



# Select Committee on Economic Affairs

## Corrected oral evidence: The economics of universal credit

Tuesday 26 May 2020

3 pm

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Members present: Lord Forsyth of Drumlean (The Chair); Baroness Bowles of Berkhamsted; Lord Burns; Viscount Chandos; Lord Fox; Baroness Kingsmill; Lord Livingston of Parkhead; Lord Monks; Lord Skidelsky; Lord Stern of Brentford; Lord Tugendhat.

Evidence Session No. 12

Virtual Proceeding

Questions 109 - 116

### Witnesses

**I:** Kirsty Harkins, universal credit claimant and volunteer at Sale Moor Community Partnership; Angela Charlton, universal credit claimant; Nick Phillips, Project Co-ordinator of London Unemployed Strategies and Chair of the Commission on Social Security; Mike Tighe, universal credit claimant and member of Southwark's 'Know your Rights' benefits support group.

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## Examination of witnesses

Kirsty Harkins, Angela Charlton, Nick Phillips and Mike Tighe.

Q109 **The Chair:** Ms Harkins, Ms Charlton, Mr Phillips and Mr Tighe, welcome to the Economic Affairs Committee. We are grateful to you for putting up with all the technology and for giving us the opportunity to talk to you about universal credit.

As you probably know, we have been conducting an inquiry. We have talked to lots of experts and people who have academic or other views on universal credit, but I regard this as one of our most important sessions because you have direct, hands-on experience of how universal credit works in practice, as opposed to in theory.

I hope that in asking our questions we can get something of a discussion going, which will help the Committee to get a feel for what it is like to be an applicant for universal credit. Do not feel that you have to answer every point, but if you are desperate to get in on a point, let me know and we will bring you into the discussion.

Perhaps I could begin by asking a question of each of you. What was your experience of universal credit when you started to claim it, and what were the circumstances? Of course, given that this is on the record and is being broadcast, we want to respect your personal confidentiality and any particular sensitive matters. If you could give the Committee a feel, it would be helpful.

**Kirsty Harkins:** Before I answer your first question, could I give a brief introduction?

**The Chair:** Yes, of course.

**Kirsty Harkins:** I am a single mum in receipt of universal credit. I have previously worked with many vulnerable individuals with mental health issues and continue to volunteer with struggling individuals and families via the Sale Moor Community Partnership. I am well aware of the major difficulties with the new universal credit benefit system. I wrote and submitted a report to the House of Lords call for evidence on universal credit which I believe highlights numerous issues with a system that is, in essence, the removal of an adequate safety net for those who are the most vulnerable in society and plunges people into a spiral of unmanageable debt.

My personal situation on universal credit is by far not the worst case included in my report or generally—for now. But the people I have met, both in the past and more recently via the Sale Moor Community Partnership, demonstrate the many failings of the system. In the short space of time while writing the report—just three weeks—I managed to speak to people who had nearly lost their home due to unpaid universal credit mortgage support they were entitled to; to a retired lady working as a cleaner who suffered a heart attack and struggled to access universal credit moneys and support; to families struggling with multiple ongoing sanctions; to mothers struggling with the child benefit cap; and

to carers struggling to get their universal credit carer's allowance. That is not to mention my years of experience working in mental health, when I saw the disastrous impact of universal credit on that vulnerable group.

I stand here today, with a brave woman from Sale Moor, not only to represent myself but to attempt to give a voice to the generally disempowered people who are on the receiving end of this terrible benefit system.

In answer to your question, I first applied for universal credit in December 2017 due to a change of circumstances: I had reduced my working hours due to stress and difficulties with my mental health. A number of months later, I lost my employment completely due to deteriorating mental health. Do you have other questions about that?

**The Chair:** We are very grateful to you for the evidence you have given to the Committee.

Ms Charlton, could we come to you?

**Angela Charlton:** I first moved over from ESA to universal credit in January 2018 due to the breakdown of my marriage. My ex-husband had put in his own claim for universal credit. Even though ESA had just recalculated my award, the child tax credits shut down my credits and forced me over to universal credit. My ex-husband has no affiliation with my daughter whatever, and I could not understand why his name was not simply removed so that I could remain on the system I was with.

**Nick Phillips:** To be clear, as I explained to your support staff, I am not a direct claimant myself, but I work with a London-wide organisation based at the TUC. I work all over London with groups of claimants, so I am in direct contact with them a lot of the time. I am very hands-on with the Southwark group. You will be speaking to Mike in a moment, and he is part of the Southwark group. He is on universal credit. I am here in the main as support for him and to chip in with anything he may miss out.

At an appropriate juncture, I can contribute the experiences of claimants I work with on the ground. On that point, some research was done by DWP researchers who came along specifically to our group to ask for claimants' views. The main issue in the early days was certainly technology problems. There were issues around the technology of signing on and the system was quite clunky, so it caused a lot of problems. If you made a mistake, you had to start all over again. There were various problems like that. Partly as a response to the research and the consultation the DWP did, things have improved a bit, but Mike can say a lot more about his personal experience.

**The Chair:** Thank you. Ms Harkins, the paper you prepared has been circulated to the Committee, and we have all read it. We are very grateful for that.

Mr Tighe?

**Mike Tighe:** Thank you for the opportunity to talk. I have been off work for a long, long time. I had been on ESA for quite a while, and back in 2017, I went to a work capability assessment and, essentially, scored zero points. When the decision was explained to me, the option given was that I had to go on to universal credit. The person on the phone was really insistent that that was the only way forward in my situation.

