

Universal Credit and Debt

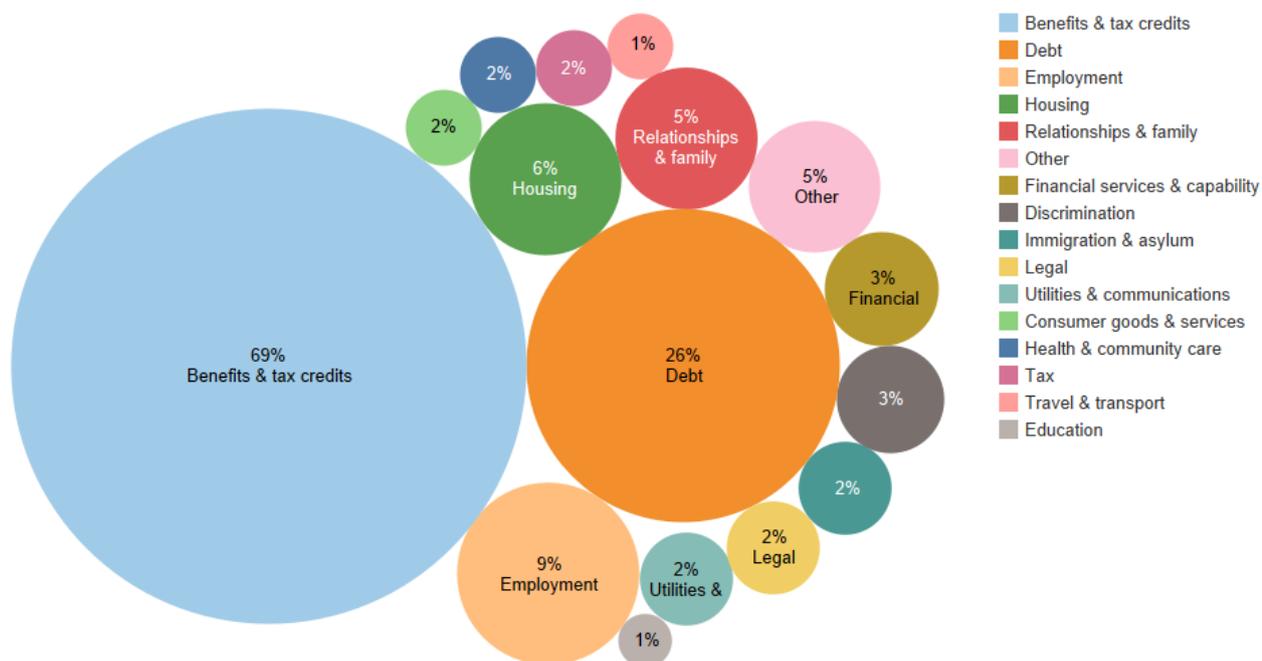
The Impact of Personal Budgeting Support



Challenging Times; an Uncertain Future

As predicted by the Office for Budget Responsibility (OBR), household debt has reared its head, and its impact should not be over-exaggerated. The negative effects of debt are already rippling into other areas of many individuals' lives: housing, living conditions, mental health, relationships and the ability to find and hold down work are all proven to be affected.¹ This is hitting at a time when the rising cost of living has exacerbated the effects of freezing the cash values of benefits till 2019/20,² and the anticipated strain of inflation caused by Brexit may leave people without work and the security it affords.

Universal credit (henceforth UC) has been rolled out fully across Swansea, Neath and Port Talbot since October and December 2017. It now replaces legacy benefits for all new claimants. Though it streamlines the welfare system, the rollout has not been smooth. Our clients have come to us disproportionately affected by debt, citing various elements of Universal Credit as an exacerbating, if not directly causal, factor.



¹ The Royal College of Psychiatrists report that 1 in 2 people in debt have mental health problems. Accessed on 26/10/18 at: <https://www.rcpsych.ac.uk/healthadvice/problemsanddisorders/debtandmentalhealth.aspx>

² 2018 Benefits Uprating By Lydia Jackson & Richard Keen, Research Briefing as found in House of Commons Library, Published Friday, January 12, 2018 | Commons Briefing papers CBP-8162 accessed on 26/10/18. Accessed at <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8162>

143 clients came between July and September with a Universal Credit issue. Of these, 111 had other issues, i.e. 78%. **This is higher than normal.** Usually around 2 out of 3 clients have other issues.

Clients who presented needing help with Universal Credit between July and September **disproportionately required debt advice.**

