

## **SAMANTHA PRICE – WRITTEN EVIDENCE (EUC0034)**

### **The economics of Universal Credit**

I am writing to you to offer my own experience of the Universal Credit system. I am of the firm belief that it is incredibly discriminative and is not fit for purpose. If the system cannot be fair for all then I do not see how it has a place in our society.

I have been told that there are very few people on Universal Credit who have the same circumstances as myself. If the system rolls out to everybody in its current form, and I sincerely hope it doesn't, then I believe there will be more people like me who will encounter the same issues.

Myself and my husband are both self employed landscape gardeners. We own our own business and we are a joint partnership. We are also joint claimants of Universal Credit after being moved from working tax credits. Due to the nature of our work our income fluctuates monthly. We are described as seasonal workers in the job centre. I disagree with this. As landscapers we undertake all aspects of garden work including fence installation and patio's. Hard landscaping is all year round. Lawn cuts and hedge trimming is seasonal. Therefore the job centre staff's argument to seek employed work through winter is not valid.

Universal credit does not recognise the value of the work we do. On a regular basis myself and my husband are encouraged to give up our self employment and seek paid work from an employer. I have also been told to dismiss my own self employment and work for my husband as an employee. This is because we do not fit in with the structure of Universal Credit. I have asked numerous times why the system shouldn't change its own structure rather than forcing us to change the structure of our own business. I am told that a simple restructure of my current business would slip through a loop hole within the minimum income floor. For example, if I become an employee of my own business then the minimum income floor would not be applied to myself.

The minimum income floor is how Myself and my husband are penalised every month for being self employed. Despite low earnings we are always assumed to have earnings of the MIF amount and our award is reduced as a result of this. It cannot be argued that the MIF is discriminating against self employed. I recently asked my work coach if another couple with the same earnings as us, the only difference being that they were employed, also have the Minimum Income floor applied. I was told they do not. I was genuinely outraged by this. How can it be acceptable for two couples with the same earnings to be treated differently. I was told that it's simply unfair and there is no help for self employed. I protested that it was unacceptable for two couples to be treated so differently. I was told that the 'employed couple' would be 'encouraged' to seek higher pay and more hours. I asked in that case why the income floor could not be removed for us and 'encourage' us to seek higher pay and more hours? I was met with a shrug. I was however told that the income floor could not be applied to all as there was simply not enough man power to cover it. This is a clear example of discrimination. Two couples, same income, the only difference is that the self employed couple has a MIF applied every month.

Universal Credit does not want self employed people. Rather than encouraging ways to increase profit and push the business forward they are trying to break the business down.

If the system is not fair for all then it's not fit for purpose. The minimum income floor should be removed or applied to everyone. If this doesn't happen then I believe self employed people should have the right to be moved back onto working tax credits where everybody is treated the same based on hours worked.

At present the income floor is only applied to my husband. The income floor will be applied to me also in June when our daughter turns three, reducing our award even further. I am classed as primary carer for our daughter despite my husband and myself sharing joint responsibility. I feel it's outdated and unfair to categorise one parent as primary carer when both are equal. In my opinion it's sexist to be put into a category of 'bread winner role' and it's failing to recognise modern families and the need to share roles and duties. Women have fought for years to have the same rights as their male counterparts. Despite a shared business spilt entirely down the middle I am told that I'm not required or expected to work. I do work and contribute to the business but this has no relevance. I have been told repeatedly to give up my self employment and to become employed by my husband to make the system easier on myself. Perhaps I should time travel back to the 1950's and accept my place of 'keeping house' and leave the 'bread winning' to my husband. The current UC system threatens to weaken women and partnerships. It does not respect that parents now fully share duties, not necessarily because they have to, but because they want to. I am an equal partner to my husband and I intend to stay that way. What example is Universal Credit trying to set by asking me to either work for my husband or have a MIF applied.

Based on this I offered the suggestion that we could turn the tables and my husband could work for me. The income floor doesn't apply to me and by him giving up his self employment he would then also have the MIF removed. I was told by UC staff that we could do this. We chose not to do this as, although it would help immensely with our struggling finances, our principles would not allow us to do this. I'm told that principles should be out of the window when it comes to surviving on this system but we are of the firm belief that Universal credit needs to change, not us. Can it not be seen that we have a right to be equal within our partnership together. Finding loop holes in the system is not hard but I question why people are looking for this in the first place. If the system offered fairness and equality then there would be no need to do this.

