

# InGrid: Expert workshop 'non-take-up and coverage'

Technical policy note

Take-up of Universal Credit in the UK: the challenges created by a digital by default social security benefit



Richard Machin, Senior Lecturer Social Work and Health  
[Richard.machin@ntu.ac.uk](mailto:Richard.machin@ntu.ac.uk)  
@RMachinNotts



## **Richard Machin: Senior Lecturer Social Work and Health, Nottingham Trent University**

- Senior lecturer in Social Work and Health at Nottingham Trent University specialising in social security legislation and policy.
- Combines this academic role with that of a freelance trainer on Universal Credit for Child Poverty Action Group, one of the UK's leading charities which campaigns on social security and poverty-related issues.
- Member of the management committee for Church Action on Poverty, a national Christian social justice charity committed to tackling UK poverty.
- Before working in academia I was a manager of a welfare rights service in local government for over ten years and this presentation draws on both practitioner and academic experience.

## Themes for this presentation

- Background to the introduction of Universal Credit, universal credit timetable, universal credit claims process
- Draws on five sources of evidence which demonstrate the ways in which the take-up of Universal Credit is impeded by digitalisation and creates digital exclusion.
- Considers the implications of a digital welfare state.
- Makes a series of recommendations to respond to these digital exclusion issues.

## Universal Credit Background

- Universal Credit was introduced in 2013 becoming the main means-tested benefit in the UK. It replaces six 'legacy' benefits (Income Support, Working Tax Credit, Child Tax Credit, Housing Benefit, Income-based Job Seekers Allowance and Income-based Employment Support Allowance ).
- Intended to simplify the social security system, there were long-term criticisms of the UK benefit system for being overly complicated, relying on several different administering agencies (Department for Work and Pensions (DWP), Her Majesty's Revenue and Customs, Local Government) and for disincentivising the move to work.
- The government stated that Universal Credit would reduce poverty and fraud and encourage people to access the labour market (DWP, 2015).
- Universal Credit claims are made and managed online ('digital by default'), payments made monthly to nominated claimant.
- Initial roll-out due to be completed by 2017, current expected completion date is March 2023.
- UK government had spent £1.3 billion on investing in the Universal Credit infrastructure and £0.6 billion on running costs.
- Expected winners: people in low-paid work.
- Expected losers: disabled claimants, families with children.
- Current number of claimants: 2.3 million households.
- Total estimated number of claimants by 2023: 8 million households.

# Universal Credit: Background

## Legacy benefits

1. Paid to unemployed people and people on low incomes who are looking for work  
 2. Paid to people on low incomes  
 3. Paid to people with a disability or health condition that affects how much work they can take on

1. & 3. Payments made every 2 weeks  
 2. Payments made either 1 week in advance, or 4 or 13 weeks in arrears

4. Paid to people with a minimum of 16 hours of paid work each week  
 5. Paid to people with children (no work requirements)

Payments made either weekly or every 4 weeks, usually in arrears

6. Means-tested benefit to help with costs of rented accommodation; paid to people directly or landlords

Payments made weekly, fortnightly, or monthly

1. Income-based JSA

2. Income support

3. Income-based ESA

4. Working tax credit

5. Child tax credit

6. Housing benefit

## New benefit

Universal Credit

Fully digitalised service (apply online, keep digital journal, all correspondence online)