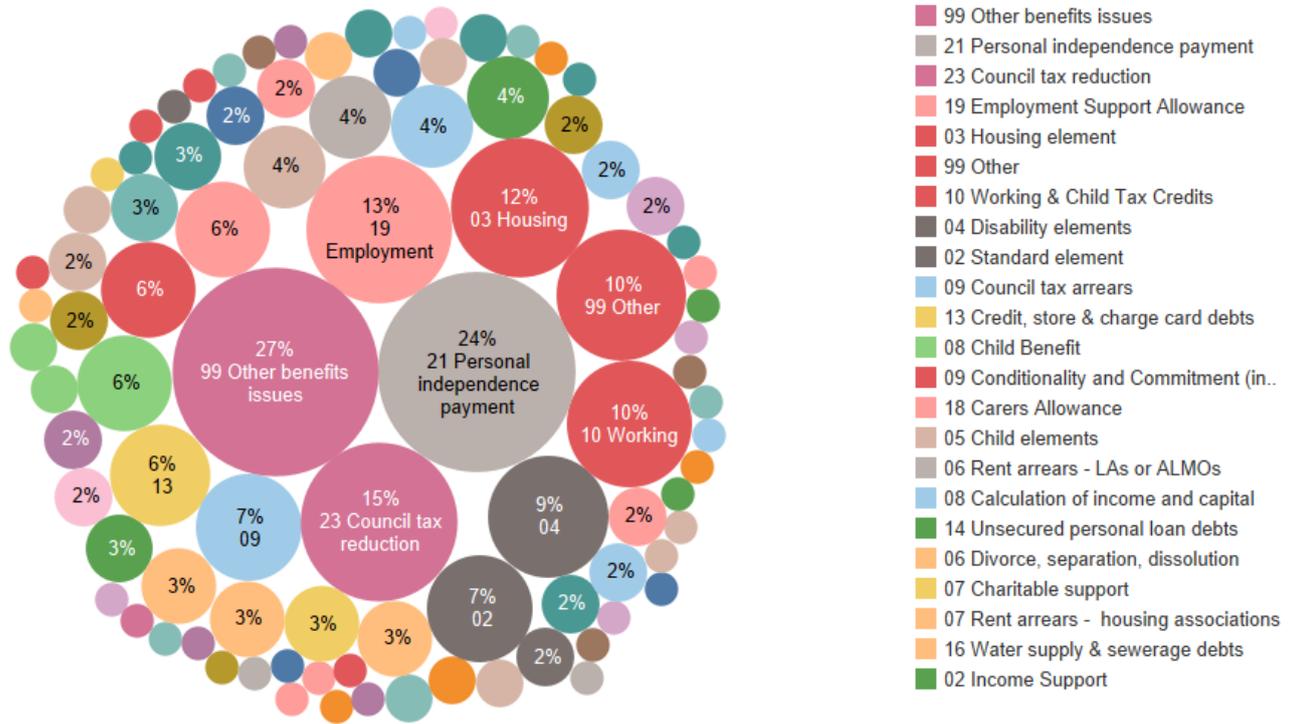
Considerable efforts have been made by our advisers to alleviate this through one to one advice sessions, telephone and drop-in support. Since the overarching aim of Universal Credit is to move people off benefits into employment, it is a deeply unfortunate irony that the list of effects includes a drastic reduction of these people's chances of immediate and future employment.

This has not come as a surprise however. A House of Commons Select Committee reported concerns as early as 25th October 2017 that the claims process as it stands would lead to "an increase in acute financial difficulty".³ Concerns were raised by the Joseph Rowntree Foundation that Universal Credit is designed in a manner which institutionalises "debt by design"⁴. The Trussell Trust has issued unprecedented numbers of food vouchers since the rollout of Universal Credit began.⁵ MPs have declared the predicament on their constituents in Parliament to little avail, and as the next round of full service rollouts approaches, the voices calling for delay and change have grown louder.

³ Universal Credit: the six week wait. Work and Pensions Commons Select Committee. Publications and Records, Dated 25/10/2017. Found at: <https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/336/33603.htm>

⁴ Rowntree foundation, Destitution in the UK 2018, report accessed on 26/10/18 at <https://www.jrf.org.uk/report/destitution-uk-2018>

⁵ The Trussell trust key findings, accessed 26/10/18 at <https://www.trusselltrust.org/what-we-do/research-advocacy/universal-credit-and-foodbank-use/>



Clients needing help with their initial claim also **required other advice. Employment; & housing issues; conditionality arrangements; eligibility for benefits** including Council Tax reduction, Housing Benefit & Personal Independence Payment are noteworthy.

Council tax and rent debts are also prevalent

Laying the Foundations for Change

Citizens Advice Swansea Neath Port Talbot has been working with clients and government bodies to develop a system which preserves the financial capability and resilience of the individual. In Neath Port Talbot we have a partnership arrangement with Neath Port Talbot Council, and the Department for Work and Pensions. We provide Personal Budgeting Support to clients referred to us by the Job Centre. The service aims to ensure individuals are receiving all financial support they are entitled to, as well as providing guidance about living on a low income. This includes looking at outstanding or new debts, to make sure clients are managing them the best they can.

At our Swansea Central office we also offer Assisted Digital Support to those who need help to make their initial claim, as the benefit is mainly administered online. We break down the claims process; the next steps a client can expect; what they need to do now, and how to manage their claim going forward.

Methodology

We began researching why clients came to us for financial support. We started by interrogating our existing case records, which include advisers' assessments of their clients' situations. We then designed a survey to follow up our clients' experiences in four key areas: the initial stages of their UC claim; clients' financial situation before and after claiming UC; and the impact of our services on clients' understanding of their claim and their financial and technological capability. We also gave our clients the opportunity to describe their experience in their own words, granting us deeper insight into their experience. Finally, we compared this data with research we conducted earlier in the year, funded by the People's Postcode Lottery to track experiences with making the initial claim.

