

**INTRODUCTION OF FULL SERVICE UNIVERSAL CREDIT
IN THE BOROUGH OF RICHMOND UPON THAMES
Issues raised by clients of Citizens Advice Richmond – March 2019**

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Introduction and Summary

Since Full Service Universal Credit was introduced in the borough of Richmond upon Thames on 20 June 2018, 383 of our clients have raised 1,060 issues with Universal Credit (UC) up to 31 January 2019 (for details see Appendix). We have been monitoring our clients' experience of UC over this period, and in this report we highlight a number of issues that we believe require attention as the scheme is developed.

The issues that we have identified are:

- **the need for work coaches and other Jobcentre Plus staff to provide effective support for vulnerable claimants both when they first apply and when problems arise with the payment of different elements of their claim.** Although there are excellent examples of work coaches helping some vulnerable claimants sort out problems when they first apply other claimants are not recognised as being vulnerable, and ongoing and regular monitoring of UC payments to vulnerable claimants should help to identify and quickly remedy flaws in administration that can deprive vulnerable claimants of benefits, to which they are entitled, for periods of several months
- **the need for careful investigation of evidence of EU citizens' right to reside before deciding their claims for UC and a clear explanation of what is involved in making these decisions**
- **the need for some technical improvements to the UC payment system so that all changes in claimants' circumstances that affect their payments are accurately recorded**
- **a variety of problems with UC payments. Although advance payments now seem to be paid more rapidly than previously we highlight the impact on a vulnerable claimant of an advance payment being delayed. We draw attention to failures to pay housing costs, or the right amount, leading to substantial rent arrears and argue for closer liaison between DWP staff and Richmond Council staff when claimants are placed in temporary accommodation. We cite problems with deductions from UC payments and argue for the total amount of deductions from UC payments to be capped at a level that leaves claimants with enough to live on.**
- **A mixed picture when comparing the levels of UC payments and legacy payments. There are some examples of our clients being better off with UC, but some of our clients dependent on disability benefits are worse off. We believe that UC work capability payments should at least match the level of all the previous legacy benefits and that the work related element of ESA in payment before April 2017 should always be protected on transition to UC.**

The importance of providing effective support for vulnerable applicants

In the run up to the launch of Full Service UC in the borough it was agreed that special arrangements would need to be made to support applicants who would have difficulty applying online. For those who just have difficulty making their initial application and setting up an online account we have been commissioned to provide Digital Buddies to offer this service; but in addition it was accepted that there would be vulnerable applicants who for various reasons including mental health problems would be unable to cope with an online account or journal. There is therefore a facility for these applicants to apply for UC on a special telephone number and to receive ongoing support from specially trained Jobcentre Plus staff. Secondly work coaches have been trained to provide support for vulnerable applicants who have problems with their claims at a later stage.

As we have several vulnerable clients applying for UC we have been keen to see how these arrangements work out in practice.

We have seen some excellent examples of effective support for our vulnerable clients after they have made their initial application:

Nina* is a single parent with a young son. She has literacy problems which hampered her efforts to understand what was happening to her UC claim, so she telephoned the UC helpline. She was connected quickly and was helped by a member of staff, who spent an hour and a half explaining issues that were confusing her and taking the following action to improve her financial situation:

- Nina was unaware that a deduction was being made from her UC payment for rent arrears which had accumulated due to a UC error of not paying housing costs to cover her rent. The staff member arranged for the deductions to be stopped immediately;
- Nina had submitted a request for Mandatory Reconsideration (MR) to challenge a sanction of £290 for a missed UC appointment. The staff member accelerated this for a decision to be reached within two weeks;
- As Nina was very short of money he organised a recoverable maximum hardship payment of £108 to reach Nina's bank account within a week.

Jane who suffers from severe depression, made an online application for UC with the help of her daughter. The initial interview was completed four days later and an advance payment received just three days after that. At the initial interview, Jane showed her last Employment Support Allowance (ESA) award and as this was dated seven months previously she was advised that the Decision Maker would have to confirm that the assessment of her Limited Capability for Work Related Activity was still valid; but the work search requirement for UC was put on hold until the next meeting to allow time for this decision to be made. Jane was impressed and encouraged by the way that her UC application was handled.

**All names have been changed and some identifying details withheld.*

We are concerned however that our vulnerable clients do not always receive such rapid and effective support, and that the need for some of our clients to be accepted as vulnerable and receive ongoing support from suitably trained Jobcentre Plus staff is not fully recognised.