It turns out in hindsight that that was not strictly true. The trouble is that universal credit is a one-way street: once you are on it, there is no way of going back. I went to a tribunal and I won on the work capability assessment, but by that time I was already hooked to the universal credit wagon, and so my goose was cooked, for want of a better way of describing it.

As to the actual process of signing up, on the very first day, sitting at the computer, you are asked loads of questions, like: "What is your landlord's address?" Because the council had moved a lot of its stuff online, there was no postal address on the rent statement, and there was no postal address on the website because it was an online process. That meant that the form was incomplete when I sent it off. There was a deadline looming of five or six o'clock—it had to be submitted in office hours. I remember the stress and the awfulness of the whole thing.

It was even the simple things. I have quite an unusual name, and yet I could not be "Michael Tighe". Go figure. There must have been another Michael Tighe claiming universal credit somewhere in the universe. Who knows? Things like choosing a username and password sound easy, but I have a lot of trouble deciding stuff like that. I find making decisions when there is not much to choose from quite difficult.

As it happened, immediately after I chose one of the questions, I thought, "No, I probably shouldn't have chosen that", yet every time I have logged in since, I have never had the second question come up. It makes me think that the random choice between the two questions is not completely random. Once the odds went past 50-odd million to one, I thought, "This isn't a random choice".

The whole thing does not inspire much confidence. That was my initial experience with it, basically. It seemed a bit half-baked at the time, and, even today, if I log on to have a quick look, it still has a beta flag on the corner of the website, and we are three-and-a-bit years into my claim.

**The Chair:** Can you explain about the flag?

**Mike Tighe:** When you log in to the system, it still has in the corner of the screen, "This is a beta system; please let us know if there are any problems".

It is a long time since I was a computer hobbyist, but back in the day, the idea of having a customer-facing beta system was one of the things you did not do. I know that the world is a bit more tech-savvy now, but it still seems a very strange way for a top-line government system to be

working. To have a customer-facing beta system, and to announce it as such, does not inspire confidence.

**The Chair:** You have very neatly led us to what Lord Tugendhat wants to ask about.

Q110 **Lord Tugendhat:** I had difficulty hearing some of what has been said, so I hope my question is relevant. I was very struck, if I heard the last witness correctly, by the difficulties of signing up. Could our other witnesses say a little more about the problems they have had and about how long they had to wait for the first payment? As I say, I did not hear, particularly the first witness, so I hope I am not repeating something.

**The Chair:** Kirsty Harkins sent us an excellent paper, which gave the experience of a number of people. Can we start with you, Ms Harkins?

**Kirsty Harkins:** First, I want to mention quickly that I know of many instances where people have been severely distressed by the need to have technical know-how and access to the relevant forms of technology. That is proving to be a major barrier for them in applying successfully for universal credit. In saying that, I consider myself a relatively intelligent and well-educated woman, who does not usually struggle with technology, so applying was okay for me initially, but there were a number of issues—even for me.

I live in social housing and, as such, I found the so-called user-friendly application tricky when asked about rent and service charges. On one page, it asks, "What is your rent and service charge breakdown?" In housing association accommodation, that is given in weekly figures, and in my case, there is a lengthy breakdown of approximately 10 figures that are given to the penny, so I keyed in the weekly figures.

On the next page, it asks how often you pay your rent, so I answered "Monthly", as it was seemingly a different question. For my first payment of universal credit I received one week's rent, not one month's. I had to access my journal and message my adviser and go in. He changed the how often I pay answer to "Weekly", which was a lie, to rectify the deficit.

Vulnerable people have to answer these confusing questions too, and I believe that some, if not many, fall foul of the same confusion and may not notice as quickly as I did, or at all. This is seemingly a purposeful barrier to universal credit moneys and could easily be rectified, but has not been, to my knowledge.

Another major issue when I was applying was lack of clear communication, particularly of the fact that my weekly tax credit payments would cease on applying for universal credit. My adviser did not make it clear, nor did anyone else, even though the benefit was new to me at the time. One week before Christmas, I realised. I had taken a minimum advance and was told that I could not apply twice for an advance before the first payment. That caused huge distress and a financial crisis, including rent arrears. Fortunately, my family assisted me.

What if people do not have external support in that way? How do they survive? People are falling through the cracks of the system and really struggling.

My final point is on the work capability assessments. I know that is not quite covered by this question, but it was part of my process, in particular the face-to-face assessments. There are very few questions that cover mental health, so it is difficult to gain enough points to pass the assessment based on mental health issues alone. I personally have never attended one of those assessments due to the protection and support of the community mental health team I am under. I fear that I would never pass one of them. Much more weight, not less, should be given to GP input, rather than a brief stressful interview with a stranger with an agenda.

That is my answer. You combined two questions. I waited five weeks for my first payment, and it was difficult, especially given the circumstances I have just told you about.

**The Chair:** Mr Phillips, do you want to add to that?

**Nick Phillips:** I will not say this every time, but I am not speaking purely from a personal angle. I can speak on behalf of a number of claimants who have gone through the process. I am certain that the five-week wait is the biggest single problem that has faced all the claimants on universal credit who I have worked with over the last couple of years.

I submitted a copy of a submission we made to the DWP Select Committee on the five-week wait. In fact, your Committee clerk has a copy, so you might want to look at it afterwards. It goes into more depth, because it is a submission that we did jointly with the Joseph Rowntree Foundation around the five-week wait issue. There are a number of claimants' personal accounts in that. Many of them were driven to desperate measures because of the waiting time. It is the biggest single problem that has faced claimants in the process, as they have recounted it to me.

