

LAURIE A WILLIAMS – WRITTEN EVIDENCE (EUC0130)

The economics of Universal Credit

I am writing to you to tell you about my experiences of being on Universal Credit and how it has affected my life and that of my children. Since claiming I have experienced difficulties with the way the service is run, the way in which procedures are set and the lack of communication and support. I have had NIL payment, various deductions, and am currently in the process of an appeal for which I am awaiting a tribunal date. I have also lodged several complaints about the various service failures and have been continuously ignored. I have fallen into debt due to the financial difficulties that Universal Credit has caused me, narrowly missed having to go to a food bank in December 2019 thanks to the support of some family member and friends. The distress and anxiety that I have been caused with issues has had an impact on my health and has affected home life. I am a single mother of two young children under 10, I am the registered carer for one of my children who is registered disabled and the other awaiting assessment, I am a self-employed company Director attempting to run a start-up and I am due to attend my graduation ceremony for a Masters this year. I am far from being an individual who doesn't strive to improve my life, or my family circumstances, yet I feel like I haven't been treated as such.

Reason for Move to Universal Credit

I didn't choose to go onto Universal Credit, it was done out of necessity.

At the beginning of February 2019, after a break down in my relationship I updated my tax credits account to reflect my change in circumstances. I was informed that as my ex-husband had moved out making my home a single-adult household, my account would be closed, and I would have to move over onto Universal Credit. I was told that there would be no run-on and that payments would end instantly. I followed the instructions online to open a new Universal Credit claim and I arranged an appointment to attend my local job centre to take in my ID and other requested documents.

Set Up of My Claim – Staff Unclear on What they are Doing

I was given incorrect advice from the start of my claim which still hasn't been sorted. This has led to me falling into financial difficulty. Staff don't appear to know what they are supposed to be doing and contradict each other. They don't apologise for or rectify their mistakes.

After confirming my identity at the job centre, I was informed that I would have to attend another appointment with a self-employment work coach as I was self-employed. I was given documentation to take home that told me what documents I would need to bring into my appointment for the assessor to decide how to treat my income. I prepared all the documents that were requested and took them along to my next appointment which was 15th February 2019. During the appointment only a select few documents were looked at, out of the full list I was given. At the time I was already enrolled and attending University on a Masters course in a bid to expand my knowledge and skillset for my work. I brought in all relevant documentation to prove my attendance of the course, fees and payments. Throughout the course of my appointment I was told that the advisor did not know how to deal with my claim, as they hadn't had someone with my circumstances before – which at the time were as follows:

- ~ Full time student studying on a Masters course at Manchester Metropolitan University
- ~ Self-employed under my own limited company L A Web Solutions Limited

- ~ Single mother of 2 young children (daughter 3 and son 8 at the time)
- ~ Carer of my disabled son who is on the autistic spectrum and has ADHD and other complex needs

In the end I was told that I would receive help towards living costs and for the childcare that I had been receiving help towards previously through my tax credits. I was informed that I would have to report my self-employment income and expenditure each month, along with my childcare costs. I was later informed in December 2019 that this was causing an issue with my income reports.

Advance Payments & Deductions from Award – Creating Debt

Having to wait 5 weeks for an initial payment meant that I had to apply for an advance loan to cover paying for food, travel and some bills. I had to borrow money from family to pay for food and travel prior to this also. Bills had to be moved to be paid monthly instead of some being weekly/fortnightly, which caused arrears. Deductions from the first payment meant that I was on less money each month. In a nutshell, I was financially stable before having to make a Universal Credit claim. I had earnings from self-employment, tax credits and child benefit. Since my claim has been opened, I have been living month to month unsure whether I will have enough to pay my bills the following month and unable to catch up with arrears that we're created when being moved over.

Whilst awaiting my first payment, I applied for the advance loan to help with paying for food, travel, rent and some other bills. Whilst I awaited this payment, I had to take small loans from family members to pay for food and travel. As you may imagine, moving over to Universal Credit meant I had to change over all my bill payment dates and start paying for some things a month in advance – such as my rent which I had previously been paying weekly. I set my direct debits and standing orders to come out on 8th monthly in line with when my Universal Credit payments were due to come in.