Waiting period for first payment is a minimum of 5 weeks

Claimants must accept claimant commitment

Paid directly to claimants monthly, in arrears

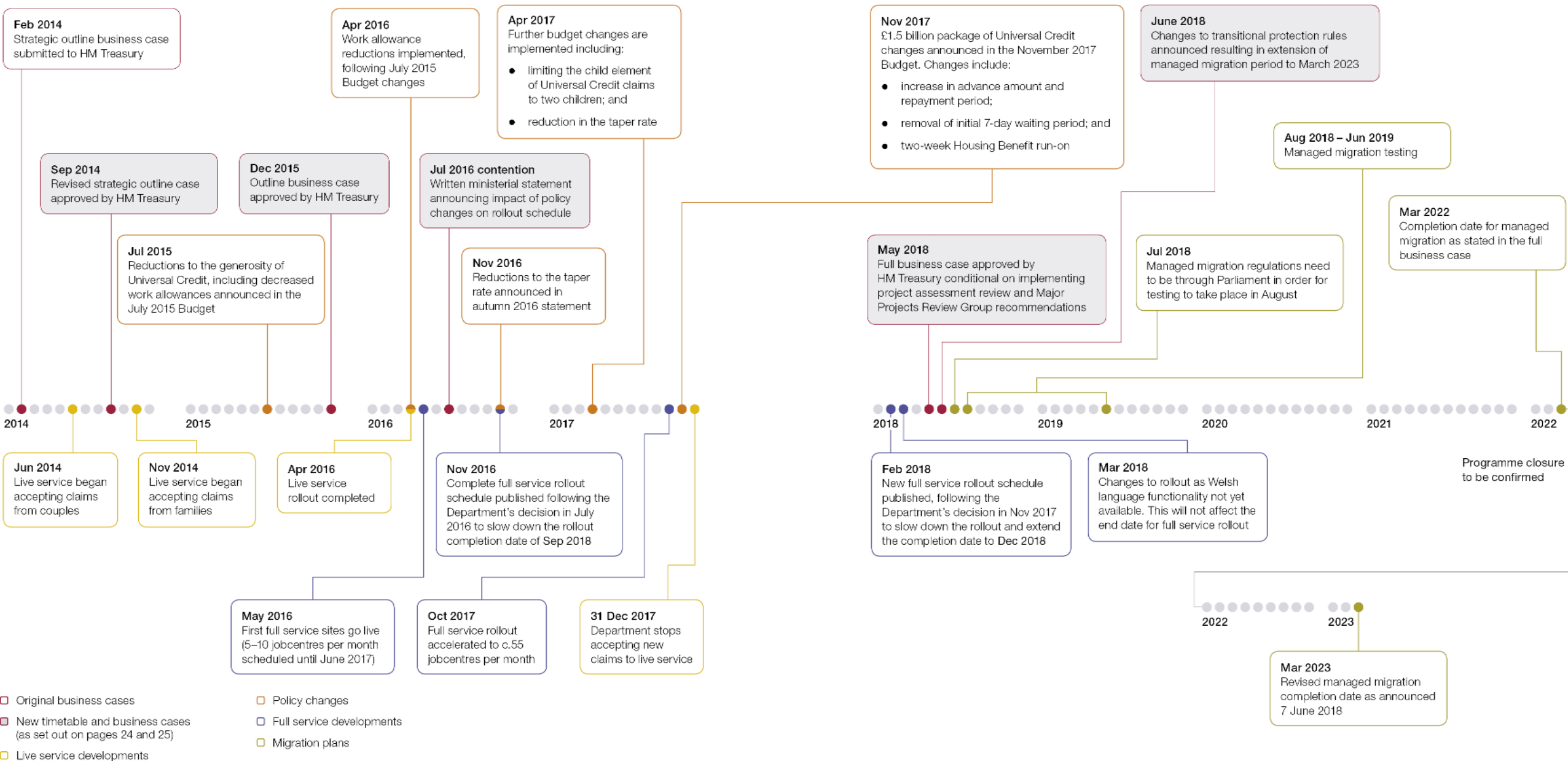
Amount claimants receive is means-tested (ie, based on income)

■ Administered through Department of Work and Pensions   ■ Administered through HM Revenue & Customs   ■ Administered through local authorities

Table 1: Outline of Universal Credit, and the legacy welfare benefits it replaces in the UK (Wickham et al, 2020)