You are probably aware of the loan system development that came in response to that crisis. Loans can be available from two or three days, but that itself stores up more problems for claimants because they then have to pay back substantial amounts from their benefit every month. Technologically, one assumes that if you can produce a loan within two or three days, surely you can produce a payment within two or three days. I think most claimants would much prefer advance payments rather than a loan, which is an extra burden. If that could be done fortnightly, as it is in Scotland and in Northern Ireland, and ideally in advance, it would solve a lot of the problems that I have encountered around a waiting time that causes general anguish and desperation.

**Angela Charlton:** I do not recall having any actual problems with the online application, although it was very long, and I did it in stages. It was

more when I went to my first interview at the jobcentre. They did not seem to know how to categorise me.

Because I had come off ESA, they were not sure exactly what they were supposed to be listing me as. I am currently down as a jobseeker. Having anxiety and depression, I find that quite difficult. When you say to people that you are on jobseeker's, there is the stigma that you are lazy and that you cannot be bothered working. At least on ESA, it was recognised that you were off work because you were unable to work. That can be very frustrating, and so was the fact that they had no idea how to attach anything.

For some reason, on my journal it states that I am in receipt of ESA. Every single month, I always receive a note in my journal, under "Other benefits that might affect your universal credit", stating ESA. I have put notes in my journal saying, "I don't receive any money. Is this going to cause me any problems? Am I going to have more deductions? Am I going to lose even more money?" I keep getting told, "No, don't worry about it", but every single month that message still comes through, which makes you anxious. You are seeing it constantly and then you are constantly thinking, "Is this going to affect me in some way, because I don't get ESA any more?"

I started on 17 January. My first payment was not due until 23 February. ESA is paid fortnightly and universal credit is pay period to pay period. My pay period is the 17th of one month to the 16th of the following month, and I get paid on the 23rd. Because ESA had technically made a part payment to me, my first payment in February was for £40.

On 17 January, when I went to the local jobcentre, they gave me an advance payment, which obviously has to be paid back. Then, when my first payment of £40 arrived, it was impossible for me, as somebody who has a mortgage, and I had to get another advance payment. Within the first month of being on universal credit, I was already in debt to them for £1,080. The following month, they started taking it back at a rate of £98.34 a month. That dropped my monthly payment award to £491.

Having a mortgage that I cannot drop to an interest-only mortgage, it is nigh on impossible to pay household bills, feed your family and keep a roof over your head for £491. Subsequently, as I will answer in a later question, that resulted in me ending up in court and almost losing my house. That was my first experience of universal credit and my first payment of universal credit.

**The Chair:** Do you have anything else, Lord Tugendhat?

**Lord Tugendhat:** There is a helicopter circling overhead and I am having a lot of difficulty hearing, so you had better move on.

**The Chair:** Mr Tighe, you have touched on some of the difficulties you had. Is there anything you want to add?

**Mike Tighe:** No, not really. We were talking in the group about logging on and experience with stuff like that. I was lucky that I had a keyboard and a computer. It was a bit ancient and wheezy, but it got the job done. On a smartphone, it is one thing being able to knock out a text message, but if you are looking to enter data such as serial numbers, account numbers and stuff like that, there is a whole leap further into how difficult it is. Having access to a basic smartphone, or even not a basic smartphone in some cases, is an assumption that people make now. It is not always true.

Entering things like addresses, postcodes and account details on smartphones and phone key touchpads is not stress free. I am sure that there are loads of mistakes made; it is a really difficult thing.

Q111 **Lord Stern of Brentford:** Thank you all very much for coming. You have already helped us to understand something of an obviously complicated and difficult system. I want to ask about help in relation to that system. Have you needed any help, either to make a claim or to manage while on universal credit? Who has helped you?

**Kirsty Harkins:** Yes, I sought help and advice from universal credit regarding my sickness payment, or the limited capability for work and work-related activity group, as it is known. I was struggling severely financially on the basic allowance of universal credit and knew I should be considered for that extra element of the benefit, but I had no clear guidance on it.

When I asked my adviser clear questions, he gave me very confusing and unclear answers, using phrases like, "I think such-and-such happens", which instilled me with no confidence. I set about trying to call the universal credit helpline and was sent around the DWP from department to department outside of the universal credit system. It was incredibly frustrating and stressful.

I now know that it is only after six months of submitting fit notes to the universal credit system that a capability for work assessment form is automatically sent out to the individual. That is what eventually happened. When my form finally arrived and I completed it, I had to wait a further three months—so nine months in total. I was struggling massively on the basic allowance of universal credit. Eventually, on inquiry, I learned that they had lost the form and I had to resubmit it. I was desperate and stressed, and I was eventually finally accepted for that element of universal credit.

During the nine months' wait, I found it extremely difficult financially. I regularly had to borrow money from friends and family, and, along with my quite modest advance to pay back, I was in a cycle of debt and rent arrears. I barely had anything to survive on after rent bills and debts. I was in a downward cycle, and I struggle to see how people could survive long term on the allowance.

I am now involved with a local charity, Sale Moor Community Partnership, where I volunteer for a few hours per week normally. I access something called The Bread and Butter Thing, which is reduced price groceries destined for landfill, to help people during difficult weeks.

**Lord Stern of Brentford:** Is it right to say that you can get help from people outside the system, such as charities or friends?

**Kirsty Harkins:** Yes. The Sale Moor Community Partnership and The Bread and Butter Thing are both charities I am involved with and get support from.

**Lord Stern of Brentford:** But getting help from inside the system seems to be more difficult.

**Kirsty Harkins:** I was confused. I was talking about the sickness element of universal credit, which is called the limited capability for work and work-related support group. I did not know it was called that, so when I was talking about sickness benefit, people did not know what I was talking about. There was a lot of confusion. They systematically were not very helpful or supportive, and I got sent round the houses, for hours and hours, for days. My work coach did not seem very clear. It is quite simple: you have to wait and submit six months of fit notes and then it is an automatic application process. But nobody told me that. I learned through a very difficult process.