Clients from Neath and Port Talbot were selected to be contacted if they had received Personal Budgeting Support from us between April and June inclusively. Clients who attended our Swansea branch during the same period were also contacted if they had presented with queries regarding Universal Credit, or if entitlement and/or problems had become apparent during the advice session.⁶ All clients were asked the same sets of questions within the survey period.^{7*} If it was apparent in a client's records that they would not be able to be contacted; would find the survey difficult to answer independently over the phone (for example, due to language barriers); or had not given us permission to be contacted, such clients would not be contacted. However,

⁶ Case records for 56 clients were analysed in the initial stages of the research. Although we attempted to contact all of these, 22 were contacted successfully and surveyed for further insights. 10 clients from Neath Port Talbot were contacted, and 12 from Swansea. The results of the survey were combined with 20 survey responses conducted separately as part of services funded by the Postcode Lottery Fund for the provision of assisted digital support.esse

⁷ Partway through the survey, a few questions were added to create a more rounded picture of claimant experiences. In addition, the wording of the questions was refined to ensure answers were as consistent and accurate as possible.

every effort was made to ensure clients from all parts of our community had a chance to have their say, and that our sample of clients was as inclusive as it could be.

This research therefore aimed to explore why people find themselves in debt and in need of support. This inevitably included considering the link between UC and debt amongst our clients. We intend to devise models of delivery that will improve the value of our debt advice, encouraging individuals and families to access support and improve our community's financial capability and durability.

The Path to the First Payment

A Universal benefit should be Universally accessible. The reasons for claiming UC were as diverse as our community. Many had lost their jobs due to redundancy, or an employment contract naturally came to an end. Others had felt forced into leaving their jobs due to conditions at work. A few of those interviewed managed to find work quickly, but more commonly clients were looking for work long-term. Many expressed dismay at needing to claim when they did, forcing them to wait weeks before receiving a single payment:

"I'd missed JSA by one week. Couldn't believe it. If I'd claimed just one week earlier I wouldn't have had to wait so long for my first payment."

Other clients stated they claimed UC because something had changed in their lives which forced them to move onto UC and halted their current claims and leaving some worse off. Others were too sick to work due to physical or mental health conditions. For these claims, the process of making the initial claim online was harder. Many had to rely on friends or family members to make their claim for them, or they came to us for guidance.

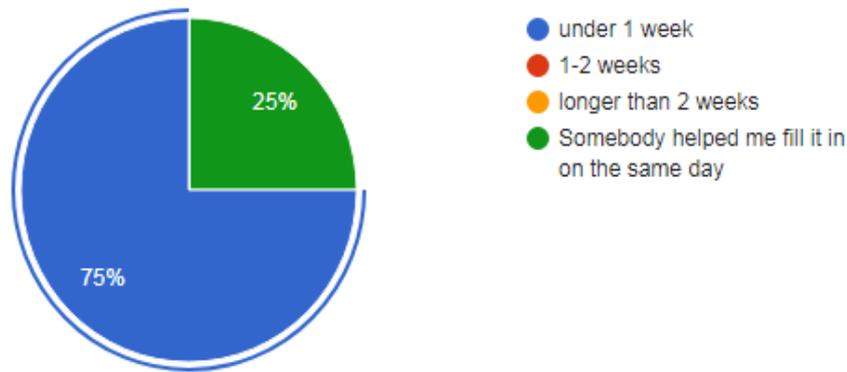


Fig. 3: “From when you first decided to claim, how long did it take you to complete an online claim?” (Neath Port Talbot above, % of 4 responses)

In Swansea, one client stated they had received help at the civic centre to fill in the form. 50%⁸ stated it took within a week to complete the online claim.

Most clients were able to make their claim themselves within a couple of days, and for a small majority the claims process ran smoothly. The clients who required help from us to make their claim were either seen on the same day, or arranged an appointment on a one-to-one basis with our adviser. However, some had to make multiple claims due to technical errors before their payments began to be processed and assessed. These claimants were caused significant financial hardship which is detailed below. A few clients found difficulties with verifying their identity using the online systems, for example, those who were not IT literate, or one who possessed a European non-British passport. Some of these clients required further guidance, the provision of which is also detailed below.

Most clients then received their first payment within 5-8 weeks. Some believe they may have been paid within 5 weeks. There were a few who waited far longer however: one client stated that there were so many mistakes she had to wait 7 months for a single payment. She ended up having to take out multiple advance payments totalling £1,400, all of which have to be paid back...

⁸ % of 4 responses from clients surveyed, sourced from the sample of case records

