LEEDS CITY COUNCIL – WRITTEN EVIDENCE (EUC0106)

The economics of Universal Credit

1.0 Introduction

1.1 This is a response to the House of Lords Economic Affairs Committee's call for evidence, inquiring into the economics of Universal Credit (UC). Leeds City Council is submitting a response based on research studies carried out by the Council's Financial Inclusion Team and has also provided views, case studies and evidence that we have brought together from our ongoing work with advice and support colleagues across the Council and partners working on supporting the roll out of Universal Credit in Leeds.

1.2 The response aims to assist the Committee in its assessment of whether UC is meeting its original objectives and provides evidence and examples on how UC affects different groups of claimants; highlighting the extent to which UC is meeting the needs of claimants in today's labour market and changing world of work. It is hoped that the evidence provided in this response is of value to the Committee in its recommendations to Government. The response answers all 8 questions within 5 sides. In addition to this we have appended 5 case studies to provide specific examples on the issues raised.

2.0 Question 1: How well has Universal Credit met its original objectives?

2.1 Leeds moved to the full service digital platform on 10th October 2018. Latest DWP data from December 2019 shows there are 31,000 people claiming UC in Leeds, 34% of which are in employment. While many of the original objectives for Universal Credit revolve around 'making work pay', in general terms it is difficult and perhaps too early to ascertain whether or not this has been achieved. Below we have outlined the objectives and provided some broad examples of where the objectives have been met, unfortunately, Leeds has seen more examples of how UC systems have largely been a barrier to achieving this objective.

2.2 <u>Objectives to making sure work pays and making it easier for people to manage the move into work</u>

2.3 Under Universal Credit regulations, more part-time workers are eligible for some degree of financial support than they would have been on legacy benefits. While this alone may facilitate some claimants to move into employment, there are many aspects of the system that cannot take into account the different needs of claimants, particularly low-income and vulnerable claimants.

2.4 Claimants who require childcare to enable them to work could be worse off due to the fact that Child Care Cost elements only take into account 85% of eligible childcare costs, compared to Housing Benefit, where 100% of eligible child care costs are assessed. In addition, the way that payments are made in arrears can be a barrier to starting work, as in many cases, childcare costs must be paid in advance. Universal Credit therefore assumes that the claimant is in a position to find often substantial childcare fees up front.

2.5 The claimant's monthly entitlement to Universal Credit is based on the earnings paid during that Monthly Assessment Period regardless of hours worked. This means that for a claimant on a zero hour contract, they can rely on Universal Credit to top up their earnings if needed. It also means there is no 'sudden drop off' of benefit entitlement often experienced by part time workers on legacy benefits. It also means that claimants in this position are less likely to experience under and over payments which are associated with the Tax Credits System. However, fluctuating amounts of benefit can make it difficult for claimants to budget and in turn have impacts on their ability to get to work, causing anxiety and lead to wider impacts on their health and mental health.

2.6 In the case of claimants who are paid 4 weekly, inevitably two wages fall within one assessment period (13 payments annually on a 4 weekly schedule), potentially leaving the claimant with a nil or drastically reduced entitlement. Many affected claimants struggle to understand why this has occurred and are not aware until it happens, at which point, leaving it too late to mitigate the reduced income through savings or budgeting.

2.7 For claimants that work fulltime and in addition, provide 35 hours or more care for a person, they can be entitled to a 'Carer element' of Universal Credit, which increases their overall entitlement. This is a welcome change from Carers Allowance which cannot be claimed by fulltime workers. However whether a carer would be better off depends on many other factors, and while the individual claimant's entitlement may have increased, the applicable amounts for other household members (including the disabled person) may be negatively impacted.

2.8 Universal Credit assumes a 'minimum income floor' for self-employed claimants who have been trading for over 12 months. This essentially means that they calculate entitlement as if the claimant is earning a full time wage, regardless of their actual income. In addition, child minders who move to Universal Credit will lose the income they received under generous 'disregards' which are applied under legacy benefits.

2.9 <u>Objective to simplify the system, making it easier for people to understand, and easier and cheaper for the government to administer</u>

2.10 Many issues with Universal Credit occur due to misinformation, and misunderstanding of the complex rules, differences to the legacy benefits system, and the impact of obstacles such as digital exclusion and complex needs of claimants.