**Lord Stern of Brentford:** Do you think they are under a lot of time pressure and that the people on the other side of the system are too busy or stressed out themselves?

**Kirsty Harkins:** There is confusion. It is the very name of it as well: the limited capability for work and work-related support group. Just for today's hearing, I have had to work hard to remember what it is called. The old system was ESA. Everybody knows ESA. At one point I was calling it the new-style ESA, but there is also a new-style ESA, so there was lots of confusion about it.

My work coach shed zero light on it. I was struggling with illness at the same time as battling the system. There was lots of confusion, and I was met with quite rude people on the other end of the telephone. They were not helpful, and they did not want to enlighten me. I do not think they understood it. There should be training across the board about all these new benefits, old benefits and legacy benefits, so that people can clear the muddy waters. I found it very confusing and frustrating. I was struggling massively at the time because the basic allowance of universal credit is tough to survive on.

**Lord Stern of Brentford:** Thank you. That is really helpful.

**Angela Charlton:** Adding to what Kirsty said, I was in the work-related activity group on ESA. It meant that, when my marriage broke down, I was entitled to a severe disability premium top-up. I was constantly asking at my local jobcentre, "Where has this money gone? My situation

hasn't changed. My condition hasn't changed. How can losing so much money be justified?" It is the equivalent of £395 a month, which is almost equivalent to my mortgage payment.

I ended up going to my local MP, Mike Kane, because of the loss of the disability premium and the fact that my support for mortgage help had still not been dealt with, even though all the paperwork was in by May. Mike wrote four letters to the DWP before he even got his first response. His first response did not arrive until 4 December.

I was in court on 12 November for my house to be illegally taken away from me. I found out on the way to court that the mortgage company had accepted my offer of what I could afford to pay to clear the arrears. He did not receive an actual explanation until 7 January. It was a letter from Karen Lee, who is the group director for the north-west.

I am going to read you a very small quote from her letter: "I am concerned that Ms Charlton has mortgage arrears and thinks she may be at risk of losing her home". Well, I had already been to court and almost lost my home at that point. Then she went on to list debt advice companies such as the Money Advice Service "should she need help budgeting". Budgeting was not my issue. My issue was my money being cut.

I have some figures here, if you would not mind me telling you about them. Based on losing severe disability—

**The Chair:** Ms Charlton, perhaps you could provide that information to the clerk offline.

**Angela Charlton:** Okay. I will, however, say that losing all that money has now put me more than £4,500 in arrears with my mortgage, and I am now in debt £3,000 to mortgage support. That is a £7,500 debt that I did not have before I was moved over to universal credit. Had I been left on ESA, I would not have these debts. I shall leave it there, but even the MP was not listened to when he tried to help me.

**Lord Stern of Brentford:** Thank you. It would be very good to have those numbers on our record, if you could help us with that.

**The Chair:** Mr Tighe, is there anything you want to add on the help and support point that has not already been covered? I am anxious that we should move on to our next question.

**Mike Tighe:** In the Southwark group, we are aware that efforts are being made with the local jobcentre to provide some help, with Citizens Advice having a presence in the jobcentre. Even that does not seem exactly to fit the gap. If people are making a first claim, they can get help from Citizens Advice, but, up until now at least, typically that means there is a delay of an extra day or two in starting their claim. The claim does not go live until the moment the paperwork is submitted to DWP. You can be talking to the adviser at Citizens Advice for a day or more, and that is a day lost from the claim. While that might not seem like a big amount of

money, some people are operating on very small margins, so it can be an issue.

**Lord Stern of Brentford:** That was really helpful. If there is nothing that our guests would like to add, we can move on.

Q112 **Lord Skidelsky:** Thank you very much for coming. I want to ask how helpful work coaches have been. I saw the film "I, Daniel Blake" recently, and it painted a rather horrendous picture of the work coach-claimant situation. The work coaches did not have very much time and they were not sympathetic. What has your experience of work coaches been, and how could you perhaps get a better experience?

**Angela Charlton:** Initially, I had the most amazing work coach called Kevin. If I knew his last name, I would give it to you because he deserves real credit. He was fantastic. He responded immediately to anything I put in my journal. He would call me if I needed him to.

In May 2019, I was assigned a new work coach. Since he has taken over, when I have put a note in my journal, I have had responses from three different service centres and nine different people. Even though I address the actual log in my journal to my work coach, I never get a response from him; it is from somebody different every time. It is as if the question has been passed along, and you have not been given the courtesy of a reply from the person you asked. Even if he needed to get help from somebody else, everything should not be so impersonal.

I have a note in my journal: "Angela, please see the attached letter about your health condition. Read the attachment file. If the letter asks you to call us, please try using your journal instead". The message is: "Don't speak to us. We don't want to talk to you. Put everything in your journal". Then you have to pray that somebody reads it and gets back to you. Sometimes, you do not hear back.

**Mike Tighe:** I echo some of that. I am sort of lucky/unlucky. My conditionality is very low, so I do not have much face-to-face dealings with the job coaches. From the group, the experience generally is that some are really good and some are not so good.

You are encouraged to do stuff via the journal, but you never talk to the same person twice. It goes off into the ether. It is not a live chat service. I am aware of that, but not everybody is. It can take a couple of working days before the thing even gets looked at, let alone answered. It is frustrating. You think you know who you are talking to, and you think you are making a point to somebody you have been talking to a couple of days earlier, but the person who picks up the notes has no idea what the background is. I know they make some limited notes on the system, but it is not the same.

