

## “Help to Claim” service in the North-East

In April 2019, Citizens Advice launched a new “Help to Claim” service to support people applying for Universal Credit.

The service is open to anybody required to claim Universal Credit and provides support from filling out an application until they have received their first payment. The service is tailored to the needs of the individual and is available face-to-face, over the phone and online through webchat.

Between April and August 2019, Northumberland, Newcastle, Gateshead, South Tyneside, Sunderland and County Durham Citizens Advice offices supported 2,427 people in claiming Universal Credit through the “Help to Claim” service.

**citizens  
advice**

November 2019

## Impact of Claiming Universal Credit.

Examining the barriers in claiming Universal Credit and effect on claimants finances during the 5-week wait for an initial payment.



Our benefits system exists to provide a financial safety net for people during their time of need – whether to support those in low-paid work or unemployed, parents who need additional help with bringing up children, or disabled people who may face higher living costs.

### Ensuring Universal Credit works for everyone.

The Northumberland, Newcastle, Gateshead, Sunderland, South Tyneside and County Durham local Citizens Advice offices conducted research to understand the issues facing clients approaching the “Help to Claim” service in the region. Our research focused on the barriers clients accessing the “Help to Claim” service had in claiming Universal Credit, what would make budgeting easier and how they paid for essential bills during the 5-week wait for their first payment.

Our research shows that many claimants sought support in claiming Universal Credit because they struggled to use a computer, access digital devices and provide identification, amongst other factors.

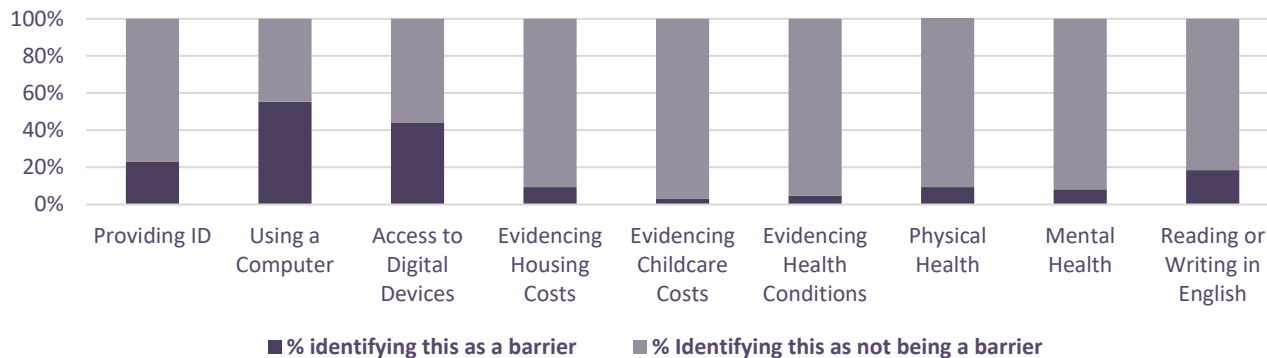
Our evidence also showed that during the 5-week wait for their first Universal Credit payment, many claimants struggled to pay for their essential bills. Stating that they needed to take out an Advance Payment, borrow from friends or family, borrow from a lender, use savings or had fallen into arrears on essential bills.

**Our evidence suggests changes to the claiming process and reducing the 5-week wait for Universal Credit are crucial in ensuring Universal Credit provides security and works for everyone.**

# Barriers in Claiming Universal Credit.

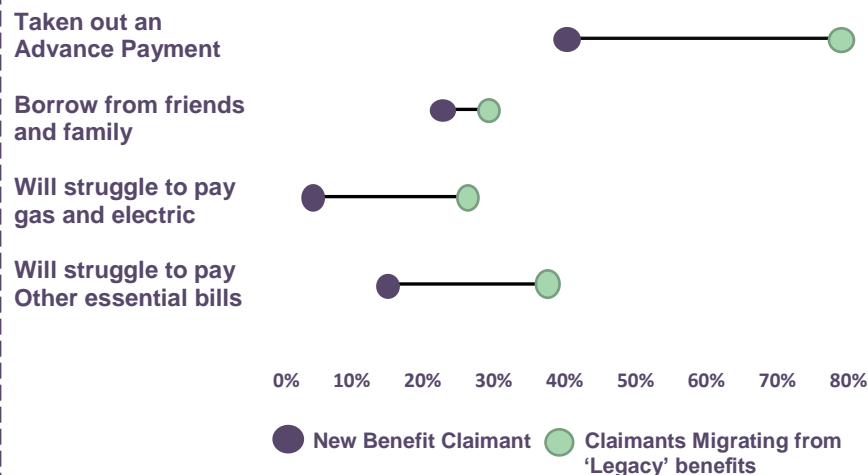
Universal Credit is a 'digital' benefit; the claim is made and managed online. This creates barriers to claiming that many of the clients we advise struggle with. These barriers can be detrimental as it may cause a claim to be delayed, or only partially paid. Our evidence illustrates these barriers, many of which will continue even after a claimant receives their first Universal Credit.