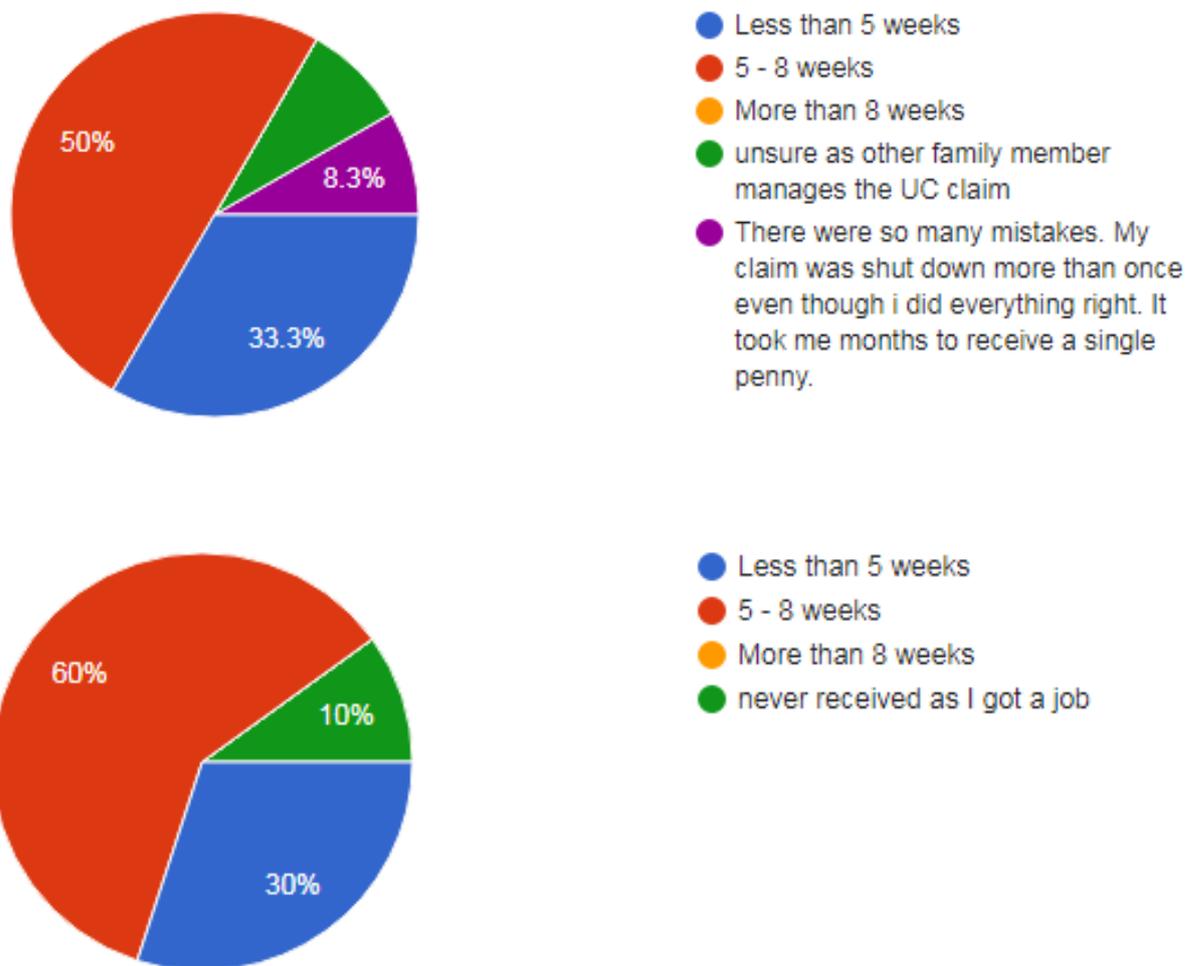


Fig. 4: “From when you made your online claim, how long did it take for your first payment to come through?” (Swansea above, % of 12 responses; Neath Port Talbot below, % of 10 responses)

Complications

Universal Credit was conceived to be responsive to an individual’s situation. This ethos should be visible across the entire service: from the calculation of the monthly award, to consideration of claimants’ infinitely varied and regularly fluctuating circumstances. Whilst Universal credit seems to be working for some, key problematic themes began to emerge.

Lack of information about changes to their award

Often the amount of Universal Credit you receive will fluctuate from month to month. The amount you receive as your first payment can often be reduced to reflect your individual circumstances such as pre-existing income.

Of those asked, 60% of clients we asked understood why these later changes took place before they happened, but around 40% did not and were still unsure.⁹ Some still didn't know why changes had occurred when they came to us for advice much later on during their claim.

*"I understood **that** they happened... still not exactly sure **why** they happened!"*

"...I didn't ask why in case it caused me more problems..."

Sometimes if a client made their claim for UC before they received their final wages instalment from their previous employer after being made redundant, this amount would be factored into next month's calculations, resulting in a reduced award for that month. For every client this applied to this came as an emotional and financial shock, as they had not been informed prior to the fact. The results were negative for many.

"I thought my award was going to stay the same, so I used my last pay packet to pay off what I had left of my loans... The UC payment I received for the month was so low, I ended up even worse off than before... I couldn't pay rent, gas, anything. I fell into debt all over again, worse this time."

Providing clients with sufficient information to manage their claim in the months ahead is vital to protecting a person or families' financial resilience. The extent to which clients felt that key elements of their claim had been explained to them was therefore concerning. A majority did not understand how their claim was calculated and had not had this explained to them until they spoke with an adviser. Most did know and understand how many hours they had to spend looking for work, but fewer knew how to ask for changes in their claimant commitment due to circumstances and

⁹ % of 10 responses from clients surveyed from case record sample

when to do so before speaking with us. This trend has the potential to trip people up unnecessarily, preventing them from receiving all money and options they are entitled to. Worryingly, this also sets up claimants for future overpayments (therefore future debts), and punishing sanctions.