**Kirsty Harkins:** I only had a work coach in the nine months while I was waiting for my capability for work assessment. He was very nice, although, on the same note, he shed no light and did not assist me in any way with the capability for work assessment waiting period that I

mentioned earlier. He did not answer my questions clearly around sickness, and was seemingly in need of further training, or did not want to help.

He asked me personal questions about my mental health in a very public space, which I found highly inappropriate and stressful. I felt as if I had to justify myself to him. I think that happens on a regular basis. There should be private rooms or a private space when you are talking about people's sickness or disability.

**The Chair:** Mr Phillips, I know that you are not a claimant, but you get quite a lot of input. Do you want to pick up the question?

**Nick Phillips:** Yes; it is something we have had to tackle quite a lot during the last few years. Our project is London-based at the TUC, and we did two fairly in-depth surveys of London claimants on that particular issue. The second, which finished most recently, showed, as with the first, a high degree of dissatisfaction with job coaches. Between 70% to 80% were either dissatisfied or very dissatisfied.

A lot of that has to be put at the door of those who fund the service and not the individuals. A lot of it is around the lack of qualified information, advice and guidance. Often a lot of coaches do not have the capacity, the training or the time to do it. The emphasis is still on box-ticking to make sure that people have done their required job search for the week. They do not often have the time, or necessarily the training, to do more in-depth support. That is where a lot of the problems lie.

Anecdotally, there was an issue—I will not name the borough—in the last survey we did. In a particular jobcentre, a coach's name kept coming up in a positive way. That is rare, but it does happen that people compliment their coaches; it can vary quite a lot. We approached the jobcentre partnership manager who deals with groups such as ours to ask whether we could use this job coach as a good example of best practice because we were getting so much positive feedback about him. They said that it was a good idea in principle, but then, after several weeks of waiting and stalling, the manager said, "I have decided that actually they all perform a very good service, to a very similar standard, so it wouldn't be productive for you to meet with this particular job coach".

I picked up defensiveness that, perhaps for good reasons, the DWP wants to make sure that no one is singled out. But, surely, where we can identify examples of best practice, we should be able to act on them and expand them. I would like to be able to do more on occasions when people say, "Actually, this coach was good". What are they doing that the other 70% of coaches are not able or willing to do?

**Lord Skidelsky:** Is it the complication of the system—that the coaches do not understand it themselves and therefore they cannot give any clear help? Or is it that there are not enough of them, or that they are not coached enough themselves to be good coaches? There seem to be a number of different problems with work coaches. Do you have any views

on that?

**Nick Phillips:** I would say yes to all of that. It echoes what I have just said. A lot of it is a systemic problem, and now, with 1.8 million or more new claimants, that will only increase unless more resources are put into staffing and training on IAG—information, advice and guidance. There needs to be a lot more of it, even more so now that the current situation has developed for the worse.

**Mike Tighe:** I echo the stuff Nick said. Because universal credit has such a big remit, once you add two or three factors to it, the situation gets complicated quickly. Some of the coaches are overloaded by the intricacy of it.

Q113 **Lord Monks:** My question has been answered in some of the responses to previous questions. We have had evidence to suggest that some people find universal credit quite easy to manage, perhaps easier than the legacy benefits that preceded it, but we are hearing from several of you about how difficult things have been.

This is a question not about applying but about how you manage your money on universal credit. Are there any changes you would like to see that could make it easier for you?

**Mike Tighe:** It is possibly a quirk of how my brain works at the moment, but my rent account clicks down every 14 days; that is a sum deducted from the account for the rent. There are 26 fortnights in a year, but the payment that comes to me through universal credit that I have to dish back out again comes in as 12 calendar monthly payments.

Everybody keeps telling me that it is exactly the same amount of money, but it does not feel like it. It always feels like there is a little disconnect, or a feeling of, "Is that right?", about everything I do. I end up second-guessing myself; that is part of my condition and I try to work around it to some extent. For something that claimed it was matching the experience of claimants to the experience of people on salary, it does not match the way life is. Maybe that is just me.

**Kirsty Harkins:** For the nine months without the limited capability for work element, it was truly hard and difficult—almost impossible—after paying rent bills and debts. It was very tough indeed. It is difficult now to manage monthly, but I manage with direct debits set up and with help from the Sale Moor Community Partnership and The Bread and Butter Thing through reduced price food and groceries.

There is a problem with flexibility in the approach of being paid monthly. I am going off track, but I truly feel for those in receipt of the basic allowance alone. It was just £73.34 per week to live on prior to Covid-19, and for some, who were facing up to 30% deductions, it was just £51.34 for bills, sometimes excess rent, and food, clothing and debts. Obviously, that is a very difficult situation to manage.

There should be a degree of flexibility for those who truly struggle. There should be some co-ordinated payments, as there are some instances of rent being paid direct to the landlord. Flexibility in approach should be easier to access. Does that make sense?

**The Chair:** Yes, it does indeed.

**Angela Charlton:** If you can align all your bills to come out within a day or so of getting your monthly payment, it is not too bad, but it is quite difficult aligning everything. On the old system, you were guaranteed some amount of money every single week. Your child tax came in once a week. Your ESA came in once a fortnight, or every two weeks. Should an emergency arise, you could jiggle a little bit of money. You always had a tiny bit of money going into your bank, to fall on should it be required, whereas you do not have that now. It is literally every month.

As you know, some months are five weeks. I know the calculations are made so as to include that in the payment, but five weeks can be a long time between payments. I get paid on the 23rd and all my bills are paid by the 25th; all I have in my hand is what is left, and it could be a very small amount—£20 a week even. If something comes up, there is no wiggle room for anything.