**Figure 1: Barriers Identified in Claiming Universal Credit**



Our evidence showed that claimants migrating from 'legacy' benefits expected to struggle more to pay for essential bills during the 5-week wait for their first payment of Universal Credit, compared to those making a new claim for benefit.

**Figure 2: Paying for essential bills during the 5-week wait for first payment**



## Mr Thomas' Story\*

Mr. Thomas contacted a local Citizens Advice in the North-East because he needed help in applying for Universal Credit. He is not confident using computers or the internet and does not have a computer, tablet or smartphone at home.

Our advisers conducted an eligibility check with Mr. Thomas and confirmed he would be able to claim Universal Credit. Mr. Thomas only had a post office card account, which would only be adequate for his first payment. He would need a Bank Account for payments after that.

Mr. Thomas could not complete his ID verification process, as he did not have a full Bank Account, passport or driving license.

Our "Help to Claim" adviser helped Mr. Thomas complete his application, book an appointment with Barclays to get a Bank Account and get identification so his claim could proceed. Without this help, Mr. Thomas would not have been able to find a way forward.

\*Names have been changed to protect anonymity



75%

Of claimants identified at least one barrier to claiming Universal Credit

## Mr Young's story\*

Mr. Young is a 45 year old single male with no dependents living in a Housing Association property. He recently became unemployed after working for 8 years, has asthma and is type 2 diabetic.

He sought advice from a local Citizens Advice office in the North-East to make a Universal Credit claim as he could not use a computer, access digital devices or provide identification.

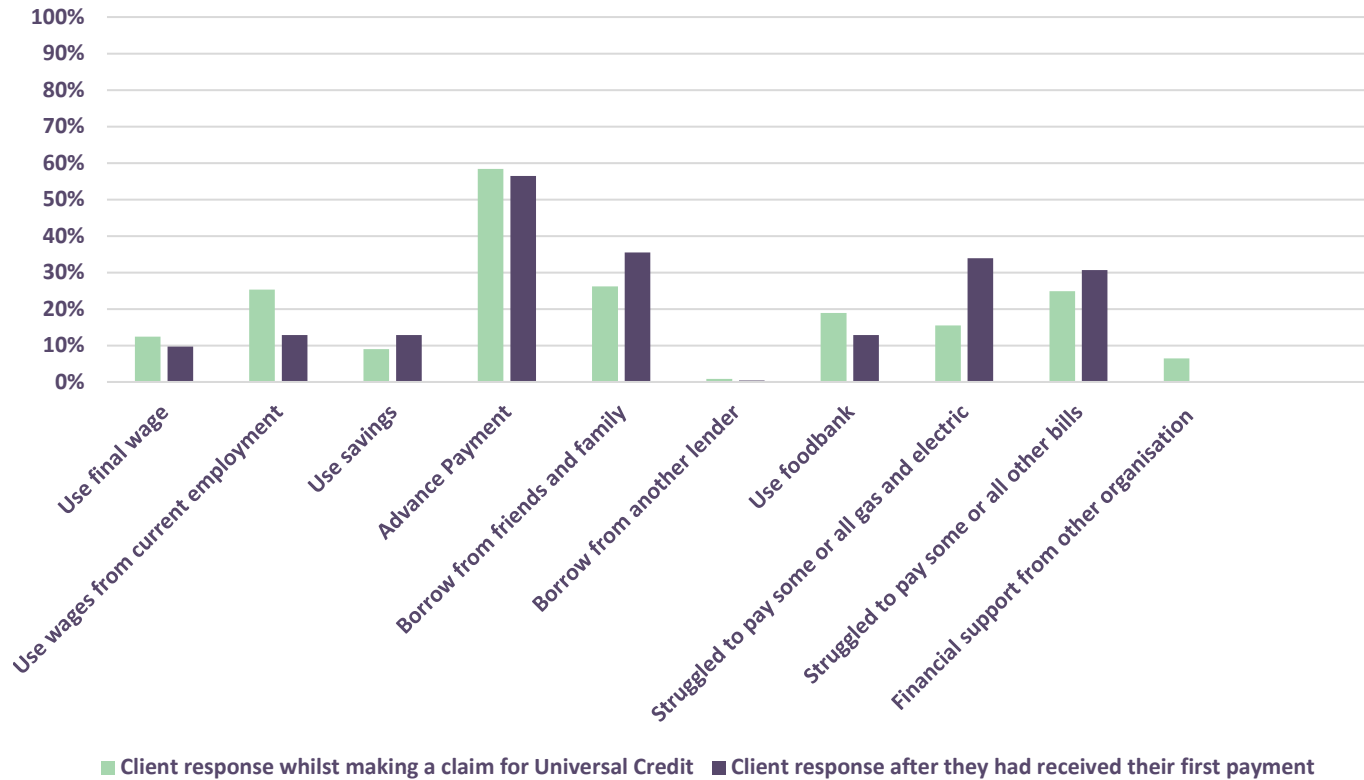
A "Help to Claim" adviser helped Mr. Young create an email address and apply for Universal Credit. He stated that he would pay for essential bills by using his Personal Independence Payments and Carer's Allowance as he had no savings.