2.11 Many claimants suffer delays to actually submitting the online claim form for a multitude of reasons (including digital exclusion alone). While the legacy benefit system allows claims with good cause/reason to be backdated, there is no such capacity on Universal Credit, meaning claimants can miss out on days or even weeks of Universal Credit, on top of the initial 5 week wait for payment. Once the initial claim form has been submitted online, there are further tasks for the claimant to undertake before the claim is officially up and running – if these tasks are not actioned within the specific timescales, the claim will be closed, and the claimant will have to start the process over, causing further delays. Digital access issues do not just cause problems during the start of the claim; as Universal Credit is managed online by default, the claimant can miss appointments, commitments and face further delays or even sanctions to payment.

2.12 Recurring themes of individuals failing Habitual Residence Tests, sometimes repeatedly, despite underlying eligibility is commonly reported, as well as issues causing 'blocked claims' where claimants can be left waiting for weeks or months without payment, while a decision is made. Evidence from partner agencies have also found cases of individuals who have failed Habitual Residence Tests despite having previously successfully claimed legacy benefits.

2.13 Objective to reduce the number of people who are in work but still living in poverty

2.14 Although it is too early to provide evidence on official in-work poverty statistics, the data and anecdotal evidence we have received from partners working on the food poverty agenda suggest there has been a rise in people accessing foodbanks since UC was introduced in Leeds. A survey of 365 UC claimants accessing a Leeds Trussell Trust Foodbank in September 2019 revealed over 30% were in work.

3.0 Question 2: Were the original objectives and assumptions the right ones? How should they change?

3.1 UC objectives need to be assessed so that they can consider the wider barriers that prevent people from working and navigating their systems; such as financial exclusion, digital exclusion, caring responsibilities, childcare, health and wider aspects of poverty.

4.0 Question 3: Which claimants have benefited most from the Universal Credit reforms and which have lost out?

4.1 The different rules and complexities of Universal Credit compared to legacy benefits are difficult to navigate for both claimants and those in advisory roles. Claimants who may have experienced a change of circumstance such as losing or finding employment could be made significantly better or worse off, purely by being moved from the legacy system to Universal Credit, even if the rest of their circumstances such as family unit or disability have not changed. In addition to the different overall rules, the way that Universal Credit is assessed on a monthly basis means claimants can benefit or be disadvantaged on a rolling monthly basis, for situations that may be outside of their control. The claimant groups that appear to lose out are Low income families, Lone Parents, people with Disabilities, Families/Women living with cases of Domestic Violence. Examples of how these groups are impacted are set out below.

4.2 Any changes that affect a claimant's overall entitlement, such as a new baby or moving house, are applied from the start of the assessment period in which the change occurred, rather than the actual specific date of the change. In situations such as this, a claimant can be at an advantage – the principle applies even if a change occurs on the final day of an assessment period, i.e. If a claimant becomes liable to pay rent on the very last day of their assessment period, they would be assessed as being liable for rent for that whole assessment period – even though they are only actually liable for a week's rent by the time their Universal Credit payment is received. Where a customer experiences a detrimental change, regardless of the reason, the claimant can be left at a significant financial loss. For example, for a claimant downsizing from a 3 bedroom house to a 1 bedroom flat to escape the additional welfare reform of under occupation, the date on which the claimant moves can be largely outside of their control. If the claimant downsized on the last day of their assessment period, they would be paid by Universal Credit, based on their circumstances and the rent for the 1 bedroom flat, as if they had been living there for the full monthly assessment, despite the fact that for the majority of that assessment period, they were liable for rent at the 3 bedroom house. For claimants in this situation, they would not be paid enough money to cover both liabilities and would have difficult decisions to make.

4.3 Since 15th May 2019, where one member of a couple is working age and one is pension age they are considered a working age couple and would be required to make a claim for Universal Credit, where their income is considerably less, than if they were able to both remain on legacy benefits (Pension Credit and Housing Benefit).

4.4 Under Universal Credit, the overall deduction limit is significantly higher than under legacy benefits, meaning claimants can be left in severe financial hardship, particularly in relation to the recovery of Advance Payments. Under the current rules, Advance Payments must be repaid over a 12 month period, meaning the larger the advance, the larger the deductions. Advances must be repaid regardless of the customer's situation, i.e. even if they can prove they had no other income over the 5 week wait. When combined with other deductions such as for tax credit overpayments (which can be historic) or court fines, this can leave the claimant in chronic hardship.