**Lord Monks:** To go a bit further into the payment period, we have heard a lot from other people about the monthly interval, which links to people who are salaried in regular work. Some people say that it is inappropriate for their situation. Is that the case with any of you? Are you reasonably happy with the month? I know the problems that have just been described, but I am interested in whether there are any strong feelings about moving away from the month to a shorter period.

**Angela Charlton:** I am not quite sure. Two and a half years in, I am still trying to adjust to being on less money anyway. I am not sure that for me it would make much difference. I would prefer to be on fortnightly pay, but that would change the whole structure of it because universal credit is per calendar month. Fortnightly would change it all immensely. It would all have to be recalculated the way it was before, which to me was a better system.

**Mike Tighe:** If it was fortnightly, you would immediately be introducing the five-week wait problem because it is based on monthly salary and would involve waiting for all the accounts from people who are getting in-work benefits to catch up. If you had a fortnightly spell, there might be some more overheads in the calculation, but it would definitely reduce some of the baked-in problems that arise from the salary emulation.

The other thing is that the date you get is based on the date you start the claim, and you are fixed on that date for ever. If it happens to be the fourth of the month, that is it. If your bills are all due at an inconvenient gap from that, you are stuck with it for ever and ever. The date that the claim picks is the date you are stuck with.

It is just one of those roll-of-the-dice things. Some people are going to come out of it quite well; other people will find it an ongoing, continuing problem, and it will not change. If you are lucky in the first month, you have the golden ticket.

**Nick Phillips:** On money management, many claimants have struggled with the direct payment of the rent money to them, which is now the default for universal credit, whereas it was not before. Most claimants we work with would prefer, at the very least, the option from the outset: "Do you want your rent paid to you directly or to your landlord directly?" A lot of people struggle with having responsibility for that money. Some may prefer it, but a lot do not, so they would at the very least like the option.

Nowadays, a lot of alternative payment arrangements are made if people ask, but it is still quite a struggle to get it changed. A default of having the choice of the payment being paid direct to the landlord would be a welcome relief to a lot of claimants.

**Angela Charlton:** Mine is mortgage support. It gets paid direct to my mortgage company and then I pay the balance. Although it took a long time to be set up, the trouble is that at the start of this pandemic my payment did not make it to my mortgage company in March this year. Even though it had been paying it for the last year and a half, it missed a payment in March. I was then notified by my mortgage company. If support for mortgage misses just four payments, I default on my court order and lose my home. I should not have had to chase that. Even though it had been in place for a year and a half, a mistake was made that could have cost me my home. I still have been given no explanation of why that mistake was made. What if that happened with somebody's rent? What if somebody's rent was miraculously not paid one month, and they were not informed, just like me?

Q114 **Lord Livingston of Parkhead:** Thank you very much for coming in. Your comments have been very helpful and have given some substance to issues that have come up repeatedly.

Ms Harkins mentioned Covid-19, as did Ms Charlton, and I want to turn to that and look at some of the changes that have been made recently. Some of them are to amounts and some of them are to process. Starting with Mr Tighe, have you experienced any differences as a result of them? I would be interested in your comments on some of the changes that have been made.

**Mike Tighe:** No, I have very little direct experience of it. I have had one increased payment. It has gone through one cycle, so it is way too early yet to tell. Obviously, the increase is nice to have, but these are unusual circumstances. I am not quite sure how my bills are going to unwind over the next couple of months. It is still work in progress for me.

**Lord Livingston of Parkhead:** Do the rent changes affect you?

**Mike Tighe:** There is one thing with the rent changes. The council notifies a rent change in a letter about six or seven weeks in advance. If

you try to notify the DWP that your rent is going to change, the system will not let you change it because the date is too far in the future. It has to be done after the date, which means that you then have to keep in mind that you have an appointment with your computer in seven weeks' time.

This year, when I finally put it in, was the first year in all the years I have done it that it has gone through seamlessly. In other years, it has quibbled about the service charges. It was mentioned earlier how hard it is to break down some of the eligible and non-eligible service charges because the council bill does not always make it obvious which are which.

The DWP checks with the council. Last year, Southwark's system was not updated with the new prices, and DWP got back to me with a notification, "Do you want to suspend the claim, or do you want to take the council's word for it?" Obviously, I was going to take the council's word for it; there was not very much difference in the money. The alternative was to stop the claim and try to work it out myself. That is a regular annual thing that will apply to most claimants. You might imagine it was something that could be automated, but it did not work. This is the first year when there has been no obvious mistake in it, and how many years has the system been chugging along?

**Lord Livingston of Parkhead:** Ms Charlton, have you seen any changes?

**Angela Charlton:** Do you mean with the increase that we have received?

**Lord Livingston of Parkhead:** Increases, or anything affecting the requirements and the administration from your point of view, or people you have to see, or obligations.

**Angela Charlton:** I get phone calls from my work coach only every three months because of my depression. The increase has been the difference between me being able to buy a monthly fresh food shop and having to rely totally on food banks. I have spent a lot of weeks at food banks because, having a mortgage, I have lots of bills that have to be paid out of the small amount I get. The extra money has meant that I can buy fresh food for myself and my daughter. That has been a nice, welcome change, but I am sure it is going to be taken back off us afterwards.

**Lord Livingston of Parkhead:** We will have to see what happens. Ms Harkins, do you have any thoughts?

**Kirsty Harkins:** The basic allowance during Covid-19 has been increased to a fraction under 30%, from around £317.00 per month to £409.00 per month, which is significant. This is very welcome indeed, and, if ever I lose my limited capability for work payment and have to live on the basic allowance for universal credit, it will be essential, quite frankly. People who are just on basic allowance struggle hugely. I fear that may be my future, so, yes, a 30% increase is massively helpful. But is it temporary,

and why? That is my question. If it is not good enough for the general public during Covid-19, why is it enough for those who struggle more generally? The payment increase should be permanent, in my opinion.

