internally, that the DWP has directed to them for UC Support.

¹ NAO (2018) Rolling Out Universal Credit. Found at: <https://www.nao.org.uk/wp-content/uploads/2018/06/Rolling-out-Universal-Credit.pdf> 15 June 2018

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B. Introduction

- B.1 This submission is being made on behalf of Citizens Advice Swansea Neath Port Talbot drawing on our data, client experiences and staff comments at a recent 'away day' in which they were asked to comment on what they were seeing day to day in their role regarding the impact of the economy and poverty on the experiences client brought to our service.
- B.2 During 2017 – 18 more than 50% of the workload of the organisation revolved around Benefits issues. We have extensive experience of other migration programmes such as Disability Living Allowance to Personal Independence Payment (PIP) whereby one third of all our clients (now reducing) were bringing a PIP issue during the period 2015 – 17. A Parliamentary Question by the MP for Aberavon, Stephen Kinnock, to whom we took our plight resulted in a response that the Department for Work and Pensions (DWP) had not considered the impact on advice agencies of embarking on such an ambitious migration programme. We believe there are, therefore, parallels with roll out of Universal Credit (UC).

C. Evolution of Universal Credit in Swansea Neath Port Talbot

- C.1 The Universal Credit Live Service launched in the Neath Port Talbot postcode areas in April 2015 and in Swansea in July 2015. In the early part of the introduction we estimated that we were seeing proportionately more people from the UC caseload using the DWP's own reported figures and our own than was the case generally for any of our other services (including PIP, despite exceptionally high demand).
- C.2 Full Service of Universal Credit rolled out in the two local authorities in October 2018 (Neath Port Talbot) and December (Swansea) 2018. In October in Neath Port Talbot we became part of a group of organisations that the local authority funded to deliver Personal Budgeting Support (PBS) utilising the DWP's Universal Support Service's Framework funded payments for each client referred by Job Centre staff and supported by us with PBS alongside a range of other services. We initially delivered one day per week in each of the Jobcentres in Neath and Port Talbot but have now dropped this to a day every other week rotating between the two sites this is because of capacity not demand. (The £50 per client payments do not fully compensate the organisation for the initial and follow up work required to ensure each client can gain the most out of the wider services we can offer, including referral for specialist debt advice, where appropriate).

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C.3 In Swansea we started one day a week in the Swansea and Morriston Job Centres from January 2018 and moved this to fortnightly from April. No additional funding has been received for this delivery from either DWP or the local authority. In Swansea, only local authority staff deliver the PBS and Digital Support services. These are services that claimants are signposted to by the Job Centre. A recent review has recognised take up of them would be improved by co-location of digital support staff from the life-long learning department of the authority in the central Job Centre. In the meantime, Job Centre staff have signposted clients whose first language is not English to our service which has resulted in increased translation costs, again for which we have not been compensated.² We do see, however, even where we are assisting people to get online and set up their claim that individuals in complex circumstances need very specialist benefits advice as to the appropriateness of their claiming UC especially if they may resume a claim for a legacy benefit following an appeal. Digital and specialist advice services need to be delivered alongside each other, whether through Job Centre staff providing the digital support directly and advice services being co-located in the centres to assist in the more complex areas.

D. Experience

D.1 Client experience

D.1.1 During the year 2017 – 18 248 clients were assisted with Universal Credit issues. Of these nearly 2 in 3 people had other advice problems. 54% had advice on other Benefits and Tax Credits (between 14 and 40% of these would have been in respect to the legacy benefits which UC seeks to replace); 12% of people were also advised on debt and 5% employment. The majority of these clients would have been seeking support due to a 'live service' UC claim and generally single jobseekers rather than 'full service' which is only now incorporating many people from more vulnerable households.

D.1.2 In this period in terms of debt, 2% of clients had rent arrears; 3% council tax arrears; 1% fuel debt arrears; 3% water charge arrears and 3% overpayments of benefits problems. These figures largely indicate that the people who were claiming UC were not householders.

² During 2017 -18 we expended £3,900 plus on costs for interpreters provided through the Clear Voice telephone service. On average £200 - £300 is spent each month. In May 2018 the cost was £900 something which is not sustainable.

