

### **Written evidence from Name Withheld [UCW0017]**

I have been employed by the DWP and associated departments for over 37 years and have seen numerous changes to how we deliver the Benefits to the millions of Customers we serve. Some have been good and some have been not so good. The concept of Universal Credit is good the practicalities and processes involved are not so good. This has led to a flawed and complicated system and sadly the Corona Virus emergency measures have just confirmed my thoughts.

Firstly the staff have been doing a great job in trying to clear claims and get customer payments on all the Benefits we cover. Sadly this has been done with Quantity and not Quality in mind and as a result yes customers may be getting paid but how many fully understand the system and how it works. Over the last month we have streamlined the complex system which now means more system work and less engaging with customer's to explain the process and payment of Universal Credit. We are now on a trust and protect basis with customers who will ultimately pay the price for any errors made by staff. We have seen recently staff being trained in a 3 hour window to do claims that staff would normally have 3 weeks training and consolidation off training. Sadly this is impacting on any quality of claims processed and not down to staff ability. We are also finding a lot of duplication of work because of the way the system is set up. Everything a customer submits creates a 'to do' and multiple of these are created so keeping track has been a major job. We are all covering work from offices around the country and therefore a resource intense is going in but not necessarily seeing value for money.

**Advance payments** – It may seem a great idea to offer advances but we need to remember it is a loan and is not based on any affordability checks and an explanation of how it is calculated. It comes with no credit agreement and is based on what the system sees as the customers circumstances. There should be an advance statement detailing what is covered by advance and its terms. Sadly when the customer gets paid it often shows no reflection to the advance and this creates debt straight away to customers. The customer immediately can have a 30% reduction in their payments. This advance can and usually goes in as a faster payment so we know it is possible to pay people very quickly through our systems. Sadly reducing the repayments often means that other debts are collected to reach the 30% limits. Offering Grants is one way to help but Universal Credit needs to be linked and claims set up using the customers national insurance number to avoid multiple claims and fraud and be easier to manage claims and not on email and passwords.

#### **5 Week wait**

The problem is customers get an advance and struggle to manage what it is for and therefore still struggle with the 5 week wait. That 5 week wait could be removed. Jsa takes 3 days, Esa paid in on the day its due, Pip and other benefits paid on time. The reason I think is that Universal Credit still requires a great degree of input either from the customer or again from DWP to calculate payment. This additional 7 days allows us to get the payment out on the perceived date and on time. If you were to check the national Dashboards for Universal Credit you would see a great deal of payments waiting to be paid or are blocked. Advance payments and other payments paid through the Central Payment system shows payments could be made quicker.

## **Assessment Period**

The problem is even with the wait, no one actually knows what they are entitled to until the Assessment period has been completed so everyone is being asked to budget and manage without knowing what they are getting. It's all well stating what the rates are but in reality very few will get those. In some cases customers can go anything up to 8 weeks without a payment if they have wages and then maybe lose their job. That is especially hard just now when Furlough and job losses are taking place. There is very little customer interaction to explain this to customers. There will be wages and arrears being paid which will often NIL the customer's award but they will only find out when they look and see what they are expecting. Another issue will be surplus earnings that may carry forward due to the same situation, especially when the self-employed are paid in June. This is where the system is so flawed. Customers don't know what is in the system that will affect them.

## **Self-Employed**

These customers are making claims because the other support is not in place. A vast majority of these come from a couple claim and their partners are often working. Universal Credit is not helping them other than creating Debt from advances. There is little knowledge about how any support will affect these claims. This is putting undue pressure on families trying their best to get on. Again when this is sorted it may impact on their UC beyond just the next payments. Because we are rushing through these claims with more inexperienced staff then customers are not being told of the implications of claiming Universal Credit and how it works.

## **Migration**

Because the Government have increased Universal Credit and Working Tax Credit allowance by about £84 per month and the legacy benefits by about £5 per month then there is going to be migration by default which may have a greater impact on the claims we process now. There are a few million customers on Income related benefits who will be financially better off on Universal credit. These customers are often settled on their existing benefit but because of the huge payment discrepancies this has the possible impact of swamping the system more than we have at present. Why did the Government not increase Income related benefits in line with Universal Credit. There is a minefield of potential migration claims out there that we won't be able to manage through properly.

## **Summary**

Universal Credit in principle offers a good system but it is flawed in too many ways. Too much system work generated and outstanding that staff are swimming in outstanding work. A system that only tells customers what they are or are not entitled to when they are due a payment. A system that could for the majority pay them quicker like legacy systems. A system that needs National Insurance and Habitual Residence Test to be more used and simplified. Customers are not getting the system and Universal Credit explained due to Quantity of process and not quality and that is because staff are being redeployed and trained on a whim to do front line jobs. The inequality of benefit rates has the potential to flood the system to a greater extent than just covid 19 claims. Advances create automatic debt and sadly if we were a private company operating financial transactions as we do, someone we would calling for our heads to roll. We take money from customers at source, very few have been given up to date information about their debts. Advance payments can take about 10 minutes to credit so there is no way we can't get regular payments out

on time, apart from cost and that it allows us to clear the many payments that require manual inputs.

Finally

I hope that when you interview MP's you try and get a commitment that the vulnerable on benefits will not be held responsible for this Pandemic issue. That they don't get the increases taken back from them as this would create some much more hardship. These are the people who will kick start the economy by spending that extra money on your local business, shops and other commodities. These customers don't save money from their benefits so it would be a national disaster to take it back

I have written this after discussion with some friends who are on Universal Credit and supports their thoughts as well

And can the staff at DWP get more recognition of the job they are doing with less staff, less experience and increased workloads which will not change for the foreseeable future.

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