# The timetable for Universal Credit

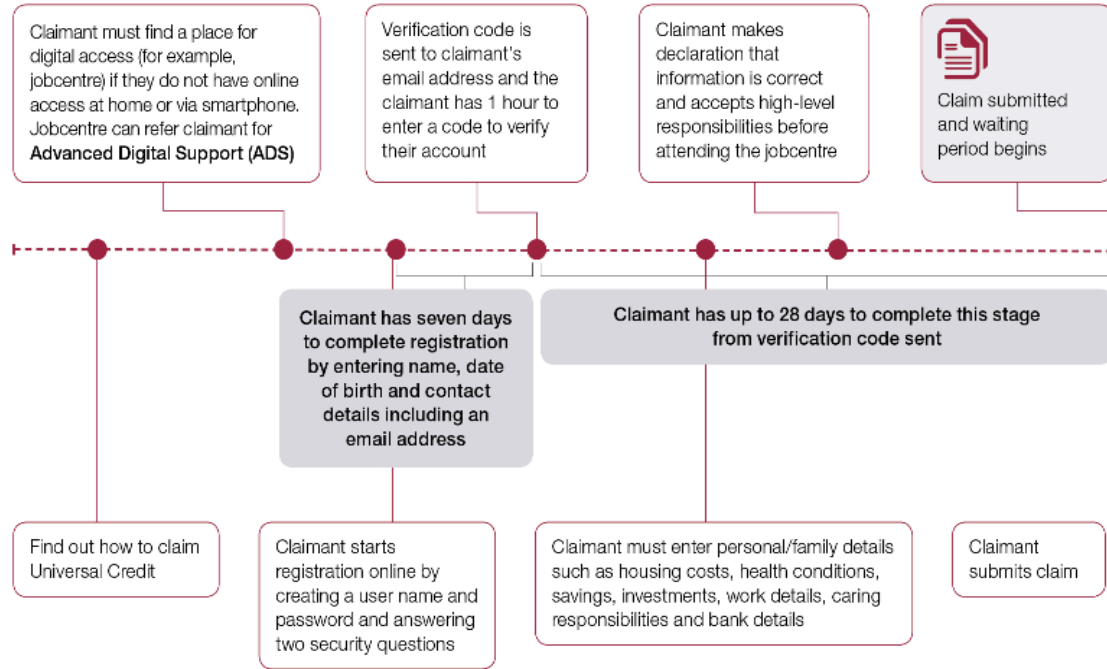
The timetable has changed several times



## Getting to first payment

There are several stages to get through before a claim is submitted and the initial waiting period begins. This can increase the initial waiting period for claimants who struggle

Some claimants can complete the necessary stages in a day; for claimants who struggle the waiting period is lengthened.



Support agencies we spoke to told us that issues can include claimants:

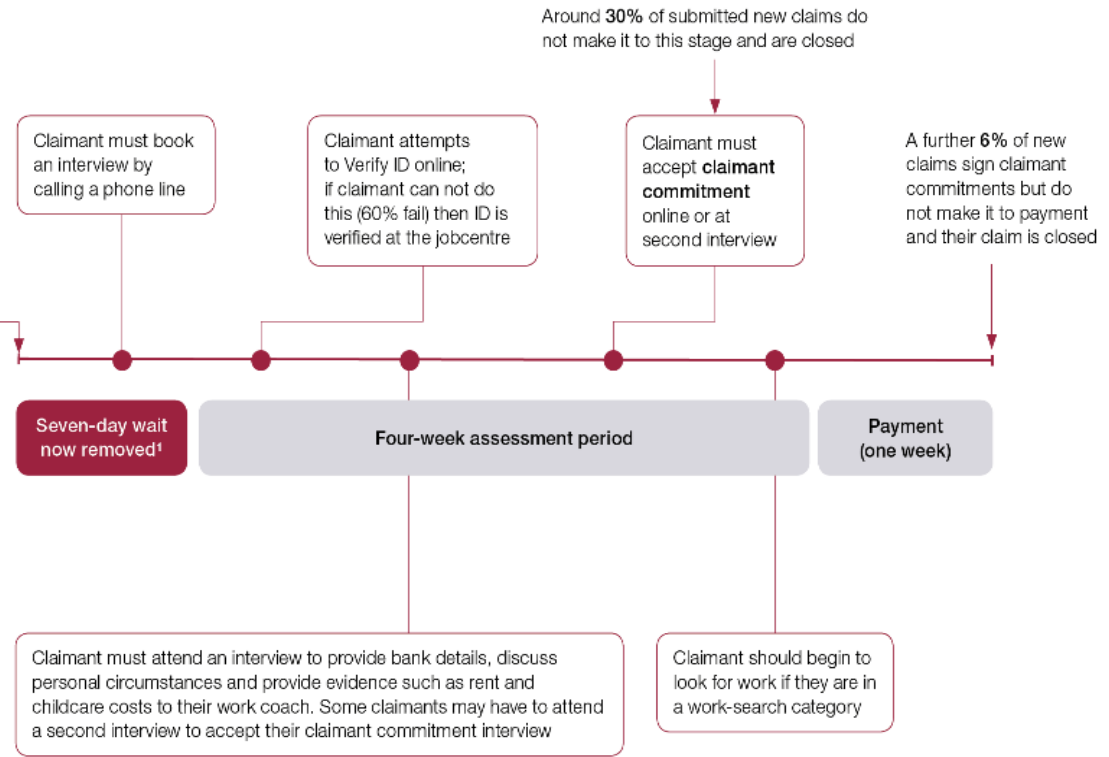
- being given the wrong information about which benefit to claim,
- struggling to complete the requirements to submit a claim, for example, because of language barriers; and
- not having a bank account or identification.