However, once he had received his first Universal Credit payment it was clear he was struggling to pay for essential bills far more than expected. Mr. Young stated that to pay for essential bills during the 5-week wait for Universal Credit, he used an Advance Payment, borrowed from friends and family, used a foodbank and struggled to pay his gas and electric (a priority as his diabetic medication needed refrigeration). He also fell into arrears on his rent.

\*Names have been changed to protect anonymity

## Financial Impact of the 5-week Wait for First Universal Credit Payment

Figure 3: Comparison with how clients responded before and after they received their first payment



After clients had received their first Universal Credit payment, we asked how they had actually paid for their essential bills, compared to their response when they made a claim. Our evidence showed that the 5-week wait for Universal Credit caused significant hardship with **91%** of clients who responded stated they had used one or more of these methods to cover essential bills. Our evidence also showed that those claimants who were migrating from 'legacy benefits were far more likely than those making a new claim for benefit to borrow from friends and family, take out an Advance Payment or fall into arrears on one of their essential bills.

## What needs to change?

In order for Universal Credit to fulfill its aim to simplify the benefits system and make it more efficient, it is vital that people are provided with support in making a claim along with financial security.

This summary of the report “Impact of the 5-week Wait for a Universal Credit” highlights the key findings from the report and the challenges claimants face making a claim for Universal Credit and managing money during the 5-week wait for their first payment.

Ensuring this requires additional support in making a claim and greater flexibility within Universal Credit itself.

### Additional Support in Making a Claim

- **Increase digital literacy and support digital skills associated with Universal Credit usage.** Packages of support provided for claimants to increase their digital skills in order to empower people with the digital literacy needed to manage a Universal Credit claim; this could also develop into skills for the workplace.
- **Reform the ‘digital only’ approach.** For vulnerable claimants, digital access can be expensive, unreliable and digital literacy is by no means universal. Their Work Coach should check digital literacy, along with availability and regularity of access. If this falls below an agreed standard, paper and telephone options should be available.
- **Reducing delays.** Claimants should not receive a delay in their first payment through difficulty in providing evidence, such as identification, healthcare or childcare costs. Claims should proceed as normal (5-week point) as long as a Work Coach is working with the claimant to solve any evidencing issues.

### Ensuring greater flexibility and money within Universal Credit

- **Reducing the 5-week wait.** Bring forward the first non-repayable payment to no later than two weeks into a Universal Credit claim. This can be achieved by using estimates, which is already the case for calculating Advance Payments.
- **Overpayment tolerance.** Built into this should be a tolerance for any overpayments incurred by using estimates up to a set limit to reduce the financial impact on claimants.
- **Flexibility in Payment Periods.** Claimants, based on their circumstances should be offered either fortnightly or monthly payments.
- **Offer Alternative Payment Arrangement as Standard.** Claimants should have the choice, when making a claim for Universal Credit to have their rent paid directly to their landlord from their first payment date.
- **Clearly communicate deductions and timeframe for repayments.**