Universal Credit should not set claimants up for failure automatically. Claimants should be made aware of the basics of how payments are calculated. This will allow them to plan ahead, improving their resilience in the face of fluctuations. This allows both families and individuals to avoid running into unnecessary financial shocks.

Inflexibility

Everyone must sign a commitment which states what work-related activities each claimant needs to do whilst on UC, which allows for circumstances such as childcare responsibilities.

However, it seems some client groups are not catered for sufficiently by the UC system. Conditionality agreements are not flexible enough. Armed forces families can be barred from claiming entirely due to income levels, despite the extensive costs of living and circumstances they face. Low income families, particularly single parents, also struggle. Juggling full-time working and/or job seeking at threat of sanction puts significant strain on the parent, mentally and financially. One client stated she already worked 30hrs a week and originally just wanted to claim tax credits for her 10 year old as a single mum. Only being eligible for UC meant that she also had to look for more work, which forced her to spend less time with her young children:

“You’re classing people who are working as if they’re not. I work 30hrs a week, but I’m treated as if I don’t do any! And I ended up in debt because they messed up my award...”

Another despaired at the level of financial and job-seeking support he had received as the sole parent of his children, and feared for the future; his Universal Credit award barely gives him the financial support he needs while he looks for work:

"I'm trying my hardest to find work but they're getting crosser... they don't seem to understand, I can't fail my boys."

The notion that a Universal benefit can be so out of step with low income families, even those who look for work or work nearly full time, flies in the face of what Universal Credit was meant to stand for. One vulnerable individual handing in sick notes was told to make it look like he was looking for work regardless while he waited for his disability assessment, because "that's just how the system works". He ended his claim in fear of being at risk of accusations of fraud, in distress and in debt.

The system itself is designed to accommodate a person's circumstances. The interview a claimant has with their work coach is an opportunity to take into account child care, illness or other responsibilities. It is vital that this opportunity for fairness is exercised appropriately to avoid putting extra strain on the individual where unnecessary. As a Universal benefit, UC should not accidentally exclude or marginalise less visible members of our community.

Institutionalised Debt

It is deeply concerning that 95%¹⁰ of clients we surveyed felt that their debt situation had become worse since claiming Universal Credit.



86%¹¹ stated that they incurred debts for the first time after claiming Universal Credit.

¹⁰ % of 22 clients surveyed, sourced from the sample of case records

¹¹ % of 22 clients surveyed, sourced from the sample of case records



Of those who were previously in debt, over 63%¹² stated Universal Credit was to blame for their worsened debt situation.

The award itself

There was universal consensus amongst clients that the award they received was crippling and unrealistically low, severely limiting their ability to manage their finances and stay out of debt. Advisers regularly agreed, acknowledging that some clients were already budgeting as much as they could. There was simply nothing more they could do to alleviate the symptoms of living on such a low income.

“I have multiple mental health conditions... I went from being on ESA to being under the poverty line.”

“I was already doing everything and the adviser said so too...they were really helpful and told me about the Welsh Water HelpU scheme, but there was nothing else I could do...”

“It’s impossible to budget with nothing. You get by by choosing which bill to skip paying for that month!”

It became clear from the responses that many claimants are pushed firmly into a cycle of debt. A large number of clients fell into dangerous forms of debt like fuel or rent arrears, non-payment of which can lead to outcomes which are proven to severely decrease a person’s quality of life.¹³ The threat of eviction seemed omnipresent in claimants’ minds. For some, it became a reality.

¹² % of 22 clients surveyed, sourced from the sample of case records

¹³ Qualitative data sourced from 56 case records and surveys conducted separately funded by the Postcode Lottery Fund

“My claim was closed more than once even though I accepted my claimant commitments online. And then when I was paid, I got no housing allowance and ended up in court fighting to keep my home. I have £1000s of rent arrears.”

By attempting to use low awards as an incentive to move off benefits and look for work, the award fails to operate fundamentally as a social security. It does not provide the protection from destitution that it should, nor does it support people into work. Instead, it forces claimants into a poor quality of life which can have long-term consequences.

Incorrect calculations

Despite so many warnings that Universal Credit was not fit for purpose and rollouts should be halted, the DWP have pressed on and rolled out the full service of a flawed system:



Over 23%¹⁴ of respondents came to us for help with incorrect calculations, which forced them into sustained hardship

Incorrect calculations sprung up either as part of Universal Credit’s response to changing circumstances or as part of the calculation of the initial payment. Mistakes included drastically reduced or non-existent housing allowance awards and incorrect awards for children living at the household, which served to further reduce an already minimal monthly award... or push them to the brink of homelessness:

“I received an incorrect payment of housing allowance. It was so low I couldn’t pay my rent. I had to go to court because I was nearly evicted. My MP is supporting me and even he hasn’t managed to help me get it sorted. You’ve been helping me with this so far but it’s not over yet.”

¹⁴ % of 56 case records analysed

“My children were not included in my award even though I had provided proof of them in my claim. I ended up taking out advance payments in three parts, and a social fund loan. I’ll have to pay these off now.”