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D.1.3 In the six months period to 31 May 2018 (post-full service roll-out in Neath Port Talbot and coinciding with the imminent roll out in Swansea on 13 December 2017) 342 clients were in contact with our service. Of these 70% of clients presented with other advice issues. 85% presented with other benefits issues (Between 14 – 42% presenting with issues relating to legacy benefits); 21% with debt and 7% with employment issues.³ Since the turn of 2018 the number of client with Universal Credit problems is gathering apace as the table below demonstrates:

		2017-18 Q4			2018-19 Q1	
		January	February	March	April	May
Benefits	01 Initial claim	27	21	36	44	42
Universal Credit	02 Standard element	5	4	6	7	15
	03 Housing element	5	11	11	12	19
	04 Disability elements	5	15	11	13	18
	05 Child elements	1	1	1	4	3
	06 Childcare costs					1
	07 Carer elements		1	1		1
	08 Calculation of income and capital	5	4	3	3	5
	09 Conditionality and Commitment (inclu..	2	3	2	4	3
	10 Universal Support	1	1	1	4	1
	11 Deductions	1	1	1	4	3
	Not recorded/not applicable	15	4		1	1
Grand Total		59	55	65	82	95

Table 1: Breakdown of Universal Credit issues from 1 January to 31 May 2018.

D.1.4 Clients are experiencing hardship – Food Bank usage

We regularly rely on two Food Banks. We have recorded an average of 17 parcels a month since UC roll-out compared to 14 before roll-out. Staff reported recently that a few years ago issuing Food Vouchers would be rare. This increased to demand 2 to 3 times a week as Welfare Reform measures took place, e.g. change of benefits, sanctions and delays in benefits processing as an organisation. Now since Universal Credit has rolled out most staff say they are issuing around 2 to 3 parcels or vouchers a week each. Local Food Bank donations aren't able to keep up with needs and we now experience delays in the issuing of new vouchers. Anecdotally our staff report that a significant proportion of supplies/vouchers are provided to people in work. However, more significantly the numbers of people we have supported with food would be higher if there were sufficient supplies of food in Food Banks and voucher requests were turned around more promptly. We are supplied with 30 vouchers at a time by the local Trussell Trust Food Bank but these generally have run out by the end of the week with delays of several weeks before the next supply is issued. We are now faced with the busiest venue in the Centre of Swansea

³ Note: These figures are not capable of being aggregated since a client can present with both benefits and debt or employment issues.

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being closed for the foreseeable future.⁴ In the summer of 2017 it was well reported that one of the Food Banks ran out of food and local politicians stepped in to meet the needs.⁵ We can only anticipate the picture being even more bleak for the summer of 2018.

D.1.5 Last year as an organisation we contributed to a Joseph Rowntree research project looking at destitution the outcome of which has recently reported.⁶ In their introduction the main key point is made that is of relevance to Universal Credit causing further problems down the line:

*"Destitution typically occurs against a backdrop of sustained poverty and long-term hardship. People are generally pushed from severe poverty into absolute destitution by some combination of debt, benefit and health problems. Other key triggers include unaffordable housing and, for some migrants, extremely low levels of benefits or no eligibility for benefits at all."*⁷

50% of clients have issues with the initial claim – though this is generally only 36% of all the UC issues brought to us

D.1.6 We have provided some case examples below of where Universal Credit is failing people and where the consequences for the individuals concerned and other public services are likely to incur greater resources in the long run. (See Appendix)

D.1.7 Clients are experiencing hardship – Housing Costs

We understand that for some clients who are vulnerable the Application for an Alternative Payment arrangement can be a lifeline to stabilising their situation. However, we have learnt that the APA does not come into effect until the second payment from Universal Credit which means that to avoid the unnecessary problems of having large sums of money by introducing an APA this is then not put into effect until the first payment has been made. This has led to some landlords starting possession action even if they themselves as social landlords have assisted with the APA application. They automatically commence the possession process for rent arrears because the tenant has reached a certain level of arrears. Private landlords on the other hand are not

⁴ Email communication of 13 June 2018

⁵ <https://www.bbc.co.uk/news/uk-wales-south-west-wales-40769471> 30 July 2017

⁶ Fitzpatrick S, Bramley G, Sosenko F and Blenkinsopp J (2018) Destitution in the UK 2018. Joseph Rowntree Foundation and Heriot-Watt University. <https://www.jrf.org.uk/report/destitution-uk-2018>

⁷ Ibid page 2

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so involved in the support arrangements and have the right to pursue possession after 8 weeks in some cases.