Mary is a single woman, who suffers from severe depression and receives Employment and Support Allowance (ESA) in the Support Group and Personal Independence Payment (PIP). She has no computer skills, and cannot deal with her affairs effectively, including not opening her post for months at a time. Mary is not able to respond quickly to communication and shuts herself away when feeling pressured. Although we warned the UC application team of these problems she was still directed to claim online. Her daughter then assisted with the online application and setting up Mary's UC account; but she is now being expected to oversee her mother's account and journal on a day to day basis. There is no evidence however that she has been authorised to act as Appointee to deal with her mother's affairs. In our view Mary's situation as a vulnerable claimant is exactly the sort of case where the application should be accepted by telephone, and suitably trained Jobcentre Plus staff should monitor the applicant's account and provide ongoing support.

Mike and his partner have no IT skills and no access to a computer. They received various benefits as a result of their disabled daughter living with them but when she moved out several benefits stopped and Mike was told that he would have to claim UC, and the under-occupancy penalty (or "bedroom tax") would be deducted. Although the couple were aware that their Income Support would cease, they only approached us for help when it failed to appear in their bank account and they had "no money to live on". It took about two weeks to complete the UC application. There was a further one and a half weeks wait for an appointment to apply for an advance which left them without money for three and a half weeks and meant they were in debt when the UC payments started. We helped them to cope in the interim by providing food bank vouchers and securing a charitable grant of £300.

Mike eventually received an initial UC payment of £812 but by then he was £1,187 in arrears for rent to his social landlord. £525 was deducted immediately to pay towards the arrears and a further £25 to pay towards the advance given by UC, leaving him and his partner with £262 to live on for the following month. He also had Council Tax arrears for which he could make no payments. We provided Mike with another food bank voucher and he is seeking help from the Salvation Army. In our view most of these problems could have been avoided if Mike and his wife had been accepted as vulnerable when they first applied for UC.

Paula is a single mother with a young child. She has learning difficulties, severe depression and experiences panic attacks. Paula has had three major problems with her UC claim which have all been very complex and difficult to resolve, despite our intervention, and would have been impossible to resolve on her own given her learning difficulties and other health problems:

- Paula was summoned for a work capability assessment; but it was 8 months before a decision was made and she was declared fit for work. We applied promptly for Mandatory Reconsideration (MR). Our request was not

acknowledged, and there was further delay when we repeated our request because our letters were not being registered at the DWP. Five months later Paula received a decision on the MR upholding the original decision that she was fit for work. We immediately submitted a tribunal appeal on her behalf, asking for S35 exceptional circumstances to be considered for limited capability for work related activity (LCWRA) given Paula's health issues. However more than four months later while Paula was still waiting for the appeal to be heard the DWP intervened, issuing a new MR decision that Paula had limited capability for work (LCW). None of the LCWRA descriptors were examined in this decision, and no account taken of our request to consider S35 exceptional circumstances. As a result of DWP's decision the tribunal appeal was closed; so we have had to launch a new appeal for Paula to be considered for LCWRA. This appeal is likely to take several months to reach a hearing. So more than a year and a half after her work capability assessment her full entitlement to the work capability element of UC has still not been resolved.

- Paula also had major issues with deductions from her UC for rent arrears due to DWP failing to pay Richmond Council's housing costs. This took several months to resolve and back payments were only finally made following a formal complaint and an intervention from her local MP.
- The DWP were still erroneously deducting £63.56 per month from her UC for rent arrears after the complaint had been resolved with an apology from the DWP and back payments made.

The net result of these problems is that Paula has been struggling on a very low income for several months and has continuing uncertainty. However these problems must have been evident to her work coach on her UC journal as well as from our contacts on her behalf. This case therefore demonstrates the need for work coaches to be proactive to monitor the payments to vulnerable clients regularly and to raise the alarm with relevant colleagues as soon as problems emerge. It also suggests that disabled claimants will continue to be badly treated under UC until the process for the assessment of work capability is reformed.

Problems with EU citizens applying for UC

We have had two cases recently that suggest that DWP staff are not always well trained to know how to determine EU citizens' right to reside nor how to explain clearly the reasons for their decisions. The first case demonstrates the devastating consequences of a wrong decision for our EU client.

Wieslaw is an EU citizen. He was refused UC on the grounds that he did not have the right to reside. After he was refused UC, he was evicted from his home and was homeless for 11 weeks, initially sleeping on the streets and then on the floor of a shelter. This caused damage to his mental and physical health. He now suffers from anxiety and depression, and has to walk with a stick due to hip problems. He also lost most of his possessions while homeless, and built up debts of £7,000.