The income floor is a major problem. The point of us being moved onto Universal Credit was to help us through a difficult time. We did not have enough money coming in to cover our rent. Our local council advised us we needed to apply for UC as the council no longer offered housing benefit. By applying for UC or tax credits automatically stopped. We did not realise this until our tax credit award hadn't gone into our bank. Neither UC or TC contacted us advising us that this would happen. As a result we had a full month without any benefit thus spiralling us further into hardship. Universal Credit were waiting for additional information and a gateway assessment was required before any benefit was given. Universal

Credit somehow forgot about us and we were left in limbo. When a gateway assessment was finally given we had to endure a full day of meetings and almost had to beg for help. Eventually we were offered an advance payment that was technically a loan to see us through until we could receive our first payment. I argued that we should not have to take out a loan when we missed an entire month of payment due to UC not notifying us of the necessary gateway meeting. In essence we had to take on more debt to cover our priority bills. This advance payment was taken out of every month's award reducing it further.

We were also told by UC that we had to submit a figure to working tax credits. My accountant usually did this with our end of year tax return. To ask him to do it now would have incurred a charge and I did not have the funds. I was told that an estimate figure would be satisfactory. The figure required is a complex calculation and I told UC staff I simply didn't know how to do it. I was told if it wasn't done then my UC payments would stop. I made the most educated calculation I could and submitted it with an explanation that it was an estimate only. I then had a new deduction coming out of my UC award for tax credit repayment as it was decided I owed them money. Some months almost £100 was taken from an already low payment. These are still being taken. Without an accurate figure submitted.

We were worse off than before and we felt trapped in this system. I demanded to be taken off Universal Credit but was told that if my claim stopped I would owe UC a lot of money as I would have to pay back everything I had received. Had it not been for our family helping us we would not have got through this.

We came to Universal Credit during a hard time. We never received compassion or understanding and was coldly told to give up our self employment and seek paid work. We were told that nobody would carry us and it's not the government's job to do so. I explained that we didn't want to be carried by anybody and that our circumstances had changed and we needed assistance to get through it.

My husband and myself had suffered from a burglary in which all of our tools of the trade were stolen. Our insurance didn't cover everything and we were waiting long time for our insurance to come up with payment. The waiting put us behind with our finances and we didn't have the tools to complete jobs. This started our financial problems and we struggled to recover from it. We were building ourselves back up but it was hard to get back up from such an event. I have explained this to UC as a way of explaining our low earnings. It's not through a business that's not working it's through having our livelihood being stamped on and trying to pull through it. This is another issue with Universal Credit. They do not look at individual circumstances. They deem it appropriate to dehumanise people. I am a relatively strong person but many are not and I feel the way in which the staff judge people and treat them could have a negative effect on people's health. The majority of people who claim Universal Credit are struggling financially. Most have families and rent to pay. They will be suffering from pressures at home, work and to have the added pressure of the current system must be unbearable for some.

The online system of Universal Credit is not an issue for me as I have IT skills. However, I recognise for others the system would be hard. If a person does not

have access to internet or a computer then they would have to travel to a local job centre to use a computer there. In theory that's okay but job centre staff often send messages that need a response and without access to the online services people wouldn't know about it. This can lead to sanctions on money.

The online service also requires that every month our income and expenses are submitted to UC in order to receive payment. This is time consuming and means I have to do this twice. The information required by UC is different from our end of year tax return. I also have to submit my UC information separately to my accountant at the end of the year thus incurring an additional fee.

During our time on UC my husband lost his work van key. His tools were inside the van with the materials for work. As his key was electronic he could not access his equipment. The van had to be towed away by a specialist company to be electronically de coded. The van was gone for over a week. I contacted UC and explained the situation in the hope that the MIF could be reduced during this time. I was told it could not. I was told we should have insurance to cover such an event. I explained we did and that they had arranged the van to be taken away and fixed. However, it did not cover loss of earnings, courtesy van plus we couldn't access tools in the van. I was told that I should have put aside savings for such an event. The MIF would stay in place as my husband was still deemed fit and able for the full hours he was required to work.

Universal Credit was not helping us in any way and I believe it added to our financial hardship. The regular meetings I attended were for nothing more than to make me feel bad about my situation and put full responsibility on myself and my husband. I never encountered any positive meetings or received encouragement about our situation improving.