“A tech issue skewed my housing allowance calculations, so the amount I was awarded was severely reduced”

Some clients presented with incorrect calculations made concerning other benefits such as Carers Allowance or Income Support claims, where entitlement to these benefits had ended and yet they were still factored in as income as part of the monthly UC assessment. One client appeared to have been underpaid around £400 each month, leaving himself his partner and 14 weeks’ old child with considerable debts. Another client found his account was closed due to income records suggesting he earned too much to claim, but in fact his income fluctuated from month to month and therefore should never have been closed; he may have been entitled to around £500 of backdated payments which would repay what had become two claims’ worth of advance payments.

A few were charged with overpayments they had received through no fault of their own, and which they would not necessarily have been able to notice by themselves. Such overpayments made in error are challengeable, but if a claimant does not know their rights then unfair deductions for overpayments further reduce the money they actually receive each month.

The impact and frequency of incorrect calculations is concerning, and flies in the face of the security that welfare should be providing. If rollout across the country is to continue it is vital that administrative errors are addressed swiftly to avoid jeopardising the financial stability of the most vulnerable members of our community.

The wait for the first payment, and the advance payment

There is officially a 5-6 week wait before being paid your first payment. If someone needs help to get by whilst waiting for this, they can request an advance payment totalling up to the maximum amount of UC they are potentially entitled to.



86%¹⁵ of respondents between April and June received an advance payment.

Those who did not request an advance relied on entering into other forms of debt, primarily borrowing from family or friends or taking out loans... or omitting to pay for essentials.

Once payments start, the advance is deducted each month out of your payment before you receive it. This amount can only be reduced to a minimum payment which depends on the amount of Universal credit you receive.

"Now, I have to repay rent arrears and advance payments out of my UC, so I'm £200 down every single month..."

People receiving UC are therefore forced onto and under the poverty line.

Repayments leave claimants with precious little of their award each month to live on, because they had needed that money to live on during the waiting period.

It is concerning that administrative errors delaying receipt of the first payment force clients into owing the DWP even more than their maximum award. If a client is forced to make multiple claims their 5-6 week wait is technically extended. We spoke to some clients who became entitled to an advance twice or even three times, because they had to make multiple claims. The wait for their first payment left them with no option but to request the advance.

¹⁵ % of responses from 22 clients surveyed, sourced from the sample of case records

"It took me over 7 months to get a single payment. I ended up with total advance payments of £1400. My claim was closed more than once even though I accepted my claimant commitments online. And then when I was paid, I got no housing allowance and ended up in court fighting to keep my home."

The result is to force people into long-term debt. This is unnecessarily unfair. The rate at which the deductions will come out of future awards will largely be out of the claimants' control: the claimant will be shouldered with long term debt through no faults of their own, and the ability to balance their finances in the face of emergencies, changing circumstances or hardship is severely limited.

One client only requested an advance of under £100 because they didn't want to end up owing the DWP too much money. Instead, they borrowed from family members to get by. Another received over £1400 due to problems with their claim forcing them to have to make multiple claims, forcing them to request more advances to ensure they had any income at all.

"I was made to sign something which said that the amount I had to repay each month would never change."

Over and over again, we were told that the stress had taken its toll on clients' lives. The one client who found work before receiving his first official payment had in fact received advance payments. This meant he claimed UC with no debts, and left it with Universal Credit as his only debt.



9%¹⁶ of claimants we spoke to found work before their first payment, which meant their advance payment ended up being their only debt.

¹⁶ % of responses from 22 clients surveyed, sourced from the sample of case records

Unlike other debts, the advance payment is deducted at a rate which can only be reduced by a certain amount depending on how much you're entitled to, and even this must often be fought for. This means that even if you are in severe financial hardship, claimants will not receive your monthly maximum entitlement for months. As it is deducted before claimants receive payment, this leaves them with very little to buy food, or pay back other debts. From the moment someone takes out an advance payment to survive the 5-6 week wait, they are burdened with what operates like a loan, but with practically no flexibility.

Since most who request the advance are already in a fragile financial position, this structural unfairness discriminates against the least well off in society, making it that much harder to improve their living conditions and manage their finances.

Recommendations

As it stands, Universal credit forces large numbers of people into poverty, institutionalises it, and works hard to keep them there. It spreads the cost of its failures, financial or otherwise, across claimants, Local Authorities, the third sector and other bodies. The frequency with which our advisers assist clients on Universal Credit to make Discretionary Housing Payment applications to their local council, asking them to patch up their housing award, is a perfect example of this. It is imperative that the above issues are addressed in order to preserve and nurture the financial resilience of our communities. To do otherwise is to allow flaws in our welfare system to betray low income individuals and families across the country.

In the 2018 budget, it was announced that a further £2.7 billion would be injected into Universal Credit, but aside from a future increase to the working allowance no further information was provided about where this money would be injected. Options could include:

1. **Allow greater flexibility and fairness** for advance payment repayments. This should grant clients access to the award they are entitled to, whilst also allowing them to manage the advance repayment alongside the other demands on their finances.
2. **Follow through on the promises to fix the flaws** in the system which currently cause so many incorrect awards and unnecessary hardship. It would be beneficial to pause the full rollout and postpone migrations until such sustainable solutions have been found
3. **Further reduce the wait** for the first payment and look to more frequent payments, departing from the monthly default, prior to the individual achieving a more settled payment regime (linked to Recommendation 4)

4. **Reassess the current award rates** for claimants, and/or bring them in line with wage inflation. At present they are an unrealistic reflection of the financial requirements of our communities. To do otherwise is to betray the core ideal of Universal Credit as a benefit which prepares you for the world of employment.