### Note

<sup>1</sup> Claimants originally had a six-week wait for payment or five weeks if they were within the 'All work-related requirements' conditionality group, with several exemptions such as those with certain vulnerabilities. In February 2018 the Department reduced the initial wait to five weeks for all claimants.

Source: National Audit Office analysis of Universal Credit processes

The official measure for the wait to payment is from the claim being submitted. The target for this is now 5 weeks



The Department's analysis showed that reasons for claimants dropping out after signing a claimant commitment included claimants:

- failing to book an initial appointment;
- withdrawing a claim; and
- failing a residency test.

## **Universal Credit: multiple digital hurdles and digital exclusion**

### **Citizens Advice (2018): Universal Credit claims falter due to complicated application process and lack of support**

*'Citizens Advice is calling on the government to simplify the claims process, make it easier to provide evidence for extra costs and make sure adequate support is on offer'*

- Government data indicates that late claims for Universal Credit are intrinsically linked to problems with providing online evidence.
- 1 in 4 people assisted by Citizens Advice spent more than a week completing a Universal Credit claim.
- Many of the ten compulsory stages of completing a Universal Credit claim are time sensitive and failure to complete can mean a claim needs to be restarted.
- Problems with online claims were compounded by a lack of support: 45% of respondents did not know what support was on offer to assist with a claim.
- A significant number of people found it difficult to provide evidence to support a claim: 48% reported difficulties providing health-related evidence, 40% housing-related evidence, and 35% proof of childcare arrangements.



## **Universal Credit: multiple digital hurdles and digital exclusion**

### **Salvation Army (2020): Understanding benefits and mental health: A national rethink on how government supports vulnerable people moving onto Universal Credit**

*'Our respondents made clear that Universal Credit is not working for those experiencing mental ill health.'*

A survey of 160 people who were looking for work and had been referred by Jobcentre Plus for employment support found:

- Only 14.5% of respondents stated that they had no problems in moving to Universal Credit from legacy benefits.
- 64% of those surveyed with a mental health problem stated that they were not confident using information technology systems.
- 40% of respondents with a mental health problem who stated that they required assistance with IT received support.
- 72% of respondents with mental health problems stated that they have multiple barriers in accessing the Universal Credit system.

# Universal Credit: multiple digital hurdles and digital exclusion

## All-Party Parliamentary Group (APPG) on Universal Credit (2019): What needs to change in Universal Credit?

*'This report makes clear the wealth of problems with Universal Credit which mean it isn't working for so many claimants'*

The APPG published a set of recommendations which included:

- There should be the facility for Universal Credit claimants/representatives to directly call the DWP where there are problems with the online claim.
- The DWP should conduct and publish research as to why 20% of all Universal Credit claims are not completed.
- Many Universal Credit claimants struggle with the ongoing management of their claim when it is in payment as it relies on frequent and repeated access to an online journal which records and responds to instructions from the Jobcentre.
- The DWP's consent policy is unduly restrictive, and a new system of authorisation and implicit consent should be introduced to allow representatives to communicate about issues with Universal Credit claims.