**The Chair:** I am sure that is a question we will put to the Secretary of State.

**Lord Livingston of Parkhead:** Yes, we shall be seeing her shortly. Finally, I have a slightly different question for Mr Phillips. I guess you still see new claimants coming in and speak to them. Have you seen any changes in the set-up or administration? Have some of the requirements been eased? Do you have any particular thoughts about the process?

**Nick Phillips:** The communications I have now are generally through other means such as emails, phone calls and so on. Generally, people feel that the system has worked as flexibly as it can under the circumstances, particularly in lessening the requirement for people to check in on whether they are fulfilling their requirements. Minimal contact is often better for them than intense contact.

I would like to put in a word for those on legacy benefits, because they have not had the £20 increase. I have detected over the years, since universal credit came in, that there has been a problem with them. There has been so much focus on coping with the new influx of people on universal credit that—

**Lord Livingston of Parkhead:** Has there been some increase in working tax credits?

**Nick Phillips:** It gets more complicated. The £20 a week extra is not something that is afforded to people on legacy benefits. You do not want a two-tier system for people who are supposed to be on the same level of benefit. That is a problem and it should be addressed.

Q115 **Baroness Kingsmill:** Thank you all so much for speaking so clearly and helpfully about the situation you have to face dealing with this benefit.

Could you give me some ideas? All of you have mentioned different things, but how does it differ from what you had before? Is universal credit better or worse? Are you better off or worse off? Is it more difficult and more complicated? Does it cover everything you need? Did the previous system cover everything you needed? Can you make a bit of a comparison for us with what went before?

**Kirsty Harkins:** I am sorry, but I may have to leave shortly, so perhaps I could go first.

I have limited personal experience of claiming jobseeker's allowance, and I have never been in receipt of ESA. One major change that seems to go unnoticed is that, with ESA, individuals were allowed to do permitted work as a safety net for those managing physical and mental health problems. That safety net has been scrapped under the new system.

The moment I take on employment, which I hope to do part-time, I will be deemed fit for work, and the limited capability for work support will be removed. That has a huge implication for me, and many others. If I get ill or anything goes wrong, I am back to square one on the basic allowance, handing in fit notes and struggling to survive. I would have to endure a financial crisis through a period of illness and wait six months before the work capability assessment process began again.

It is a worrying move that the universal credit system takes a completely black and white approach to work and those managing physical and mental health issues. Those issues do not disappear the moment you step into work, so why does the support get removed? That is quite a big worry for me.

**The Chair:** Ms Harkins, do not worry if you have to leave. We are very grateful to you for your contribution this afternoon.

**Baroness Kingsmill:** I would like to hear from some of the others. Ms Charlton, you seem to have had a particularly bad experience.

**Angela Charlton:** I have been reassessed. I was told after my first assessment that I was unfit for work for 12 months. I have since had two extra assessments and been deemed both times unfit to work, but I am still only on the basic work-related activity group.

The change for me is that, at first, when I moved over to universal credit, I was seeing a counsellor once every two weeks, and up until February this year I was seeing one once a week. For my mental health, you can clearly see the effect of going from having to speak to somebody once every two weeks to once every week. With universal credit, the stress that relates to it, financially and emotionally, drains you. It takes everything you have and a little bit extra, and there is nothing left. That is about it.

**Nick Phillips:** I can see that time is running out. It would be useful to make comparisons between the old and new system, which is your question. One of the worst elements, which we get a lot of feedback about, are the payments to households. In the old system the payments went to individuals rather than households. That has been a big thorn in the side of a lot of people, particularly those in households where there are problems such as domestic abuse, or variations thereof.

The fact that you have to struggle quite a lot to get payments made to you as an individual in a household situation has caused problems. People would much prefer for it to revert to the system where, by default, payments were made to individuals rather than to whoever is nominated as the primary carer in the household. One person in the household may insist that it is them, and you can imagine the problems that has caused. Reverting to individual payments is a key issue for a lot of people.

Someone mentioned that the old benefits did not have a two-child limit for child tax credits. That has been brought in under universal credit. A

lot of people who have more than two children, who would have been able to claim child tax credit, cannot under universal credit. That is a big issue for them, which they would like reverted to the old system.

The conditionality or sanctions for people on in-work benefits is also an issue. There was a promise from Neil Couling—still the DWP universal credit director—that people on universal credit in-work benefits, which replaced the old working tax credits, would not be subject to conditionality or the threat of sanctions if they were struggling to earn money above a certain level.

The system is complicated, but potentially there are people claiming in-work benefits who still could be threatened with sanctions and forced to do intensive work searches if they are not earning what the DWP deems enough—even though they are trying—because they are in work. It is a big issue. A lot of people who are on in-work benefits do not want the added pressure of being told, “If you don’t try even harder to earn even more, we could take your money away”. That is another big area where, compared with the old system, it has become more draconian.

**Q116 Lord Fox:** Proponents of the system talk about encouraging people to go to work. We have heard from all of the evidence today that that is harder for some people than for others.

What pressure are claimants under to change their behaviour, as the authorities would see it? How much pushing is going on to try to get people to go to work, whether or not their situation is suitable? Shall we start with Mr Phillips as an observer, and then perhaps Ms Charlton and Mr Tighe?