Individuals who are unable to contribute to making their own digital claim or manage it online are the most vulnerable to losing their accommodation. (Two case study examples illustrate this and can be found at A.1 and A.2 in the Appendix below.)

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D.2 Organisational level

D.2.1 Responsiveness of DWP - Local Job Centre staff

D.2.2 Being based in four Job Centres and regularly attending the Customer Representative Groups, hosted by DWP, has led to greater understanding of respective services and has enabled us mutually to support claimants more effectively. Escalation routes have been provided but Partnership Managers have been only too keen to help with intractable issues when they occur ensuring feedback is provided on what is happening if they need to refer on to a more specialist team or higher level. This has 'nipped some issues' in the bud to prevent recurrence for more claimants e.g. refusal to allow claimant coming off ESA⁸ access to the Job Centre toilet even though he had continence issues was addressed by the Partnership Manager.

D.2.3 Practically advisers report greater openness in respect to Work Coaches and other DWP staff to our involvement. Generally, as an organisation we have not had too much difficulty in being able to contact and speak to DWP on a claimant's behalf without having client consent added to their journal (again this is particularly helpful where the claimant is not digitally literate enough to do this themselves). We do not find that DWP staff are defensive when things go wrong but that they are keen to address matters for the people we are both trying to assist. We can therefore concur with the NAO findings that culturally at delivery level the operational staff have changed their mode of working and openness towards advice organisations such as ourselves. However, we know that experience is not consistent across the country in this, but we believe our local arrangement has largely due to the co-location of our services in the Job Centres.

D.2.4 Responses from remote Delivery Centres and the Debt Recovery Unit have been less positive, however. Debt Recovery Unit staff do not have any access to historical information or the journal of decisions and so are unprepared to change what 'the computer says' to avoid clients getting into further financial difficulty. **(Case study C)**

D.2.5 Responses from senior Ministers and officials at DWP have not been very constructive and have erred on the side that if 90% of people in the live service are having receiving payments effectively and managing their UC there is no need to divert away from the direction of travel.⁹

D.2.6 We are often left picking up the pieces for the errors of others

We are very concerned about the unintended consequences of introducing such an 'ambitious'¹⁰ programme of Government reform at the same time as

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many changes in the social security system have left considerable mismatch between supply and demand for advice services. Case studies D.1 and D.2 illustrate some of the errors caused by well-meaning other support services who are not fully conversant with the UC regulations and the detriment individuals can face if they do not check the client's individual circumstances. We, therefore, wish to see the DWP fully identifying the impact on advice services and compensating those already hard-pressed services through direct provision of financial and other support.

E. Conclusion

E.1 We have set out above some data and information drawn from our client experiences that supports the views of the key findings in the NAO report. As an organisation which has positively entered into a partnership with four local Job Centres and working effectively on behalf of mutual service users to ensure individuals are supported well, and treated appropriately, we believe we are able to identify some areas of improvement before further acceleration of the UC programme takes place. Drawing on this experience we set out below some recommendations for the consideration of the Committee.

F. Recommendations

F.1 We recommend that the DWP take cognisance of the numbers of people facing problems with UC rather than acclaiming its success on the percentage of people for whom it is working well.¹¹

F.2 We also recommend that the managed migration process should not begin until the current issues with the basic system, largely complemented by continuing manual processes, have been addressed.

F.3 We believe the recovery of Advance Payments and Overpayments and the default 40% rates should not be taken from the first six months of UC being put into payment and they should be suspended should an accredited debt adviser confirm the claimant faces priority debt. This is because claimants often have debt before their first payment; that in our experience the first payment is not always correct and that ongoing hardship through accumulation of debt for priorities such as rent, council tax and fuel is something claimants do not recover from within their first 12 months of a claim. We would support the NAO's recommendation that further DWP analysis of client experience of UC claiming

⁸ Employment and Support Allowance

⁹ At least three responses to Parliamentary Questions posed by our local MPs were responded to in this manner and in one the Minister questioned the legitimacy of our service even raising concerns of this nature because they were not the experiences of the majority.

