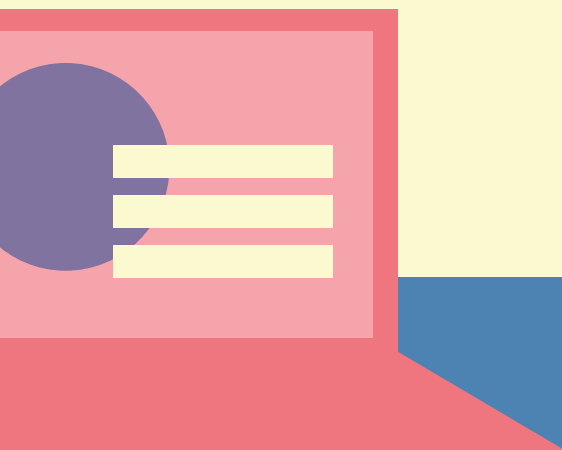




Confused about Universal Credit?

A case for greater onboarding support for new
claimants



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February 2023

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Introduction

This report focuses on issues of confusion or lack of knowledge that claimants have expressed about fundamental features of the Universal Credit (UC) system. As UC is a ‘digital by default’ system, most claimants apply and manage their accounts online. Moreover, face-to-face meetings are only required of claimants who are looking for work and are assigned a work coach, whose primary task is to assist with work search-related matters. All claimants can send queries through their online account to UC case managers, whom they do not meet with in person.

The findings shared in this report are based on an empirical study carried out in Scotland that started in December 2021. The researchers conducted interviews with forty-five UC claimants from April 2022 to February 2023. Twenty-four of these respondents qualified to take part in a follow-up longitudinal study over the course of six months after the initial interview; researchers receive bi-weekly updates from these participants regarding their interaction with UC. Researchers recruited respondents through local charities by attending events at these locations and distributing the call for participants via their newsletters. Additionally, researchers conducted fieldwork at Citizens Advice Bureaus in Edinburgh. Since this study had a small, non-representative sample of participants, the findings cannot be generalised. The aim of the report is to illustrate some of the obstacles claimants met while navigating the UC system.

A number of participants in the study expressed confusion, uncertainty or complete lack of knowledge over one or more of the following aspects of Universal Credit:

- Different Universal Credit actors
- Monthly dynamic payment
- Scottish Choices and direct-to-landlord payment

Main Findings

Different Universal Credit actors

Some respondents experienced confusion about the responsibilities of different personnel they interact with. Participants often did not know when a message went to a work coach versus a case manager, did not have consistent interactions with case managers, and were not aware of the role ‘case manager’ - instead describing the people they interact with online only by various other terms, such as ‘service agents’, ‘the cloud’, or simply ‘they’.

One participant (P32) shared that she was not at first aware that direct responses to messages from her work coach instead go to someone else, whom she called a ‘service agent’. She realised later she would need to select ‘A message for my work coach’ option to respond directly to her work coach.

“If my coach would leave a message for me and I tried to reply, it almost shows like a chat kind of thing that I’m replying to her message. But when I actually do put that message through that way, it doesn’t go to her, it goes to, I don’t know, some service agents. Which is super weird because when you see it, it’s like reply to the direct message, you would have imagined that that’s going to her. So you actually have to put the new message in and say it’s a message for your coach, so choose from the options.”

Another participant (P33) shared that she was not at first aware that she was not assigned a work coach, due to the fact that she did not have work commitments because of her child’s young age. In her journal she repeatedly sent messages under the ‘A message for my work coach’ heading and was confused when she did not receive replies.

“I was writing in my journal, and I wasn’t assigned to a work coach because my child wasn’t one [year old]. That’s never been communicated to me before. So, if I’d known that I would’ve chosen a different option, but I want to speak to my work coach about going to work, so why would I not select work coach. But actually, [my message is] just going in a cloud somewhere because I don’t have an allocated work coach, because you don’t have to go to work until your child is one and she’s not one yet. So, it’s like, right okay that’s a good rule if you want to have but you need to tell people that.”

She went on describing her confusion over how to ask for advice or help if she does not have a work coach.

"[UC should have said to me:] You won't be allocated a work coach so if you need anything, this is what you need to do, but you get nothing. But if you don't tell them about your change, you get sanctioned. So how can they not be sanctioned for not telling me. I just think the whole thing is needing revamped."

Claimants also experienced a lack of coherence in communication over their journal, as multiple case managers may respond to the same query. One participant (P6) from Dundee has had a particularly difficult time getting responses to queries sent over her journal. When we asked whether she interacted with one or many case managers, this participant told us she received replies from multiple.

"I dont have the same case manager reply, it's been different people, they told me because i have a job i don't have a set case manager, i've had at least 5 different names on that reply list."