When I finally received my first payment, I noticed that there were a few deductions being made from the award. The first deduction was for £106.24 to start making repayments to my advance loan. The second deduction was for £179.33 which had no label and just stated 'Other Deductions'. I had to contact Universal Credit to query the deduction and find out what it was for. After speaking with the advisor, she identified that the deduction was being made as I had been in receipt of a Post Graduate Masters Loan. I queried the amount that was being deducted from my award, as the Post Graduate Loan I had received minus the tuition fees I paid only equalled £123 per month as 'maintenance'. In addition, I had already received one of the three payments in September 2018, five months prior to my Universal Credit claim being made and so the full amount for that single payment should not have been considered. After discussing further with the advisor, she asked me a few questions around childcare, travel and other expenses such as course material, books, etc. After confirming that I did have all of these as expenses, I was told that my whole Post Graduate Loan would be disregarded. The advisor refunded me back the £179.33 that had been taken and assured me that no further payments would be deducted regarding this.

A few months later in May 2019, I noticed an additional deduction of £20.89 that was being taken from my award for a tax credit overpayment that I wasn't aware of. I had to contact the overpayments team to find out why money was being deducted without warning. This deduction was on top of the £106.24 per month to repay the advance loan I had to take out whilst waiting for my first payment. If the deductions for my student loan had been continued to be deducted, I would have seen a reduction of £306.46 per month from my award.

Throughout the months I have had to contact Universal Credit on several occasions as they have incorrectly calculated my award, mainly not adding all the childcare element onto the

award. At times they were missing it off completely, despite me always notifying in time and providing the requested evidence. This becomes a big issue when childcare needs to be paid in advance. Not having the right money means that childcare providers are paid late and then you are issued with late payment fees, fall in debt if you need to borrow the missing amount, and are also at risk of losing your child's place due to non-payment.

NIL Payment Award – Issues with Being Self-Employed & Having a Limited Company

A NIL payment in December 2019 caused me immense distress and put me in financial difficulty causing me to fall into debt. I would have had to go to food banks if it had not have been for family and friends loaning me money to feed my children and myself and to put petrol in my car to take them to school and nursery.

In December 2019 I faced a new issue with Universal Credit. I submitted my income, expenditure and childcare information on 1st of the month as I had always done but found that the next day (2nd December), I was issued a notification that my claim had been closed and I had been awarded a NIL payment. After calling and speaking with an advisor they informed me that my claim had been incorrectly closed and looked at why I had been issued a NIL payment. They stated that it was because I had received the sum of £3,145 in my November assessment period from my employer – myself. However, I had not brought this in as a business owner or paid this to myself as an employee. I was told that the information had come directly from HMRC. I was instructed to take my business and bank statements for November 2019 into the job centre which I did on 3rd December to dispute the income. I also conducted my own investigations – contacting HMRC to find out why Universal Credit had received the incorrect income information. I spoke to multiple departments within HMRC and nobody could understand where Universal Credit had received the income information from, as nothing they had on file totalled £3,145. I passed on the information to Universal Credit over the phone and gave information about who I had spoken to within HMRC, and their departments.

After a few days I was told that my dispute had to be passed from the Income Dispute Team to a Decision Maker as I owned a Limited company. I later found that this was passed over on 5th December 2019. I would have been due a payment on Friday 6th December if a NIL payment hadn't been awarded. I received a notification of a decision on Saturday 7th December stating that the decision maker was upholding the NIL payment award as they believed they had the correct information about my income and stated that they had contacted HMRC to confirm. On 8th February 2019 around 95% of my bills came out of my bank account and bounced. As I had been told that I would not receive my December 2019 payment I had to contact all my creditors, landlord, etc that I would be a month in arrears as I had no money to pay them.