¹⁰ The words of the NAO in their 2013 report.

¹¹ The NAO report itself confirms this.

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should further be conducted. We look forward to being able to contribute to this evidence.

- F.4 We recommend that a full impact assessment on advisory services is undertaken including how supporting a UC client has impacted on other services. This should be accompanied by an analysis of the cost implications of the additional work for those local authority services which have utilised additional funding, internally, that the DWP has directed to them for UC Support.
- F.5 Finally, and having completed an impact assessment would we suggest further roll-out and migration of existing legacy benefits be considered. If the business case is demonstrated that the systems and support services can cope with further 'load' should managed migration continue. Having looked at the NAO report and findings and recommendations we are most concerned that on 1 June 2018 the Universal Credit (Transitional Provisions) (Managed Migration) Amendment Regulations 2018 were presented to Parliament's Social Security Advisory Committee (SSAC) for their consideration signifying that managed migration of people who are currently in receipt of housing benefit is going to start from January 2019 albeit on a small Pilot basis to start with. We are aware that the SSAC has decided to consult on this and we welcome the opportunity to respond to it but recommend the Public Accounts Committee also considers their own views on this matter. We consider this especially pressing in the light of the NAO findings that there is evidence to support the UC scheme is *'not value for money now, and that its future value for money is unproven.'*

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Case Study Examples

A. Lack of Digital Literacy and Issues caused

A.1 Updating Rent – annual increase

A.1.1 Client tried to inform universal credit of the yearly increase in rent. He did this at the job centre with the help of a work coach.

A.1.2 What is the impact of the problem?

A.1.3 Client misunderstood part of what he asked. He had to give all the information he gave at the point of making the claim instead of just the information which changed. He said he had no housing costs without understanding the meaning of the phrase. His payments for rent were stopped. He was already behind with rent and a payment arrangement had been put in place to prevent further action. When he received the UC payment it didn't include housing costs and he couldn't make the agreed payments. He is now having help from Shelter Cymru with eviction action.

A.1.4 The problem is not being able to inform of a simple change of circumstances without having to provide other information which wasn't affected and which has already been supplied. The journal choices are specific and limited making communication difficult for clients and especially those who are not comfortable with using IT for communication and form filling. This is likely to be a National Issue. CA-130507029. Swansea East.

A.2 Lack of digital literacy leads to rent arrears

A.2.1 Client faces eviction due to rent arrears. Client is not digitally literate enough to manage a claim currently, but her partner has had a life changing accident and in hospital.

A.2.2 Client is currently living alone as her partner was injured on the 21st of October 2017 and left paralysed from the neck down. He is currently in hospital. However, they are hoping to discharge him in September 2018 and at that point client will be his full-time carer.

A.2.3 The rent arrears arose as client had to claim UC in January 2018, but the client has difficulties with computers and nothing was paid. Client was not sure what the problem with the UC claim was, however, payments are now due to begin in July 2018. Client has been told by the DWP that she did not send them information they required to process her claim.

A.2.4 Problem generally caused by lack of IT literacy in claiming UC.

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A.2.5 What is the impact of the problem?

Client is a City and County of Swansea council tenant with rent arrears of £899.10, an NOSP¹² was issued on 17 May 2018 and on 6 June 2018 a court warning was issued over the arrears. She had not received any UC payment before she came to our service. It is anticipated her first payment will be in July 2018. **CA-139928920. Swansea West.**

B. Range of Well-Meaning People Urging People to Claim UC When Inappropriate

B.1 Erroneous claim 'recommended' by Work Coach

B.1.1 Client claimed UC incorrectly upon the suggestion by her Work Coach that she 'might as well' as she was going to end up on it anyway.

B.1.2 What is the impact of the problem? Client's claim was refused as a consequence her income reduced due to claiming UC inappropriately - while her Housing Benefit (HB) was reinstated she lost her Tax Credits, as a consequence. Client did not wish to complain due to lack of confidence in what would happen to her as a result. **CA-137737321. Swansea West.**

B.2 Erroneous claim progressed by Rent Officer

B.2.1 Client, aged 61, attended the local rent office after his wife died to inform them of the change. The rent officer told him he needed to claim UC and also made the online claim with him immediately. They also booked the ID appointment.