During our struggles we received notice of eviction from our home. The owner had decided to sell. We had two months to find suitable accommodation. Universal Credit had paid no interest. We had to find money for white goods as everything belonged to our rented home. Eventually I was granted yet another loan to cover the cost of white goods but I had to wait until May when I had been in receipt of Universal Credit for a year. I had to borrow the money and pay back from the UC loan when I received it. This led to further reductions from our monthly award.

After our move my husband became unwell with a respiratory illness. He was off work and I notified UC. I was then told my husband would need to go back to the doctor and obtain something called a fit note. I was told it needed to be back dated or else the MIF would not be removed. My husband returned to the doctors and explained this and got the fit note. Shortly afterwards my husband was asked to attend a health assessment to see if he was fit to work. I felt this unnecessary as at the time of the letter my husband had in fact returned to work. He still had to attend. I went with him and was appalled at the questions being asked. He had explained it was a respiratory illness but was asked if he could feed himself, dress himself and get up from a chair without assistance. I explained that these questions were not necessary with the illness he had. The appointment prevented him from working and took up time and resources of the staff asking the questions. I think we all felt silly in that room. The questions were more suited to a severely disabled person not somebody with a short time

off work. A letter followed that stated my husband was capable of work. If the government is looking for ways to save money then I would politely suggest starting here with their ridiculous health assessments.

To surmise I would like to state that I believe the current system is not fit for purpose and it is currently discriminative against self employed people. The minimum income floor should not be applied for self employed people and not employed people who's income are the same.

The system is deliberately penalising small businesses that are not meeting the assumed earnings. The entire basis of it is wrong.

The system is pushing people further into debt with advance payments that are taken back monthly.

I firmly believe the staff that UC claimants deal with regularly should be given training in how to deal with people in difficult situations. Negative remarks have detrimental effects on people who are already feeling low. If Universal Credit wants to help people to get business thriving and an income coming in then I feel they must choose a different approach. People with financial difficulties are far more likely to be suffering from mental health issues. I have seen nothing to show that UC has anything in place to deal with this.

At the moment UC is presenting itself as a big hole to put people in out of the way. Rather than addressing the root cause of issues the system is avoiding it. Without change people will stay trapped in a vicious cycle that they simply cannot get out of. I speak from my own experience when I can say whole heartedly that if I had received the correct help and support from the start that I would no longer need to be on Universal Credit. At the time of putting in a UC claim I needed an additional payment to help to cover rent. Had I received this then I would have managed my priority bills and kept afloat. Having an entire month without any benefit pushed me into deeper hardship. The MIF that was used to work out my award was harming rather than helping me through this time. Everyone I saw in the job centre watched as my situation worsened but could not offer any solution or commit to helping in any way other than following the guidelines set out for them. I remember phoning Universal Credit for assistance. I was put through to a case manager who I was told would be handling all aspects of my claim. The case manager I got was incompetent on every level. I was sinking due to the MIF and asked if there was any additional help from anywhere such as the council or any charities. I was told 'I don't know I've never worked for a council in my life'. I asked questions about why my payment was so low and was told that if I continued asking questions that I would be 'done for benefit fraud'. Every time I tried to phone back I was put through to the same cold hearted, uneducated staff member. This was because the system recognises my phone number and puts me through to this person automatically. I refused to have any contact with this person again and was told that the case worker was simply reading from a script. That they were aiming to get claimants off the phone as quickly as possible. I was told this from a Universal Credit staff member.

This brings me to my next point of where are people supposed to go for help when they are not happy with the service of Universal Credit? I would have

usually sought help from my local CAB but since they have accepted what I deem to be technically a bribe from DWP then there seems very little point in going to them for assistance. Due to the payment Citizens advice took it prevents them from speaking out against UC and protecting thousands of people, many of which are living in hell due to this system. To quote ' By signing the documents, it means they cannot take any actions which unfairly bring DWP's name or reputation and/or DWP into disrepute.' They are able to help claimants with claims and understanding the system but they cannot speak out against UC for fear of breaking an agreement. Based on this, if a person doesn't want assistance with the claim but wants to bring to attention the state of the UC system and how they are being treated then who can they turn to? Citizens advice ought to be ashamed of themselves. This does not fit in with a democratic country or its values.

I have had job centre staff openly tell me that they don't know what they are doing and have been thrown in at the deep end. I have had another tell me that if they had to claim Universal a Credit they would not be able to cope. If the very people working for it don't believe in it, or that its even working then why should any of us. It's time for change.

*26 February 2020*