4.5 Existing 'debt management' provision under Universal Credit, can sometimes reduce specific debt deductions to a lower rate – but not Advance Payments, which will only be deferred for 3 months in cases of exceptional hardship. Indeed the deferment of an advance payment can actually mean that other debt deductions are applied to the claim – continuing the cycle of hardship for the claimant.

4.6 Deductions for debts are applied to the claim after other welfare reforms such as under occupancy and benefit cap, meaning that a claimant with no other source of income other than Universal Credit, can be left in destitution.

4.7 Universal Credit poses particular challenges to young people. For individuals under 25 years of age that are lone parents, couples, or disabled claimants (who would have previously claimed ESA), they receive an amount less than the equivalent legacy benefit amount. Eligibility rules for students are complex, and particularly for lone parent students, student income may be taken into account when calculating entitlement.

4.8 Particularly harsh losses can also occur, in the form of loss of legacy benefit protections; for example, housing benefit claimants are entitled to 12 month protection from under occupancy, in the case of a death in the household. This protection only lasts 3 months under Universal Credit, and any ongoing protection is lost if the claimant moves from legacy benefits to Universal Credit.

4.9 There are many negative impacts faced by disabled claimants under Universal Credit. For individuals who already have an existing and valid capability for work assessment completed under legacy benefits such as ESA, this should be transferred through to their Universal Credit claim, however there are delays for this transfer occurring, meaning customers could be without vital payments to help them with additional costs associated with their disability. Other disabled claimants also risk being financially worse off when moving to Universal Credit, such as claimants in receipt of transitional protection from incapacity benefit.

4.10 With regards to housing costs, there are many reasons that a claimant may find themselves in a so called 'untidy tenancy'. The Universal Credit system does not recognise 'untidy tenancies' and results in many claimants only being paid based on 50% of their housing costs. Although this can and should be challenged, this can often take months to resolve, resulting in incorrect payments, rent arrears and distress for the claimant.

4.11 Recent evidence from Citizens Advice Leeds shows that the majority of clients seeking advice about benefits are women – 57% of all clients in 2019/20. Of these clients, Citizens Advice research indicates 1 in 20 women are currently experiencing violence and abuse, frequently connected to financial abuse. Research undertaken by Refuge also supports the observation that welfare reforms have impacted negatively when victims are in a relationship with the abuser, when attempting to separate from the abuser and when rebuilding their lives following domestic abuse. The default system of single monthly payments is argued to facilitate and exacerbate economic abuse and coercive control, particularly when benefits are paid directly into an abusers bank account and further limits the ability of victims to leave abusive relationships. The initial five week wait for payment is also challenging for those with little or no money and few belongings – like many survivors of domestic abuse. Essential items have to be replaced and this can force victims, including those with children into poverty where they are often reliant on food banks or charities providing relief. It is not uncommon for victims to return to their abusers under such circumstances. The same issues apply at the point of moving out of refuges where victims have to make a fresh claim for benefits and can be left destitute in what is an already stressful and traumatic period of change and adjustment.

5.0 Question 4: What have been the positive and negative economic effects of Universal Credit? And Question 5: What effect has fiscal retrenchment had on the ability of Universal Credit to successfully deliver its objectives?

5.1 Since the economic downturn and recession in 2008, employment has slowly started to grow and increase back to pre-recession levels. However the nature of work available is low paid, part time and zero hour contracts, offering little stability.

5.2 The introduction of UC during this time of austerity and insecure work has had an impact on it achieving its objectives. Evidence from the advice and support sector has suggested that the changes to the benefits system have led to more people needing to use foodbanks and falling behind on priority debts such as rent and council tax and leading more people to use credit for day to day living expenses. Leeds City Council commissioned the University of Salford to undertake research into financial exclusion and poverty in the city in 2018. This was the third instalment of a series of research[1] which began in 2004 and was repeated in 2010 and 2018. All three studies involved a household survey, with samples from low-income areas in Leeds. The full report and its findings concluded that since the financial crisis in 2007/08, households are only now starting to get back to where they were in 2004. Although there has been some improvement since 2010, the 2018 low income area respondents are worse prepared for an external shock or crisis than in 2004, with significantly lower propensity to save and higher likelihood of being in debt. Below are key findings from the 2018 research from a household survey of 600 Leeds low-income areas:

- Bank account ownership increased since 2004, 95% have a bank account, however, many households do not actively use key features of the bank account, especially direct debits and standing orders, out of fear of losing control.
- More households have access to the internet than in 2004, but the ability and confidence to use online services is an area of concern. 85% had internet access but 22% reported that they had difficulty using the internet for paying bills, banking or comparing products.