5. **The initial assessment** of a claimant's Universal Credit Award is almost never an accurate reflection of what the monthly payments will be, and the benefit is reassessed monthly to account for changing income and circumstances. To ensure claimants have complete control of both their claim and therefore their finances, the DWP should provide each claimant with **a clear, projected statement** of what their UC payments may look like over the upcoming months. This should take into account any likely changes that each individual may experience whilst on UC.

Financial Clarity is vital to allow a person to take control of their finances, and to maintain that control.

The Impact of the Personal Budgeting Service

In Neath and Port Talbot Jobcentres, all clients who requested and receive an advance payment are booked in with our adviser for support. During the session the adviser seeks to maximise the clients' income by making sure they are receiving all they're entitled to. Though the initial claim will have already been made, the adviser can guide a client to avoid unseen pitfalls in the universal credit system. They also look at clients' overall circumstances, considering whether any savings can be made and making suggestions to manage debts more easily.



89%¹⁷ of those who received Budgeting

Support in Neath Port Talbot said they now felt confident or very confident about managing their Universal Credit

There is evidence that the safeguards so far built into the Universal Credit system are not operating well enough. If a claimant has extenuating circumstances such as a disability or health condition; has a learning difficulty; is a victim of domestic violence; is in debt or rent arrears or homeless, they can apply for an alternative payment arrangement. This is meant to assist vulnerable individuals to spread their payments across essentials, essentially supplementing their own budgeting efforts.

"I was told I couldn't have fortnightly payments, and I couldn't have it paid direct to my landlord either. My rent is charged weekly and always used to be paid directly, so I've been finding it really difficult"

¹⁷ % of the 10 respondents surveyed from Neath Port Talbot who had received Personal Budgeting Support

There is no guarantee an alternative payment arrangement application will be accepted. It is very concerning that so many were unable to receive such arrangements given the prevalence of rent arrears, debts and health conditions amongst our respondents.

In spite of these challenges, the results of Budgeting Support were tangible. The adviser could diagnose the source of clients' problems and possible outcomes of the various options available. This regularly allowed clients an opportunity to plan ahead, or take action to improve their situation. **Of those who applied after speaking with our adviser, around half were able to have rent paid directly to their landlord, or could receive fortnightly payments.** Homeless claimants were also advised about their housing options; those with new rent arrears were explained their rights regarding eviction. Clients were also arranged further debt and benefits advice to support them through actions identified during the session, such as filling in applications for other benefits, or further debt advice.



74%¹⁸ of people assisted through Personal Budgeting Support discovered other financial support they could be entitled to.

Some clients who were too sick for work had yet to make a Personal Independence Payment claim and were unaware they could be entitled to this. Others were advised that due to being on a low income they could apply for relief from other sources, such as Welsh Water's HelpU Scheme; the Customer Assistance Fund or Discretionary Housing Payments from the local council, all to make ends meet on a low income.

"If it was available in my area (Swansea) I would have taken up PBS, definitely, so I could find out more hints and tips about budgeting."

¹⁸ % of 12 respondents surveyed across Swansea and Neath Port Talbot (a very few clients from Swansea also received Budgeting Support from us, before funding limitations meant we could only deliver the service in Neath Port Talbot)

Although a majority worried that their ability to budget was not the source of their problems, but rather the low level of income, in spite of this, 42.1% of respondents still felt that we may have made a difference to their ability to manage their finances generally (of which 30% were certain we had made such a difference), and 22% learned a lot about saving their money specifically.¹⁹

“It was only when I spoke to your adviser after making my claim that I realised how little I’d be getting. That’s when the panic really struck. You’re punished for being on benefits... She was really helpful.”

Methodology and projected impact of our services going forward

A benefits assessment and calculation was conducted with most clients who saw an adviser across Swansea, Neath and Port Talbot. These calculations always included further calculations based on possible changes in the clients’ circumstances over the coming months, such as partners moving in or children moving out; becoming a student; the receipt of inheritance or the need to sell property, and the paying off of debts for which one is liable by using one’s capital. This allows clients to predict and therefore adapt to any alterations in income which might occur as a result of the normal changes which occur in our day to day lives.

These longer term outcomes are difficult to monitor, but the responses from clients to our survey suggests that the impact of information timely received has a long-lasting, positive effect on clients’ independence and financial resilience. The approach has the potential to anticipate and prevent future problems with finances and, as a result, the knock-on problems in areas such as mental health, relationships and future employment. If such potential is actualised, the result could be communities which are happier, healthier and more adaptable, with savings made not only by local people but also by public bodies.

¹⁹ % of 19 clients surveyed with this question, made up of those contacted from the sampled case records

The Impact of Assisted Digital Support

Making and maintaining these claims can be a slow and painstaking process, even with the support of advisers, friends and family. Universal Credit claims can only be done online. Some are unable to use computers or feel they need guidance more generally, often because of health conditions, lack of capacity or lack of access to IT.