Another claimant (P18) shared that, while making enquiries regarding a pending childcare payment claim, she interacted with five different case managers through her journal and received conflicting information about her case. This participant paid upfront in May to hold a place for her child for a holiday club to be held in July and August. In both June and July, she was told by two different case workers that her childcare costs would be reimbursed in her next UC payment, as can be seen in the screen shots of her communication below.

27 Jun 2022 at 9:50am	Childcare costs - declare changes completed	██████████ ██████████
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8 Jun 2022 at 2:19pm	Hi ██████████ Your childcare costs will be included in your next payment. Once we have been notified by HMRC of the correction this will be updated on your claim any recalculation will be done then.	██████████ Service Centre
----------------------------	--	---------------------------------

Regards

[Show less](#)

6 Jul 2022 at 3:21pm

Hi [REDACTED]

The childcare costs you have reported are for July - August. These will be included on your next payment.

[REDACTED] Service Centre

Regards
[REDACTED]

[▶ Send reply](#)

However, she wrote another update to the researchers in July:

"I've still not been paid for the childcare. I asked why and they said because the childcare I paid for is end of July / August so they'll pay it in August (even though I had to pay for the holiday club in May to keep the place)."

Ultimately, this participant was not reimbursed till September, and she only received part of the childcare cost she was claiming. A case manager informed her that claimants can only claim for up to three months of future childcare costs at a time. The participant shared with the researchers her surprise about this policy via a text message, and she explained that she decided not to pursue the issue further.

"Basically it turns out I claimed too long in advance, didn't know this was a thing... I'm just going to leave it at that, but I'm quite gutted that I was not paid back the full amount."

Lastly, none of the claimants used the term 'case manager' when they described the people they interacted with through their journal, with the exception of the above mentioned Participant 6, who used the term after the interviewer introduced it first. When talking about their interactions through the journal, participants used phrases such as 'they explained it to me', 'a woman commented me back' or 'speak with the person by the journal'. As opposed to this, participants used the term 'work coach' or 'job coach' when talking about work conditionality and their experiences at Job Centres.

Monthly dynamic payment

Universal Credit uses an automated dynamic system which recalculates the amount of payment claimants receive every month, based on data gathered during the previous monthly assessment period. Recipients get a minimum standard allowance depending on their personal circumstances. Additionally, their UC payment may fluctuate based on the claimant's or household's monthly income due to the use of a taper rate that is applied if a single claimant or household earns over the 'work allowance', and deductions applied by UC.

Some participants stated they understood how the payment was calculated, could anticipate what they would receive and found the level of breakdown in their statement useful.

"I understand how it's calculated. I understand about when you get extra, the percentage that comes off." (P22)

"I do like the fact that Universal Credit, the way it'll tell you how much you're awarded and then it breaks [it] down into section[s]. So it's got your housing cost is this, your children's aspect is this. Then your deductions is this." (P12)

However, many other respondents expressed confusion or feelings of uncertainty over the breakdown of their monthly payment and the interaction with HMRC's Real Time Information System (RTI).

One participant (P31) with a Master's degree requested help with understanding the payment and received a phone call from, as she put it, a "nice gentleman", who explained the calculation. While this conversation helped her understand UC better, she still does not have full understanding of it.

"Then it kind of made sense but at the same time it's just really complicated, the way they do things. But it kind of made sense, I was like okay that's fine, I'm getting about 40p on every £1 or whatever type of thing. Something along those lines. (...) I just had to clarify what actually is happening. So, it is straightforward? No. Is it totally clear? No, but I do have a slightly better understanding than I did initially."

Some participants did not understand how the taper rate applied to their earnings or were not at first aware of the taper rate until receiving their first payment. One participant (P13) who had just applied for UC did not understand how the taper was applied to their payment, as only their earnings from self-employment were shown on the deductions page, while their earnings from their employment were not.

"(...) this [is the] first payment that I got through, and it got the calculation sheet, and in terms of deductions it's only got the self-employment amount, it hasn't said

anything about deducting my employment amount, so I don't know why. (...) If it really is fine then presumably either it was all taken off from the initial figure on that calculation page, so it hasn't specifically said that it's taken off, and then it's specifically said that the self-employment was taken off. Or that doesn't count for the first month and it will kick in next month. Or something. Or whatever."

Another participant (P3) shared that upon her first payment of UC, she was not aware of the taper rate. She only found out about the taper when she phoned the UC helpline after receiving less money than she expected.

"No one told me about deductions, no one told me about that so my first payment, although it was nice and it was a large payment, it wasn't what I expected and no one told me about that."

When the UC staff member explained the deduction by referring to the work allowance, she asked for more clarification, as she had never heard about the work allowance previously. Ultimately, it took her a follow-up phone call to fully understand how the taper rate works.