[1]To access the three research reports please see: www.leeds.gov.uk/fi

- People were significantly less likely to save in 2018 than in 2004, 38% never saved and 56% had savings of £100 or less.
- 35% of respondents reported that they are borrowing for day-to-day living expenses. This is concerning because it possibly indicates insufficient household income to cover costs or an unplanned approach to money management.

5.3 This research was carried out just before UC moved to full service in Leeds, but still demonstrates the financial vulnerability of low-income households and suggests the speed of UC's implementation during austerity and during a slowly recovering economy was too soon and impacted it in successfully delivering its objectives.

6.0 Question 6: How has the world of work changed since the introduction of Universal Credit?

6.1 Being in work use to mean having the stability to manage finances, having enough money for food and priority bills and to save money to cope with unplanned life events. Whether in work on a low income, or out of work, welfare benefits and tax credits are in place to provide a public safety net.

6.2 Latest statistics from the Leeds Poverty Fact Book[2] reveals an estimated 67,000 Leeds residents in work earned less than the Living Wage Foundation's Living Wage in 2019. Almost 40% of which are in part time work and over 10,000 Leeds workers are on zero hour contract. In December 2019, 31,000 people in Leeds were claiming UC, 34% of which were in employment. As of Feb 2019, it was known from DWP claimant data that over 50,000 people in Leeds were still claiming an out-of-work legacy benefit and, latest HMRC data reveals that over 32,000 working people in Leeds claimed tax credits in April 2019 to supplement their income.

6.3 Over 33,000 people in Leeds have received food through a foodbank or food parcel provider in 2018/19, 21% more than in 2017/18. The large increase in foodbank use in Leeds coincides with the implementation of UC in the city from October 2018. Survey data from Leeds South and East foodbank which provides insight into the impacts of UC on foodbank usage from September 2019 reveals that 365 people accessing the foodbank have applied for UC or are in receipt of UC. Of the 365 UC attendees, 41% were awaiting their 1st payment of UC, 43% were having deductions from their UC payment, 25% were in work and advised that they did not feel better off under the new system, 34% were in rent arrears, 39% had received £250 or less for the month's payment (9% had received less than £100 for the month).

7.0 Question 7: Does Universal Credit's design adequately reflect the reality of low-paid work?

7.1 In addition to the response to question 6 above, the Council, through feedback from its Job Shop programme, that works closely with clients searching for work has reported that their customers do understand there are greater flexibilities with UC in that they can work and the amount of money they receive/are entitled to will go up or down accordingly. Customers appear to understand and appreciate this as an opportunity. However, customers are still unsure about moving onto UC and the impact this will have on their

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[2]To access the Poverty Fact Book, please visit https://observatory.leeds.gov.uk/leeds-poverty-fact-book/

income and ability to budget and cope financially. Concerns from these clients about UC stem from being able to maintain the online journal and the 5 week wait for the first payment.

8.0 Question 8: If Universal Credit does not adequately reflect the lived experiences of low-paid workers, how should it be reformed?

8.1 The 5 week delay to the first payment has been the main cause of hardship for low income claimants and has led to an increased use of foodbanks. Therefore a change to pay claimants upfront should be considered. The expectation for all claimants to be able to navigate the digital systems and processes also requires a review. More resource should be made available to advice and support services to assist claimants access and maintain their online claims.

8.2 While Universal Credit claimants in Work Related Groups are required to actively seek work full time (and provide evidence to prove this), arguably more time needs to be spent on identifying the root causes of why claimants are struggling to find work, particularly in regards to how living in poverty can be a barrier to finding and maintaining meaningful employment. More research is required in this area to understand if the restrictions, sanction schemes and overall stress of Universal Credit contribute to claimants successfully finding work, or whether it may even make them less likely to succeed.

8.3 Teams within the Leeds DWP offices have developed successful links and partnerships both within the wider advice and support network and with the Council. DWP staff have delivered support at partner venues, delivering advice at foodbanks, assisting claimants with UC. The DWP's Leeds Social Justice Team has also widely been used for UC cases because they have been able to provide an alternative to the traditional work coach approach. The Social Justice Team take referrals from professional organisations including DWP work coaches, in order to work with people who have significant barriers to finding work. Barriers such as addiction issues, language problems, history of offending etc. The team meet claimants in the community, and compliment other agencies such as probation and support, to help a claimant holistically to improve their situation in a timescale that's achievable for them as an individual. This team has a focus on working with the following groups: Drug and / or alcohol dependent claimants; Domestic Violence; Homelessness; Care leavers; Gang and Youth Violence; Ex-Offenders; Mental Illness; Refugees; Ethnic minorities and Troubled Families.