B.2.2 What is the impact of the problem? As a result of claiming UC the client is now in rent arrears for the council property which includes an under-occupancy charge of 14% (£75.16 per month) as his son left the property not long before his wife died. £12.84 is being deducted from his UC first payment for an initial advance he received of £250. The client has also not been able to continue having the Severe Disability Premium and has lost £64.30 per week. Fortunately, he is not required to complete another UC50 as the previous ESA assessment has been transferred over to his UC claim. However, he is now being chased for an overpayment of HB and without income at a very unsettling time. **CA-138895239. -Swansea West.**

¹² Notice Seeking Possession.

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C. Recovery Rates for Advance and Overpayments Set Too High Causing Hardship

C.1 Recovery of advance and overpayments at too high a level causing hardship (UC – new claim under full service not long after a previous 'live' service claim – due to errors client had to claim twice and then was faced with the problems of switching over to the digital platform under full service)

C.1.1 What is the impact of the problem? Client previously on UC 'live' service. New claim for UC under 'full service' from February 2018. Client has a 3-month sick note and cannot undertake any work due to physical health problems.

C.1.2 Client has £100 per month shortfall on his housing costs for a one bedroomed property compared with what UC will pay. He has lived in this property 5 years and he could afford the payments while working.

C.1.3 He had two advances of £300 of UC and an older one of £60. He has not yet started to pay back the new advance. From 10 September 18 he will pay back £54.43 according to written communication from DWP and this was put in writing.

C.1.4 However, when client's first payment started from his February claim there were deductions for the recovery of a previous advance payment. Client was also informed that a HB overpayment from a previous period was being recovered. Something he tried to address with the authority on several occasions.

C.1.5 This is the full script of an email the client sent to one of our advisers who was assisting him and supporting the client to make his own case to the relevant authorities and which evidences his level of frustration:

"Thanks for your call this morning 10:30. I phoned the 0800 number, only to be told that they are unable to help as they are just debt management company, handle the money, and have no influence over the amounts taken from break in repayments recovery or from housing Ben....(after 5 hours yesterday and now another 5 today, I had no energy left to give to this, now it's taken from me more than I had) They did however inform me of structure. As follows :: April money deducted for budgeting advance recovery..(At twice the agreed amount) and (not upholding agreed break until sept) I'll put numbers beside what I need help with.. 1/ reimbursed with £118. Asap. Also informed me, May deductions for housing benefit over payment. £ 127.13p ... And that they were deducting £4.50 And now that your Break in repayments looks like its IN PLACE we are taking £127.13p for housing Ben recovery .. When over paid? Oct 2017..(When I recorded call to cancel benefit) how much? £584.81. Debt management can't change the amounts taken! 2/ please help, stop ILLEGAL DEDUCTION of housing benefit recovery ASAP, Reimbursement of housing ben recovery. And .Recovery re. Estimated at £4.50..... So, I phoned Swansea H/B. Same = can't change the amount. When overpaid? Years ago. How much? £561.68... = similar to what I was just told, but no correlation. But again amount we cannot change.. Elaine, within the last 18 months