Several respondents expressed that they could not always anticipate how much money they would receive each month and were not able to comprehend the calculations. One of these respondents (P21) summarised her experience as follows:

"I imagine it's got something to do with household income but I have absolutely no idea. They just say you're entitled to this much and I go, it's better than nothing."

Another participant with a Master's degree (P2) stressed that she did not understand the calculations despite her level of education.

"Yes, it is quite confusing. And even [if] you tell them to explain it, I don't know if there are easy words to explain but it is hard, still, I don't get it [...] I have an MBA, but I feel stupid. My husband is like, don't even go near me, I don't know how to do that."

One participant (P38) expressed that she had no understanding as to why she received a different amount of payment than her friend or how her own payment was calculated, but never asked for information because she perceived it as troublesome.

"(...) before I was on Universal Credit I got more money than what I do now. [P38 was on child tax credit, child benefit, income support and carer's allowance before]. 'So I'm like, how does that work out like that. Also my friend as well, I get £309 a month. No sorry, £523 for both the kids. My friend gets more and her kids are similar ages. I'm like how does that work, and she's not on disability benefits or anything like that. She was like, you should phone up but I never do. I've just left it, see it

maybe it go up but no, it never did."

Another respondent (P33) said that, despite understanding the underlying logic of the payment calculation, they cannot always calculate it themselves.

"Yes, I do understand that you're allowed to earn a certain amount and then they'll start taking it off. (...) I understand how they work it out, but I've not got the time to do every month, to sit and work it out because it's very difficult."

Not understanding how their payment is calculated can decrease claimants' ability to budget and plan when they receive less money than they expected; this uncertainty can also lead to stress and anxiety. One participant (P1) who has fluctuating monthly wages summarised her experience as follows:

"[My monthly payment] change[s], a little bit cut, and then also the tax is going up and it's stressful for me because I don't understand to be honest, I don't really understand how the system is. They tried and explain to me (...) if I make up to £300 or £100 (...) weekly they take 60p or something. How I can calculate, I just want to... I know [my payment] will be cut [when my wages are up] but I don't want the stress because I'm already stressed with the work and what the money is, because you can imagine, I don't want to complain."

Another participant (P18) told us:

"You can't budget. (...) It's been okay but sometimes the payments will [fluctuate]. Like last month (...) I got £100 of universal credit and then £100 again in two weeks' time, and this month I'm getting £300 and then £300."

Not understanding how the payment is calculated can lead to hardship, particularly when the calculation results from an error. One participant (P18) revealed that she did not initially understand that UC pulls employers' data on earnings from HMRC's RTI system; she was under the impression that her employer reports her earnings directly to UC. This misunderstanding caused her significant difficulties in trying to identify and correct an error made by her employer, who paid her salary twice in one month.

"(...) when my employer [made] a mistake in my claim to HMRC and it was claimed I doubled what I earned, then my Universal Credit was almost taken away from me. Nobody could do anything because the employer could tell Universal Credit, right this is not what she earned but because they've already submitted that to HMRC, I just had to wait until the next month, and

the next month it looked like I didn't earn anything because they told HMRC I've earned that already."

She attempted to resolve the issue by phoning her company's HR and contacting both UC and HMRC, but she was not able to get the problem corrected. She told us:

"I got £100 from Universal Credit so I was really struggling, and I had to apply for the welfare fund."

One participant (P3) expressed her wish for someone to explain the payment during the application process,

"to actually sit down [with her] and explain [the different elements and the earnings taper] to [her] or it to be written better."

Scottish Choices and direct-to-landlord pay

As the study was undertaken in Scotland, participants were asked to describe their experiences with Scottish Choices. Scottish Choices provide UC claimants who live in Scotland with the following options, according to the Scottish Government's website:

- "a) being paid UC twice a month rather than monthly,
- b) having their UC housing element being paid directly to their landlord"

Since these options are available in Scotland only, the issues described in this subsection are specific to UC claimants who reside in Scotland.

The direct-to-landlord payment caused confusion, as some thought it applied automatically and others were not aware that it only began in the second month after signing up for UC.

One participant (P20) shared that she was not aware she needed to opt in to direct-to-landlord payment and believed her rent will be paid directly as soon as she signed up with UC.

"When I got my first payment of Universal Credit I was wondering why I got £1,000. I thought that's got to be something. I was due to go down with a friend that day and do you know what it was, Universal Credit had paid my rent on top of the amount I was entitled to. My friend had to put a note in my journal to turn around and say, pay the rent direct to landlord, Edinburgh City Council. Because how can I put it, I had spent it. I had to pay that back to the Council."

Another participant (P38) had a similar experience after being accustomed to automatic direct-to-landlord payment during her time on legacy benefits; she went into rent arrears after not realising that her rent was not deducted in the first month.

“So obviously I had all that money and I spent it, they never even said that was part of my rent really, they just gave me a big payment and I thought oh right okay that’s fine.”