# Universal Credit: multiple digital hurdles and digital exclusion

## National Audit Office (2018): Rolling out Universal Credit

*'The delays to the programme and changes in scope mean Universal Credit cannot be easily compared with its original plans. The complicated legacy of early failings means the Department has adopted a more adaptive, iterative and incremental approach to implementation.'*

- As of March 2018, only 38% of Universal Credit claimants were able to verify their identity online, 21% of initial Universal Credit claims were not made in full and on time.
- The DWP has not measured the level of difficulties experienced as a process is not in place to gather information from organisations working with claimants.
- Four in ten claimants report that they are experiencing financial hardship – the DWP state that advance payments respond to these needs.
- The DWP will never be able to identify if Universal Credit helps more people into work and cannot currently quantify if it has reduced fraud and error or will cost less than the legacy system to administer.
- It is recommended that the DWP should 'formally assess the readiness of automation and digital systems'

## **Universal Credit: multiple digital hurdles and digital exclusion**

### **Cheetham et al (2018): 'It's hitting people that can least afford it the hardest'. The Impact of the roll out of Universal Credit in two North East localities: a qualitative study**

*'Claiming UC was experienced as complicated, difficult and demeaning. The requirement to initiate and manage a UC claim online was problematic for many participants. Factors such as computer access, computer literacy, verifying identification online and lack of a bank account and/or email address made the application process difficult.'*

- Claimants reported that a lack of computer literacy was often compounded by restricted access to computers in local libraries.
- Claimants and their representatives stated that problems with online claims were often hard to resolve as there is a lack of face-to-face support from Jobcentre staff and difficulties getting through to the Universal Credit telephone helpline. Average waiting times to be connected to advice through the telephone channels was 25 to 80 minutes.
- The burden of proof to provide evidence rest with Universal Credit claimants, many of who reported delays in payment of their benefit as a result of systemic IT issues combined with a lack of support from the DWP.
- Social welfare law advisers commonly reported that claimants who are not digitally proficient experienced difficulties in setting up and managing a Universal Credit claim. Suggestion that these access issues may contravene the Equality Act.

## Universal Credit: implications of a digital welfare state

- The UK welfare state has been described as ‘gradually disappearing behind a webpage and an algorithm’ by Professor Philip Alston, UN Special Rapporteur on extreme poverty and human rights (Alston, 2019).
- Alston argues that the transparent take-up of social security benefits and the ability to challenge decisions are important human rights issues which could easily be jeopardised by digitalisation.
- Alston maintains that a digital welfare state undermines the presumption of innocence and obstructs the ability for claimants to make timely and informed challenges to decisions on social security entitlement.
- He contends that digital systems lack transparency and greater emphasis is placed on data protection and intellectual property than claimant well-being and appropriate decision making.



## Policy recommendations: a way forward for Universal Credit

1. The DWP should consider if vulnerable claimants can claim Universal Credit through non online channels. The DWP already has a criteria for assessing vulnerability when making decisions about whether Alternative Payment Arrangements – this criteria, or something similar, could be used to assess vulnerability.
2. Further funding should be provided for Universal Credit telephone helplines to facilitate the timely resolution of issues with Universal Credit claims.
3. The funding allocated to Citizens Advice to assist people with Universal Credit claims is wholly inadequate (the ‘Help to claim service’). The government should commit to creating a widened infrastructure of support with claims, alongside a significant expansion in the number of freely available computers in places such as public libraries, jobcentres and community centres.
4. Under the ‘Help to claim scheme’ the first date of contact with Citizens Advice is not accepted as the date of a Universal Credit claim – this is taken from when an electronic submission is made. The DWP should accept the date of first contact with Citizens Advice as the date of claim.
5. The DWP should review the format of the Universal Credit journal to ensure that claimants are clear about how they can review and appeal decisions.
6. Universal Credit claimants are issued with a sixteen-digit personal security number after the first appointment with a Jobcentre work-coach. It is recommended that a shorter personal security number is introduced.
7. The current system of ‘explicit consent’ (a claimant must give consent via their online journal and a representative must be present for each individual query) should be replaced by a system of ‘implicit consent’ (allowing representatives to make enquiries to the DWP where verbal or written consent could be implied).

# Thank You!