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I have been to S/sea Housing Ben with a stack 2 foot high. Asking to show payments, wanting a full inventory of payments I've made and what I owe.. They refused to go through it... I explained that if they Dont my head will explode. A little dislexic, and hounded all my life for either overpayments that I have tried to prevent or deducting mony back from a time that I had Snapped akillies tendon, in a cyborg boot.etc etc etc..I have face to face told them I can not cope past 50 with this, And was told, most prior debts Canceled because I can't cope... So what is this new ILLIGAL DEDUCTION..? Is it from Oct 2017,, or from years ago.. ? Seems impossible for me to know/!!!! So i then phoned universal credit... After 2hours 30 min. my call was answered. Andy from Dundarsh Scotland.. (((This is on the gone onto digital number))). I explained the whole situation once again.....ANDY is the same person who set up the break in repayments for me !! He said,,, I can only see all your details on my screen from before you went digital.... Then suddenly " I can not discuss your claims at all.. ". I can only add a notes for your case manager.. Who is that. ? No sorry not telling you .. When will they be in touch ? 5 working days... So another Now 6 hours 30. Non stop work. Yields absolutely no results whatsoever.! Probably and most definatly made the hole deeper... I HAVE BEEN TRYING TO RESOLVE THIS SAME PROBLEM EVERYDAY FOR MONTHS.im Physically and mentally totally done. The muscle's in my back involanterly spasms to protect the broken bones,, 4 days ago this was less, now its twice as much again.. I cant even get proper treatment untill involentery spasams have completely gone...! My stomach, Total agony once again. After I have worked so hard and put myself in such unreasonable working situations like sleeping in -4° etc, over the last 18 months, And so much efforts to get this right, Just to , at this late stage discover that one unorthorised un budget recovery has been replaced with another, just to much.. I'm starting to worry I may end up going same way as lady recently who was also just trying to pay rent and eat if they keep me jumping through hoops and clouds, I feel rapped of a ton of personal information that doesn't even afford me a conversation... My head is now exploding , I'm incapable of having that same conversion all over again for the 97th time. In February there was set up a 45 min tell call examining my finances , How much I would receive. And the most appropriate amount I can withstand paying. to pay back IN MY FINANCES. £54.43 was deemed appropriate.. How can they now justify what they are doing to me. Until Discretionary rent was sorted They decided put the £54.43 on hold until September..I have never encountered a company or organisation so capable and willing to destroy a person with such disregard for the systems and agreements THEY made, starvation, or rent All for just over £700 a month. I am deffinatly totally incapable of continuing in this way.. I Know Swansea council want my home, but they will have to take it over my dead body. I've always appreciate your hard work , letters , time etc, but we absolutely achieved no results. If you think you can penetrate this expertly delivered chaos, Deliberate time Consuming obsticals to destroy me and take my home ,, then you have my full permission..I hope to hear from

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you Tuesday with reimbursed money news, return to real life sanity enough to eat and pay rent with. Many Thanks A"

- C.1.6** The deductions amounted to 40% of this client's UC entitlement (a total of £120 was deducted from his most recent payment leaving him with a total of £596.00 for the month, £400 towards his rent with a further £100 shortfall to be paid to make up the full rent. **This has left him with a total income for the month of £96.00.** In theory when the suspended advance starts to be recovered he will have less than half of this amount to live on.
- C.1.7** He has no other income and no savings. This has led to him needing to cancel his car insurance which he has now taken off the road even though his remaining money still does not allow for money for essential bills etc.
- C.1.8** Client and adviser have tackled this matter on more than one occasion but the Debt Recovery Unit will not address the issue. For the second month running the amount has been deducted, but on request a proportion of the deduction has been refunded. The client has now been told that he has to prove hardship again if he is to have the deductions reduced below the 40% mark. Client's landlord wanted him out on 2 June 2018 due to rent arrears, the delay in processing a Discretionary Housing Payment and client being able to pay some elements of his rent has not yet meant the landlord has taken the necessary steps but the client's position is very precarious and deteriorating. **CA-137282224. Swansea West.**

D. Mistakes in Assessing Different Kinds of Income due to Basic IT System

D.1 Treatment of dividends paid out to client under UC

D.1.1 Client claimed UC when he went off sick due to cancer treatment.

D.1.2 What is the impact of the problem? Client has been having treatment for cancer for the last few years but in April had to go on sick leave. His contractual entitlement has now run out and so client claimed UC. He is married and has two children. They live in a council property and were not in rent or council tax arrears at the time of his UC claim. At the end of May he received £1,000 dividends on some shares which he used to pay his rent, council tax and other debts. He continues to have SSP¹³ but was expecting his first UC payment on 16 June. He has now been told that he won't get any UC paid due to the amount of money he has received from his employer (Amazon) including the dividends which the client does not accept. Client now reliant on food bank with a family to support. **CA-140086749. Swansea East.**

¹³ Statutory Sick Pay which is paid at a rate in 2018 – 19 of only £89.35 regardless of household make up and circumstances.