This occurred because DWP staff did not examine his work history thoroughly before deciding on his right to reside, although he insists that he provided all the information requested. When he put in an appeal, they looked at the information again and checked it with the HMRC. This confirmed that he had worked for over 5 years and therefore had a permanent right to reside; but there was a delay of five months before Wieslaw was awarded UC with the disastrous consequences described. He submitted a complaint to DWP seeking compensation last autumn and is still waiting for a response.

Emilia is another EU worker and was working as a cleaner until she had an accident at work. She came to us for advice on any benefits to which she might be entitled and then applied for UC. She received a very confusing reply which focused on her immigration status. The letter confirmed that she had a right to reside as an EEA worker but due to insufficient information could not decide whether she had a permanent right to reside and had returned her UC application to the decision maker at her local Service Centre who would determine her entitlement to UC. Although the staff were legally obliged to check her right to reside, the letter they sent was alarmingly vague and should have explained clearly what further information they needed before a decision could be taken and why they needed it.

Problems with the accuracy of information recorded on the UC payment system

We have evidence of technical problems that limit the range of information relevant to claimants' UC payments that can be recorded accurately on the UC payment system. In the following example our client has been overpaid for a long period as a result of this problem. Clearly technical changes are needed to the UC payment system to ensure that all changes of circumstance notified that affect the amount of UC payable are accurately recorded.

Julia is disabled and has long term health issues. She came to us very concerned that although she had informed UC staff several times that her daughter is now working (and over 18 years), her daughter still appears on her UC payment record, resulting in an over payment. She had sent UC messages via her online Journal, but had waited some time for a reply. UC staff have now told her that they have tried three times to remove her daughter from her UC payment record but have been unable to do this. They mentioned that they have had this problem with other claimants. They are now trying to insert the right date for when Julia's daughter left college and have promised to let her know via her Journal when this is implemented successfully. It is still not clear whether this technical problem will be solved; but in the meantime it is causing Julia unnecessary stress. She was already subject to deductions from her UC and cannot afford to pay more when she is not responsible for the overpayments.

Problems with UC payments

a. Impact of delay in advance payment

Since the launch of Full Service UC in the borough from Twickenham Jobcentre there seems to have been considerable improvement in the speed with which

advance payments are made to fill the gap before the first full UC payment is made. However the following example illustrates the serious impact that delay in an advance payment can have on a vulnerable claimant.

Trudy is a single mother with a teenage daughter. She is heavily sedated with medication for depression and was receiving Child Benefit, Child Tax Credits, ESA and DLA. However following a work capability assessment she was found fit for work and her ESA was stopped last year. Trudy felt that her medical condition was deteriorating and decided to apply for UC. As she felt that she would be unable to complete the application online we arranged for a Digital Buddy to help make her initial claim, and a follow up interview with a work coach was arranged. Before the date of this interview Trudy came to us for advice. On the date of her visit Trudy had only £20 in her bank account and as she would not receive any more money until her next DLA payment of £90.60 a week later, the referral note to her work coach requested that she should be given an immediate advance payment. Two weeks later Trudy returned to the Bureau, now registered for UC; but her work coach had not requested an advance payment despite being alerted to the need for it. As she had so little money, we made a grant application of £300 for her from a local charity to cover basic essentials. Trudy visited us again three weeks later having had no money since receiving the charity grant. As Trudy's first UC payment would not be paid for another 10 days we phoned the escalation help line and were told that they could make an claim for an advance payment of £100, which they did, and it was paid the next day.

Although eventually the response to the escalation helpline was helpful, without access to charitable funds Trudy and her daughter could not have survived until the first UC payment came through.

b. Inadequate payment of housing costs

One in four of the clients who came to us for help with their UC claims between the launch of Full Service UC and the end of January 2019 raised issues about the payment of their housing costs (see appendix). Probably the most worrying problems that our clients face in claiming UC is inadequate payment of their eligible housing costs, resulting in rent arrears and the risk of eviction. It is true that the origin of these problems for several of our clients are mistakes made before the launch of Full Service UC – mistakes which we hope have now been recognised and will not be repeated. Nevertheless it is such an important issue that we include examples here that illustrate the reasons for these problems and what should be done to avoid them in future.