For these clients, generally the amount of time it took to make their claim was longer than those who were able to complete it themselves without support: it took 50% of clients 2-4 weeks to complete their claim. 33.3% said it took between 3-7 days, and only 26.7% were able to make a same-day claim:²⁰

"I found this whole experience too stressful and was told by my doctor, don't speak to the JobCentre as it was causing me too much anxiety."

This raises concerns about the level of accessibility of universal credit, but also means that our service provided a lifeline for those who needed support.

Our digital support service provides clients with the individualised support they need to make their claim. An adviser supports claimants to check eligibility, to make the online claim, to navigate the ID verification service, and to set up the initial appointment with their work coach. Then clients are guided through how their claim might develop over the next few months, and provided with the tools they need to support their independence going forward. Finally, clients are given some initial guidance on how to get by on a low income. They can then return to us for further support should they need further assistance such as with capability assessment questionnaires.

For some, the extra support was a lifeline. One client came to us due to his first payment having been delayed. Even once payment was received, because he had

²⁰ % of 11 responses from clients surveyed after they had received Assisted Digital Support, as funded by the Postcode Lottery Fund

received no assistance to understand how his payment was calculated he had no idea his full rent had not been paid to his landlord.

"I suffer with anxiety and this caused me lots of pressure... I went to Citizens Advice who phoned Universal Credit and were told my payment would be made in the next few hours that day and the payment arrived (12 days late)."



66.7%²¹ of those assisted felt more confident or very confident about managing their Universal Credit claim after the session.



50%²² felt we had made a difference to their ability to manage their household bills.

The service is designed to support clients through the initial claims process, and make sure they understand how it works. 80% of those who completed our feedback survey stated they understood how much they would be receiving and how it was calculated; 90% understood when they would be paid. 80% understood how many hours they were expected to look for work, and how much was to be paid towards their rent. 90% understood how to ask for changes in their commitment based on their circumstances, and to report such changes such as an inability to look for work due to illness as soon as possible.²³

²¹ % of 11 responses from clients surveyed after they had received Assisted Digital Support

²² As above

²³ As above

Although the Assisted Digital Support Service was primarily designed to support people with using online systems to make and understand how their claim works, it has evolved into a broader service which also diagnoses issues with the Universal Credit claim itself. It ensures clients have a sound understanding of how to manage their claim going forward, empowering them to take control of their finances from the outset.

We will be looking to further develop our advice services in a similar manner, to keep [supporting and empowering](#) our clients to live independently.

Conclusion

In these challenging times, it should be the calling of the benefits system to support the foundations of our community; to protect individuals and families from financial hardship that is not of their making, and to embolden their attempts to take control and improve their quality of life.

While Universal Credit is working for some, too many are left vulnerable by flaws in its design. These even create vulnerability and hardship where it would never otherwise have existed. Its founding principles and the system itself suggest that a minimum benefits level will incentivise work, but for many it has the opposite effect by exacerbating their pre-existing vulnerabilities.

Around the time this report was concluded, The Minister for Department of Work and Pensions announced Citizens Advice would be provided funding to deliver a new Universal Support Service from April 2019. This will place us at the heart of claimants' Universal Credit journey, by supporting individuals through each stage of making their claim. This will involve evolving our current services to make sure claimants are supported as effectively as possible.

This arrangement will not silence our criticisms where they are warranted. On the contrary, we should be in a far better position to highlight and evidence ongoing

problems, and to suggest changes and improvements to both the digital and financial sides of the claims process. We intend to ensure our Universal Support Service will magnify people's voices, and not silence them.

It is heartening to be able to provide a service which prizes the financial stability and capability of our clients. We will continue to develop our service further: to help people seize the opportunities available to them, to support those who need a little extra guidance, and to work with clients to empower them to manage their money in the way that grants them the best quality of life. It is imperative however that Universal Credit is reformed as swiftly as possible. As most clients spoke with one voice:

*"It's **impossible** to budget when you've got nothing."*

Evaluation

Feedback about our service was positive overall. Thanks to the information provided by our service users, we can take steps to improve the service we provide and achieve even better results, even in the face of such adversity as our current climate of austerity.

- **Prevention is better than cure.** Seek and create more opportunities for early and systematic referrals to provide financial support for those moving onto/living on a low income, across Swansea, Neath and Port Talbot. Our service must expand and adapt: by informing and reinforcing people's own efforts to make ends meet, we can cement our communities' resilience and capability in the face of economic uncertainty.
- **Develop advice systems** which not only maximise a person's income and tailors it to their life circumstances, but which also support that person's financial clarity. This should allow individuals and families to take control of their lives and finances, and empower them to move forward with confidence.
- **Cultivate the dialogue** we have currently with our community. Work in collaboration with members of our community and how they budget, to ensure we move forward together as a community.
- **Work cooperatively** with other third sector actors; local authorities, national government and other public sector bodies, to develop good practice which is firmly grounded on goodwill and cooperation with our citizens at its heart.

- **Dig deeper** into the mechanics of how people fall into debt. This information will inform our service delivery, allowing us to refine our service to maximise clients' financial capability in the short, medium, and long term.
- **Combine one to one advice sessions with awareness campaigns** to provide information to a wider audience. Contributing to a culture of readily accessible information, which would empower individuals and families to act independently, and with confidence.

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