I contacted Universal Credit again the following (Monday 9th December) and asked what I was able to do about the decision as I had NOT had in the income that they were stating I had. I was told that I would need to appeal the decision and so I went and looked at the appeal process online and began compiling my evidence ready. I found out that Universal Credit were claiming that they had received 5 RTIs from HMRC regarding my income totalling £3,145 but each of the payments were labelled July 2019 through to November 2019. The breakdown being 4x £719 payments and 1x £269 payment – totalling £3,145. This information was inconsistent with what my Accountant had filed for me and what HMRC had (which matched with what the Accountant had sent). I spoke with my Accountant and discussed the information that was being sent to HMRC regarding my income. The Accountant had been filing reports of £719 for my income each month for tax efficiency purposes. The wrote a letter for me explaining what they had been filing with HMRC, why they had and to state that what I pay myself as an employee each month varies and is evidenced on my bank statements. They also highlighted that they had only filed £719 and had not ever filed £269.

Appealing Universal Credit's Mandatory Reconsideration

The fact that I have had to make an appeal has caused me stress which has impacted on my health, causing the effects of high blood pressure, dizzy spells, nausea, etc. It has also cost me time, that could have been spent working towards bringing in an income. The DWP did not respond by the deadline set by the Tribunals team. Only when compiling the response did the DWP start to do the investigations that they should have done at the Mandatory Reconsideration stage, which could have prevented the appeal from being lodged.

I appealed against the mandatory reconsideration online on 23rd December 2019 and uploaded around 15 documents, including the bank statements that my 'wages' go into and the business bank statements, both from July to November 2019, a letter from HMRC and a letter from my Accountant. I was informed within a few days that my appeal had been lodged and that I was due a response from DWP (Universal Credit) by 27th January 2020, yet I didn't receive one until much later.

On 31st January 2020 I received a notification on my UC journal requesting more bank statements and payslips now for the period of April to November 2019. After verifying what these were for – after I had already submitted bank statements, I attempted to upload the documents as requested but was unable to do so due to an ineffective link. I was then requested to attend an appointment at my local job centre to bring in all the documents, which I did. I also queried why I hadn't yet received a response regarding my appeal, to which I was informed that UC had a backlog.

When I finally received the response on 17th February 2020 it came in two parts, both in torn and half open envelopes (which I have photographed). The response asks the tribunals court to dismiss my appeal stating that I have other bank accounts which I haven't provided statements for and which are likely to have money in. At no point was I requested to provide all statements for all my bank accounts. I provided the business bank statements (I only have one account) as these were relevant, as well as the bank statements for which I pay wages in to. No other accounts were relevant as they are not used in any way for my business income. If I had been requested to provide statements for all accounts I would have done. The response does not answer as to why UC stated they had contacted HMRC in their Mandatory Reconsideration – which HMRC told me multiple times they hadn't. They also didn't answer as to why they had information regarding a £269 payment – which no-one else had record of. Instead they go on to say that since my Accountant and HMRC have record of 5x £719 filings and suggest that I have had more money (which I haven't). They do not say why they got it wrong or even acknowledge error in their information but instead accuse me of lying. I have now collected bank statements for all my bank accounts, savings pots and credit union accounts to show that I have not received any money from my business account or from any business into any other accounts. I am awaiting my tribunal date in the meantime.

Complaints Procedures – NOT Following Procedure

3x ignored complaints that I logged correctly online and have evidence of submitting. The first complaint was logged 23rd December 2019. Two subsequent complaints were logged in January 2020. No responses have been made and no-one has contacted me at all. This shows multiple breaks in procedure by DWP and lack of acknowledging that investigations need to be made. This contributed to the financial difficulties, emotional and mental distress.

I logged a complaint against UC on 23rd December 2019, alongside my appeal. I complained about the way my case had been handled and the financial difficulty it had caused me to fall into. I submitted the appeal in writing online using the form and took a picture of the screen

to show successful submission. The submission screen states that someone from the complaints department will be in touch within 5 working days. Due to it being the Christmas and New Year period I allowed additional time to hear back from someone. However, no one contacted me in any way.

I went on to write a letter to my MP Jonathan Reynolds in January 2020 detailing the issues I was having with UC. I was contacted by his office and they told me that he would take on my case and represent me, which he has been doing. He contacted UC and lodged a complaint on my behalf. I also logged a second complaint in the same way as I had done before on 14th January 2020, I complained about not having had a response for my first complaint. I received a response a few days later, on my UC journal (not by phone as stated online). The response was to say that no-one had received my first response, but they had received a complaint from MP. I requested a link to send in the picture of my submission from my first complaint as evidence but was ignored.