First of all there is an obvious need for the UC applications team always to check carefully on applicants' housing situation and whether they are eligible for the housing element of UC before the first total UC payment is calculated and paid. Secondly when UC claimants whose housing costs are being paid notify a change of accommodation with a different rent it is vital for this change of circumstance to be translated promptly into a change in the housing costs paid to reflect the new rent. Thirdly in any case where Richmond Council moves a UC claimant into temporary accommodation there needs to be very close liaison between council staff and

Jobcentre Plus staff to ensure a smooth and rapid transition to the correct payment of housing costs.

Carole is a vulnerable client receiving Working and Child Tax Credits together with Housing Benefit and struggling to deal with substantial debts. She was told by HMRC to claim UC following two changes of jobs. In error she did not include her rent and housing benefit on her the UC on-line form. Although she asked Jobcentre Plus staff to check the information on her form, they failed to spot the omission and her UC payments did not include any housing element. She had previous rent arrears of £1,600; but over the next five months these rose to £3,000. As a result her landlord has served her with a Notice of Possession.

Mandy lives in a hostel with her young son. She has difficulty reading and writing and suffers from depression. She was placed in temporary accommodation in another borough when she came to England from N. Ireland and made a claim for UC in 2016. Six months later she was moved to temporary accommodation in Richmond. She notified UC staff of the move and the change in rent, but they failed to pay the Council the correct level of housing costs. Mandy came to see us struggling to make ends meet, unaware that she had rent arrears of c£8,000 and that deductions were being made from her UC to pay the debt. Finally an entry posted in her UC Journal acknowledged that the housing element of her UC claim had been incorrectly paid and the underpayment would be calculated and paid to Richmond Council. It confirmed that her rent account is incorrect and that no further deductions will be made from her UC.

Helen has long term depression, anxiety, PTSD and other health problems. Richmond Council placed Helen and her 2 young children in temporary accommodation in another borough for 14 months and wrongly advised her to claim UC to include housing costs. The UC claim took a long time to process due to problems verifying ID and meanwhile Helen received no contribution to her rent from her UC payments and rent arrears built up. When the error was discovered, Helen was unable to get the housing costs backdated and the Council applied a deduction of over £60 a month to her UC payments to clear the arrears despite the fact that it was Richmond Council's wrong advice and failure to pay her housing benefit that had caused the arrears. We have written to Richmond Council seeking compensation for the rent arrears she accrued as a result of being wrongly advised.

Subsequently Helen moved to cheaper permanent social housing for which housing costs are payable as an element of her UC rather than housing benefit. Unfortunately this created further problems for her. Although she moved to the cheaper accommodation on the first of the month the assessment period for her UC is from 18th month to 17th month. Ideally Helen's rent of nearly £1,000 a month should have been paid up to end of the month before she moved, and her new lower rent of less than £650 a month paid from the first of the next month. Instead, the lower rent was paid for the whole period from 18th of the month before she moved to 17th of the month after she moved (in line with her assessment period) leaving her with two weeks rent at the higher rate without the higher level of benefit to cover it.

When she applied for a Mandatory Reconsideration, she was informed that any change of circumstances takes effect from the first day of the assessment period in which that change has been reported (in her case from 18th of the month before she moved) and that she was therefore treated as being liable to pay the lower rent from that date. We started an appeal against this decision, but have had to withdraw it on discovering that the payment rules were correctly applied.

c. Problems with deductions from UC payments

Some of our clients have complained that the UC payments that they receive are subject to deductions that are unfair or do not leave them with enough UC to live on.

Robert has lived in a 4 bedroomed housing association property for many years, caring for his brother there until his suicide and his mother up until her death two years later. After his mother's death he claimed UC, but 25% bedroom tax was applied because there are now 2 spare rooms. We advised Robert to apply for bedroom tax exemption owing to the death of a member of the household; but this was refused. We requested Mandatory Reconsideration of this decision, but have now discovered that under the rules for UC no protection is provided for bereavement with new UC claims.

We have already described the problems that **Helen** had as a result of Richmond Council's failure to pay her housing benefit when she was placed in temporary accommodation and the imposition of a monthly deduction of over £60 from her UC payments to recover rent arrears for that period. Apart from the fact that the Council was largely responsible for the arrears it is striking that this deduction was imposed when Helen was already subject to another deduction of nearly £50 a month for housing benefit overpayments, so that her monthly UC payments were reduced by a total of over £100. In our view this is an example of where to avoid financial hardship for her family the total amount of deductions from her UC payments should have been capped at a lower level.

Does transition to UC mean a cut in benefits?

