

Written evidence from North Tyneside Citizens Advice [UCW0012]

1. To what extent have the mitigations the Government has introduced so far (e.g. Advance payments) helped to reduce the negative impact of the five week wait for UC claimants?

Although advance payments have reduced the extent to which people are unable to meet essential expenses or have to rely on food banks and other sources of crisis support, the fact that they are then deducted from future payments means that they create longer-term budgeting issues for claimants that still give rise to other debt and financial issues, especially for more vulnerable claimants such as those with mental health issues.

The forthcoming amendments to the rate at which advances are recovered from awards will undoubtedly help ameliorate these budgeting issues, but the fact these amendments are not being introduced until October 2020 will generate a significant amount of hardship in the meantime. We believe this amendment should be brought forward.

The Housing Benefit run-on for people transferring from the former benefit to Universal Credit has mitigated rent arrears for those affected, but the majority of new claimants are not eligible for it.

a. What problems do claimants still experience during the five week wait?

Claimants are still struggling to pay for essentials or at risk of getting into debt.

Although it is possible for people to claim an advance payment, this then reduces their future payments of benefit, making it harder for them to budget in the long run.

[Achieving Income Security for All, a 2019 report by Citizens Advice, has shown benefit claimants losing sleep over money worries – and for people who are already struggling from mental health issues this will only serve to exacerbate their conditions.](#)

The Citizens Advice 2019 report, [Managing Money on Universal Credit, says the 5-week wait is one of the key factors driving claimants into hardship, as does the 2020 briefing by the Scottish Campaign on Rights to Social Security.](#)

2. What is the best way of offsetting the impact of the five week wait?

To issue a payment that is not recoverable from future awards of benefit, similar to the two-week Housing-Benefit run-on that applies to people transferring across to Universal Credit from previous Housing Benefit claims. This has significantly mitigated budgeting problems and rent arrears for claimants in these circumstances, and should be extended to all other new claimants.

Easier and more flexible access to alternative payment arrangements, allowing more frequent payments, would also help with the budgeting problems faced by many claimants.

Extending the number of circumstances in which claims can be backdated would also offset the difficulty many claimants are having with the online claims process, especially during current circumstances in which many claims are delayed.

b. Is it possible to estimate any costs or savings to third parties (for example, support organisations)?

As the current 5-week wait causes a significant level of demand to food banks and local authority crisis support (Trussel Trust figures show [a 48% increase in food bank use in any area following Universal Credit roll-out](#)), there would be significant savings to both charitable organisations and local authority budgets currently supporting people through the initial wait.

3. Are different mitigating options needed for different groups of claimants?

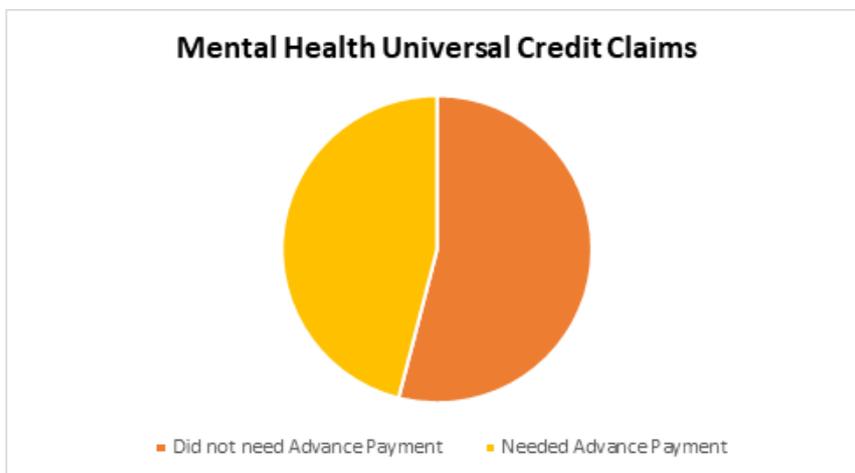
Claimants with mental health problems are particularly vulnerable to budgeting issues and debts caused by the initial delay in payment, and should be offered additional support or upfront payment to avoid this.

[2017 research by Citizens Advice shows that people with mental health problems are more likely to face multiple, complex problems](#) than our other clients.

People with mental health issues have particular problems managing their money, meaning that encountering one issue, such as their benefits being reduced, often leads to other serious issues such as rent arrears.

[The forthcoming 'Breathing Space' scheme](#) for managing debt makes particular allowances for people in mental health crisis, and we believe this approach should be reflected more widely across benefit and financial systems.

Out of people with mental health problems helped by North Tyneside Citizens Advice with making a new claim for Universal Credit in the first three-quarters of 2019-20, 46% needed help with Advance Payments because of the initial wait.



4. Are there barriers or potential unintended consequences to removing the five week wait—either for claimants or the Department? How can they be overcome?

The risk of fraudulent claims was [documented last year](#) by the BBC, involving claiming advance payments using the details of unsuspecting third parties, who then became liable for the repayment. This was dealt with by the DWP introducing more stringent ID checks on new claims, but any changes to the first payment of Universal Credit should include safeguards to prevent this problem reoccurring.

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