On 23rd January 2020 I received a letter from my MP with a response from UC attached. The response to my MP's complaint was addressed to him – he sent me a copy of what he had received. The response was a jumble of incorrect and misleading information about my case and so-called procedures. One thing to highlight is that UC told my MP that they 'take time to consider information and allow the claimant to send in additional evidence for the Mandatory Reconsideration process'. However, I was not asked for or given the opportunity to send in any additional information. In addition, the Mandatory Reconsideration was started Thursday 5th December and a decision was sent to me on Saturday 7th December. I do not see how this is considered as 'taking time' or allowing me to send in as much information and evidence as possible. The response also had incorrect dates and statements on it, finally stating that they had 'followed procedures' and did not believe there were any service failures.

I lodged a third complaint on 30th January 2020, listing all the service failures and stating my frustration at the fact that they had responded to my MP but had not had the courtesy to respond to me. I also sent a letter back to my MP highlighting the inconsistencies and incorrect information in the UC's response to him. My local MP wrote a letter back to me dated 5th February 2020, to say that he would contact UC again. I am currently awaiting his response. I have still not received any kind of response from the DWP regarding the third complaint I lodged online, or even the first two. I am about to lodge a 4th complaint online relating to the failure in services and procedures, regarding my NIL payment in December 2019 and lack of response to my earlier 3 complaints.

Penalising Postgraduate Students – More Deductions & Debt

I was a Masters student before my claim started yet I have been penalised for being so and have been ordered to pay back £1,075.

On 14th January 2020 I was sent a notification on my online journal to say that I had a letter. The letter stated that I had been overpaid £1,075 due to my Masters Loan. The overpayment had been calculated at 6x £179.33, the payments that had been refunded and reapplied to my claim. I had believed that the issue had been resolved in March/April 2019 when I called to speak to someone querying the deductions, as mentioned earlier. However, the letter said that deductions had been ceased incorrectly and that due to Universal Credit guidelines 70% would be counted as tuition fees and 30% of my Masters Loan would be counted as income. I called to request a Mandatory Reconsideration as I had paid £9,250 in tuition fees, out of the £10,000 Postgraduate Loan I had received. At the beginning of my claim (February 2019) when I attended the job centre prior to my first Universal Credit payment award, I took in evidence of my loan amount, tuition fee invoice and bank statements evidencing payments. Despite evidencing that I had paid a lot more than 70% of the loan towards tuition. I received a decision on the Mandatory Reconsideration on 12th

February 2020 stating that they were upholding the original decision that I had received an overpayment based on the Universal Credit guidelines for how to treat postgraduate loans.

I find it highly unfair that individuals who try to improve their skillset and/or employability are penalised for doing so by having more money deducted from them. The loan is already repayable but on top of that I have to pay £1,075 to the DWP for having had a loan and receiving Universal Credit – despite the fact that I had already started my course and paid some fees before having to move over on to Universal Credit. As mentioned at the beginning of this letter, I had to go on to Universal Credit after being told I could not keep my tax credits due to a relationship breakdown. I did not choose to go onto Universal Credits, my claim was opened out of necessity. Postgraduate students who may also have an active Universal Credit claim should not be penalised for having taken a postgraduate loan if they can evidence that they have spent most of their loan on fees. If money is to be counted, it should be a percentage based on the 'leftover' money after fees have been paid.

Summary

Universal Credit DOES NOT work. It penalises students, single parents, and the self-employed from my personal experience. Procedures are incorrectly followed, investigations are not carried out when they should be, complaints and cries for help are ignored. Universal Credit causes distress mentally and emotionally and has a massive impact on a person's health and that of their household. I believe it should be scrapped and the original services reinstated. People's lives will continue to be negatively affected until changes for the better are made. I hope my feedback on my personal experiences can help towards making those changes. I would be more than happy to discuss my experiences further and offer feedback to help with improvements of services.

28 February 2020