The experience of our clients presents a mixed picture of the financial impact of transition from legacy benefits to UC. We have examples of cases where our clients are definitely better off on UC, but also examples of cases where the payments received are reduced

Hanna is a vulnerable client who was claiming DLA\PIP (Care / Daily Living Component) and ESA. She shared a three bedroom property with her husband who had a state and occupational pension and claimed Attendance Allowance. They received no Housing Benefit. When her husband moved to a care home her husband's pensions were used to pay for his care home costs and his attendance allowance ceased. Because of her change of circumstances Hanna had to switch from ESA to UC. She was now eligible to receive support for her housing costs, but because her property was over-occupied by two bedrooms she was subject to bedroom tax and she had to make up a shortfall in her rent of nearly £150 a month.

In addition because the housing element of UC was paid a month in arrears her social landlord required her to pay an extra amount every month extra to compensate for the rent not being paid a month in advance. Furthermore Hanna had been receiving ESA with the work related element since before April 2017; but although this element of ESA should have been protected on transition to UC it was not included in her UC payment, resulting in a reduction of £126.11 a month.

As a result of these changes Hanna found that she did not have enough money to meet her basic needs. A benefit check showed that she had a monthly shortfall approaching £200 between her income and essential expenditure and was in immediate risk of falling into substantial debt

Jade is a disabled single parent with a disabled daughter. Under legacy benefits, Jade was receiving Income Support (IS) with Carers Premium / Severe Disability Premium (SDP), Carers Allowance, Council Tax Credit and Child Benefit. Her daughter was receiving Higher Care / Mobility Disability Living Allowance (DLA). On review, Jade's daughter's DLA was refused. Jade challenged this decision, and although it took many months for the hearing to take place, the appeal was successful and the DLA was re-instated. However, now that Jade's IS has stopped and she has had to transfer to UC she and her daughter have less income.

Before the transition from IS to UC total weekly legacy benefits were more than £780. Now, UC with SDP fully protected will be little more than £750 unless she manages to qualify for UC with Limited Capability for Work Related Activity. Then she will receive a few pounds more than she received on legacy benefits.

Our Recommendations

To improve the operation of UC locally we recommend that Work Coaches and other Jobcentre Plus staff:

- **give greater priority to identifying vulnerable claimants who will need ongoing support when they first apply and to monitoring their UC payments regularly to ensure that emerging problems are identified and resolved without serious delays;**
- **always check carefully on claimants' housing situation and whether they are eligible for the housing element of UC before the first payment is calculated and paid;**
- **ensure that when claimants whose housing costs are being paid notify a change of accommodation with a different rent this change of circumstance is translated promptly into a change in the housing costs paid to reflect the new rent.**

We also recommend closer liaison between DWP staff and Richmond Council staff when claimants are placed in temporary accommodation, to avoid delays and errors in calculating and paying their housing costs, and the build up of rent arrears.

To improve the operation of UC nationally we recommend that:

- **DWP staff are better trained to undertake careful investigation of evidence for new EU citizens' right to reside before deciding their claims for UC and to provide a clear explanation of what is involved in making these decisions**
- **technical improvements are made to the UC payment system so that all notified changes in claimants' circumstances that affect their payments are accurately recorded. Claimants should not be penalised for failures to record changes that have been correctly notified**
- **greater care should be taken to enforce the regulations that restrict the imposition of deductions from UC payments and to ensure that the total amount of deductions from UC payments leaves claimants with enough to live on**
- **UC work capability payments should at least match the level of all the previous legacy benefits, including the protection of the work related element of ESA in payment before April 2017 on transition to UC.**

APPENDIX

Numbers of Citizens Advice Richmond clients with Universal Credit issues

June 20th 2018 – January 31st 2019

	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Total
Initial claim	11	27	34	45	65	55	29	51	264
Standard element		5	6	2		4	2	7	26
Housing element	3	14	15	18	14	16	18	10	96
Disability elements	3	5	4	3	5	7	6	12	36
Child elements		2	2	3	1	3	2	3	16
Childcare costs		2	2	1					5
Carer elements		1		1	1	3	2		8
Calculation of income and capital	1	2	4	2	6	4	3	3	24
Conditionality and Commitment (incl sanctions)			1	2	2	1	1	2	9
Universal Support		16	3	3	1	2	1	5	30
Deductions	1	1	3	1	2	3	2	8	21
Not recorded	1	1	1	1	1	1	1	1	1
Total	17	60	57	60	85	79	54	74	383

Note: clients are counted only one when they first apply but may visit multiple times with different issues. Consequently row and column totals may not correspond.