8.4 Leeds would recommend further resource for service such as this and would also like to see support being widened to specifically help groups struggling most with UC; i.e. low income families, lone parents, those with long term illnesses and people with disabilities.

Appendix – Case Studies – these case studies have been provided by partner agency Citizens Advice Chapeltown, in order to illustrate specific examples of some of the issues raised in the attached Committee Response.

1.0 Case study 1: Impact of Severe Disability Premium Loss

1.1 **<u>Background:</u>** Client with long history of mental health crises and is a recent prison leaver that has claimed Universal Credit following release. The client wanted to check his current benefit income and whether he had been advised correctly to claim Universal Credit. The client was referred to the Help to Claim service.

1.2 **<u>Assessment:</u>**

(Prior to sentencing) Legacy Benefit entitlement:

- ESA – £191.45 p/w (£73.10 + £37.65 support group + £16.40 EDP + £64.30 SDP)
- PIP – £108.25 p/w (£22.65 mobility + £85.60 daily living)
- Housing Benefit – N/A
  Total Income per calendar month - £1298.60

(Current) Universal Credit entitlement:

- UC standard allowance £317.82
- UC Housing Element £433.33 – Per Calendar Month. Due to Local Housing Allowance, the client is required to pay an additional £40 in order to meet the actual rent charge of £470 per calendar month. Housing Element Amount is paid directly to the landlord via an Alternative Payment Arrangement.
- £26.49 Advance Payment Deduction to Universal Credit payment

- PIP at standard mobility (£23.20 p/w) and enhanced daily living (£87.65 p/w)
  Total calendar monthly benefits received in cash therefore £771.64.

1.3 **<u>Conclusion:</u>** The claimant is currently £527 a month worse off under Universal Credit, than whilst claiming legacy benefits. In this case, the claimant

The loss of Severe Disability Premium can occur even if the client's disability and associated support needs have not changed. Losing the Severe Disability Premium, equates to a huge loss of income for disabled clients with genuine health needs who require additional support services. Disabled clients have considerably less money to live on but still have disability related costs and require funding to meet their care and support needs.

2.0 Case study 2: Self Employed client subject to minimum income floor

2.1 **<u>Background</u>:** Self-employed client, in receipt of legacy benefits. They required a benefit check to explore whether they would be better off under Universal Credit.

As the claimant has been registered as self-employed for over a year, under Universal Credit he will be subject to the minimum income floor. This will mean an assumed income of regardless of actual earnings. In most cases, the minimum income floor is set at 35 hours a week at the national minimum wage of £8.21 an hour, which for over-25s is around £1,140 a month.

2.2 **<u>Assessment:</u>**

(Current)Legacy Benefits

Housing Benefit + Child Tax Credits = £327.95 per calendar month

Universal Credit (calculated)

Universal Credit Estimated Entitlement = £256.17 per calendar month

2.3 **Conclusion:** The client would be worse off if he applied for Universal Credit by £71.78 per calendar month.

Universal Credit can discourage clients from engaging real work within a self-employment setting. Chapeltown Citizens Advice have witnessed a number of clients making proactive decisions to terminate their self-employment and deregister as the 1 year window is too arbitrary in terms of establishing a profitable business. This application of the minimum income floor is a huge barrier in terms of engaging self-employed clients and does not reflect the real world of work and business. In addition, under Universal Credit, the client would also be responsible for reporting all self-employed earnings, business expenses, travel cost /mileage and NI / tax contributions to Universal Credit on a monthly basis. Failure to do so would result in a delay of payment. The client would also be responsible for onerous reporting of earnings to the DWP in order to maintain a UC payment in addition to managing his business.

3.0 Case study 3: Mixed age couple claiming UC

3.1 **Background:** Mixed-age couple approached for benefit entitlement check and advice. Recently claimed Universal Credit after one of the couple reached pension age. Both are unable to work due to health problems.

