

## **CHERISE BROWN – WRITTEN EVIDENCE (EUC0060)**

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

1] When reading articles in the past regarding the many problems people were experiencing with Universal Credit, I must admit that I thought many of them must have been exaggerated. Having now been on Universal Credit myself since May of last year, I've come to realise that they are most certainly not.

The five week wait before receiving a payment almost certainly ensures that a claimant is immediately worse off in the short term at least, and a great number of those people have to ask for an advanced payment to be able to live during that five week period, causing an immediate decrease in future monthly payments to allow the advanced payment to be repaid.

2] People are rarely told that council tax benefits then have to be applied for separately and advice, support and information is difficult to obtain from the people who are meant to provide it.

I was deemed fit for work after a work capability assessment in March 2019 despite suffering from severe depression and anxiety for most of my life after a series of very traumatic events, having been in the support group of Employment and Support Allowance for this for years previous. I was then informed that I would have to make a claim for Universal Credit. This greatly exacerbated my illness, I struggled to find any support during this time and I provided fit notes from my GP from the onset of my Universal Credit claim. The wait between the ceasing of my ESA (and subsequently my housing benefit etc.) and the first payment of my UC claim caused a huge financial strain which I still haven't been able to regain control of.

3] Despite providing fit notes from May, by August 2019 I had still heard nothing in regards to receiving a new Work Capability Assessment form so called to inquire about it. It was then that I was told a note had been made on the system for a referral to be sent on 17th July, but had not actually been done. It took a further two phone calls before the referral was finally sent on 25th September.

When making a claim for ESA, you are awarded a basic rate during the assessment period. Under UC, you're entitled to nothing. After finally having my face to face assessment on 13th December, I was informed on 25th January that I am not fit for work, but am fit for Work Related Activity (which I am currently seeking a mandatory reconsideration notice for). Before 2017 this would have meant that I was entitled to a basic rate of ESA. Under UC, I am entitled to nothing.

I am now significantly in debt and my mental health is worse than ever.

4] I understand some of the objectives of this benefits reform were to help get more people into work, manage their money better on a monthly basis and make claiming benefits easier for those who need them, as well as to reduce the number of fraudulent claims for sickness benefits.

Whilst it may be a positive to those who are working or capable of working, and it may have reduced the number of fraudulent claims, in my personal experience, it is

detrimental to anyone who has no other income during the five week waiting period, anyone who is not used to being paid monthly and especially people with a genuine illness who are not able to work.

It is already extremely difficult for people with mental health, or indeed other health issues, to cope without being thrust into a broken system that is often complex and confusing.

Statistics have consistently shown that Universal Credit has increased poverty, with a 52% increase in the use of food banks since its rollout, and those on the lowest incomes losing the out the most, with tens of thousands falling into debt and rent arrears. It has increased mental health problems and is costing people's lives; a recent study linked Universal Credit to mental health problems for a staggering 63,674 unemployed people, with a 7% increase in psychological distress after making a claim. In my current situation, I can attest to that fact.

5] I therefore feel that it is not meeting the purpose for which it was intended. With mounting evidence of substantial harm and increasing pressure on already strained mental health services, I feel it is imperative for an urgent reform or modification to be made, with adequate measures put in place to protect people's psychological safety and wellbeing, whilst also ensuring financial hardship is not being caused.

Thank you for taking the time to read this submission.

*29 February 2020*