A third participant (P15) opted in to direct-to-landlord payment but was not aware that it only starts after a month of requesting it. At the same time, he requested an advance claim, which he did not get. When he received his first UC payment, he assumed his rent had been paid directly already and that he was granted the advance claim.

“I’d spent some of the money what I’d got. The reason why I’d done that is I expecting a loan, so I was going to be paying that back and I never got the loan that was expecting. I was really expecting to get the loan that I was meant to get and I never got it.”

This participant also went into rent arrears as a result.

Finally, one participant (P6) shared that she was not notified that her direct-to-landlord rent payment was already in place and thus continued to pay her rent herself. She told us that the last piece of information she received via her journal communicated that UC was not yet paying her rent for her.

“The Council are saying that Universal Credit have now paid the rent, so that means the rent has been paid twice this month and I’ve got to apply to the Council for my rent money to come back to me, which could take weeks. So, I’m sitting here and (...) I’ve got no money. (...) So, I’ve paid the rent and now you have paid the rent, so the council have got two loads of rents and I’m not getting my money back. I’m having to beg the council pretty much for my money back but, where I stay, the council have got to apply for it. They’ve got to apply for a refund that goes to another office, that goes to another office. They decide whether they want to give me the refund or keep my rent money. (...) So basically, I might get money this week and I might get money in a couple of weeks’ time, but I might not.”

Thus, she was left with no money for the month, as neither the Council (her landlord) nor UC staff was able to offer immediate relief for this problem.

Recommendations

Findings from our non-representative sample indicate that claimants experience a lack of understanding regarding many essential features of UC. Several described that they took time and effort to understand the system on their own, in some cases finding information on local Council websites or using Facebook groups, where users help people make calculations or understand policies.

We make the following recommendations to address the issues that participants in our sample experience.

1. Create an 'onboarding' procedure

We recommend the introduction of an onboarding procedure for new claimants of UC to provide them with an essential information package as well as an opportunity to have face-to-face interaction with a case manager to address the particularities of each person's circumstances. Onboarding should walk claimants through their payment calculation and also help them understand any options related to landlord pay, such as direct payment.

This recommendation is in line with research on how the 'digital by default' policy leads to an impersonal and often confusing experience of UC (see Alston 2018:7-9, Cheetham et al 2019, Griffiths et al 2020:37-38). Human Rights Watch noted in a 2020 report that during the Covid-19 lockdown 'the lack of in-person support made it more difficult for some people to understand the advice they received' when they first applied for UC (Toh 2020). Citizen Advice Scotland (CAS) have called for the improvement of information available to UC claimants as well as for a step-by-step guide for claimants to better understand how their entitlements are calculated and decisions are made. In a 2021 report, CAS wrote that 'DWP should work to ensure its information on UC is clear, accessible, and comprehensive, particularly in terms of UC's impact on legacy benefits and income from work' (Scott 2021:36).

2. Clarify the terminology 'work coach' and 'case manager'

We recommend clarifying the terminology 'work coach' and 'case manager' and specifying their duties to claimants who first claim UC. Moreover, we also suggest making the responsibilities of different actors within the UC system and DWP clear to claimants (e.g. work coach versus case manager versus the helpline).

Clarifying responsibilities of different actors is key to clearing the confusion many respondents experience when trying to find a solution to a problem they encounter with UC. Such advice could be given at onboarding but also on the website and through the journal.

We also recommend that when people first claim UC, they should be informed explicitly that they have an assigned case manager (potentially including the name of the case manager) and whether they have an assigned work coach. We also recommend clarifying in the journal the role of the person whom the messages are going to and who is responding to them (Work coach/Case manager). A key element here would be to notify claimants if they do not have a work coach as well, since the ‘A message for my work coach’ menu option is shown to people who do not have a work coach assigned.

3. Create an official Universal Credit payment calculator

We recommend the introduction of an official UC payment calculator. As of now, no official tool exists which helps claimants calculate their payments on a monthly basis where they can input their (anticipated) earnings and other relevant circumstances. This tool would assist claimants in anticipating their payments, and thus help with planning and budgeting. The Child Poverty Action Group in a 2018 report stated ‘it is not enough for there to be generic guidance on the UC website – people need to be actively informed and supported to calculate their own likely awards for given months’ (Tucker and Norris 2018:20).

4. Introduce a more detailed breakdown of UC payments

A more detailed breakdown of UC payments would have the potential to help claimants understand their payments better. This recommendation is in line with the Child Poverty Action Group’s report published in 2019 that provides a list of suggestions on what to include in such a breakdown, ‘to ensure the system is compatible with the law and claimants can understand the UC payment decision’.

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Credits

Research funded by the Economic and Social Research Council

Designed by Hetian Li