3.2 **Assessment:**

Legacy Benefits – **(***Prior to 15 May 2019, the couple would have been able to continue to claim legacy benefits)*

- Pension (including protected payment) £192.39 per week
- Employment and support allowance £62.86 per week
- Housing benefit £78.69 per week
  Total weekly income - £333.94 per week

Universal Credit (Awaiting First Payment)*

- Pension (including protected payment) = £192.39 per week
- Universal Credit (Assuming 'Limited capability for work or work-related activity' (LCWRA) element is included.) - £79.01 per week
  Total weekly income - £271.40 per week

** UC is paid monthly, but all figures are shown as weekly equivalents to allow comparison*

3.3 **Conclusion:** The clients are worse off under Universal Credit, than they would have been under the legacy benefits system. Assuming a positive LCWRA decision, the clients are either £62.54 or £140.12 per week worse off than they would have been under the legacy system. *(If the Universal Credit award does not include 'Limited Capability for work-related activity' element, the total award would be £1.43 per week, reducing the overall total weekly income to £193.82 per week)*

4.0 Case study 4: British citizen refused UC following Habitual Residency Test

4.1 **Background:** Client sought benefit advice. Client is a single mother with three children including a disabled child. Client is a British citizen. Client travelled to Kenya in December 2017 to provide care for a family member, they briefly returned to UK April 2018 to manage affairs before returned to Kenya. Client returned to UK November 2019. Client is currently staying with a friend but is severely overcrowded.

4.2 **Assessment:**

Client applied for Universal Credit in December 2019 but failed Habitual Residency Test. DWP decision was that she was not yet habitually resident.

4.3 **Conclusion:** There is case law to support that the 'appreciable time' to qualify as habitually resident can be waived based on a case-by-case assessment. Despite the clients British Citizenship and multiple vulnerabilities (including a disabled dependent child) the DWP found the client ineligible to claim.

5.0 Case study 5: Couple failed Habitual Residency Test despite having EU settled status, and significant drop in benefits

5.1 **Background:** Clients approached for benefit advice. Clients are Danish citizens with recent EU Settled Status (EUSS) (November 2019 and January 2020), living in UK since 2004. Client 1 is diagnosed schizophrenic. Client2 gave up work to provide full time care for Client 1. Clients have a dependent child and two non-dependent children. Clients have claimed legacy benefits for 15 years.

5.2 **Assessment**

Clients claimed Universal Credit December 2019. A habitual residence test (HRT) was carried out in December 2019 and both failed, despite having a right to reside as a result of EU settled status.

Clients were assisted by Citizens Advice Chapeltown to challenge this decision and submit a new claim. This was also refused on the same basis.

Client 1 received notice that the decision relating to the second claim had been revised, but to date (27 February 2020), there is no confirmation of the decision relating to Client 2's right to reside, or whether the claim will be backdated to their original date of claim (December 2019).

Legacy Benefits (Prior to October 2019)

- Income support £134.50 per week
- carers allowance £66.15 per week
- child benefit £20.70 per week
- child tax credits £63.20 per week
- housing benefit £81.83 per week
- disability living allowance £81.90 per week
  Total Weekly Income = £448.28

Universal Credit (estimated)*

- Universal Credit £226.80 per week
- child benefit £20.70 per week
  Total Weekly Income = £247.50 per week

** UC is paid monthly, but all figures are shown as weekly equivalents to allow comparison*

5.3 **Conclusion:** Once their UC is in payment, the clients will be £200.78 per week worse off than they were before October 2019**.**

Client 1 needs to follow the standard 3-month assessment process for 'limited capability for work and work-related activity' (LCWRA) element. It is likely to take months to improve the clients' financial situation, assuming positive outcomes for the PIP appeal and LCWRA/Carer Elements being added to the Universal Credit Claim.

The clients indisputably have a right to reside and were claiming legacy benefits for 15 years. The problems accessing Universal Credit have caused immense stress and financial difficulties. They now have rent arrears, and have been relying on help from a food bank and local authority.

Jobcentre staff failed to check for settled status, and were not aware of how this is evidenced. Prior to January 2020, the HRT questions asked EEA clients if they had a residence card proving permanent residence. These are rare, and are irrelevant to prove settled status under the EUSS scheme. The HRT did not ask if the client had a code to prove EUSS, so unless the client actively told the adviser doing the HRT, this would not be picked up. Although since early January 2020, HRT questions have been updated and training given on EUSS, it is likely there have been many incorrect decisions before this date.

28 February 2020