**Nick Phillips:** I would prefer Mike to answer, as he is best placed.

**Mike Tighe:** As I mentioned before, I am kind of lucky/unlucky. My conditionality is quite low. My health is a bit variable, to say the least. On universal credit, it is weird. Monetarily, if I was to draw a graph, it probably would not look that much different, but in practice it feels very precarious. The automated notifications that come through to check the journal are random. They arrive in the middle of the night. There is nobody pressing a button; it is an automated system. You check in the journal and there is nothing on the to-do list, and you breathe again.

It sounds melodramatic, but in the current system I feel that I am only one or two good days away from total disaster. Days like today, I can push a little bit and I can rest for most of the rest of the week. That is okay, but I always get the impression that the universal credit scheme just interests itself in little snapshots of things.

At the Southwark group, the level of trust between claimants and the DWP at the jobcentre is surprisingly low. They are trying their best and they are working within the system that they are given, but it is very difficult to engage comfortably with any of this stuff. Again, I cannot put a number value on it, but the sensation of doing it is very strange. It is definitely a lot different from the legacy benefits.

**Lord Fox:** Ms Charlton, does that describe the experience you are having as well?

**Angela Charlton:** It is very similar. As Mike said, it is very hard to put into words the feeling of being on universal credit. I have been quite fortunate; providing I have had my assessment and I have been deemed not fit for work, I only have to go in and speak to my work coach every three months. It is just a quick, "Hi, how are you? Are you doing okay? All right then, see you later".

You feel like, "Okay, so you're just checking that I'm still here and am still doing what I'm told". There is an awful lot of jumping through hoops, but when you ask for assistance, you get a brick wall: "There's nothing we can do. That's just how it is. See you later". It is very frustrating.

**Lord Fox:** You have talked about being reassessed a couple of times. Did you feel that those reassessments were putting you under pressure to change your ability to work, or did you feel that they were just a routine process?

**Angela Charlton:** Again, that is very difficult. The assessment is all the way in Manchester city centre, which is not massively far away from Sale Moor, but because of my anxiety I have to get on a Metrolink at 7 am to make sure that I do not get on with commuters and can get a free run as quickly as possible up there. Then I have a two-and-a-half-hour wait, providing my appointment is at half past nine in the morning. I also have to drag my mum along.

A lot of the time you feel like you are answering the same questions. Your condition has not changed, so you have nothing new to say, but then you have the weight and anxiety of, "Oh my God, am I going to pass? I don't feel any different and my life hasn't changed, but are they going to deem me fit?" As I said, after being assessed, I was told, "This is you for 12 months", and for the subsequent two years I was signed off at exactly the same level. You have to say to yourself, "Hold on a minute, was I well enough on my first one, or have you made me feel worse and prolonged it?" Maybe I could have been back to work after 12 months, or maybe being moved over to universal credit and all the extra additional problems that came with it has prolonged my stress and made me unfit for work for a longer period. I do not know.

**Nick Phillips:** I attempt to set up peer support groups—not Peers such as yourselves, but people in the same boat as each other. We run peer support groups in different boroughs around London. By far, the majority of people coming to those groups in the last few years have been claimants who had been seen as having long-term sickness conditions for a long period, and suddenly they went through a work capability assessment and were told, "You are now fit for work". It has come as such a shock to them that they have felt very isolated and desperate. That is where our groups, as mutual support, have been quite a big help, as Mike and others would recognise.

In response to your question on pressure, the sanctions for people who are on jobseeker's allowance or the equivalent have statistically dropped significantly over many years, as you may be aware, but there has been a sharp rise in people who would define themselves as long-term sick and disabled being told that they are fit for work. How those people are assessed, with reference to their own assessment and their GP's assessment, needs a thorough overhaul, under the old benefits system and universal credit. Everyone involved on our side of it thinks that, particularly given that at the tribunal stage most claimants, when judged by a professional, are found to be not fit for work. The initial stage of work capability assessments needs a thorough overhaul.

**Mike Tighe:** Everybody probably knows this, but, as a reminder, the work capability assessments—the old ESA50 forms—have a direct equivalent with universal credit in the UC50 form. It basically has the same questions. The only way you can tell the difference between them is by the typeface.

The way the old ESA work capability assessments were scored and the way the new universal credit equivalent is scored has not changed much. One of the things that you find regularly comes about is that in the full decision-maker's scoresheet, for want of a better way of describing it, there is a big mismatch between the way they see the condition as described, and the way the person actually experiences it when they are making the claim. Some people feel badly enough that they claim the assessor has lied. Essentially, the assessors are putting a spin on it that the claimant does not see.

Using myself as an example, on one of my assessments they asked, "If you are out and you have to eat, what would you do?" I said, "I am very anxious. I am a dietary vegan. My eyesight is not great, and I have to use a magnifying glass, so I just do not eat when I'm out". They asked, "Oh, but if you absolutely had to, what would you do?" I replied, "I just don't". They asked, "But if you had to?" I said, "I don't know. I'd go into Holland & Barrett and buy a flapjack". On the scoresheet it says, "Can confidently go into a shop and buy a flapjack". Now that is not what happened in the room. It is almost comical how spun it is compared with the actual reality, but that is the way these processes are scored when you see some of the sheets.

**Lord Fox:** If you are able, Mr Phillips or Mr Tighe, to give us some documentary written stuff on that, it would be helpful.

**The Chair:** I am conscious that we have run over time, and I am very grateful to all of you for bearing with our questions. It has been an extremely helpful session. Many of the issues you have raised are indeed issues that have been drawn to the Committee in evidence over the weeks we have been taking evidence. It may very well turn out that we are something of a peer support group on this issue when we publish our report in due course.

That concludes the session. Thank you all very much indeed.