

Voices from the Frontline:



The impact of the five-week wait

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Citizens Advice Scotland (CAS), our 59 member Citizens Advice Bureaux (CAB) and the Extra Help Unit form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone. Our self-help website, Advice for Scotland, also provides information on rights and helps people to solve their problems.

In 2018/2019, the Citizens Advice network helped over 272,500 clients in Scotland alone and dealt with over 730,000 advice issues. With support from the network, clients had financial gains of over £131 million and our self-help website received approximately 3.7 million page views.



The Citizens Advice network operates a real-time case reporting system called Citizens Alerts. The system allows CAB to submit case evidence to CAS demonstrating the impact of policies and services which they feel are failing to meet their clients' needs. This briefing is based on **Citizens Alerts** concerning the five-week wait for a first payment of Universal Credit (UC).

CAS' concerns about the five week wait for UC

UC is designed to imitate the world of work by paying people monthly in arrears, including a five-week wait for first payment. This is based on an assumption that people will have savings or a final wage to

support them during the initial wait. This represents a significant change from the benefits that UC replaces, with most people having to wait around three weeks longer for their first payment. The wait can also be extended in some cases by administrative delays and processing errors within DWP.

Advance payments are available during the wait. However, as these are recovered through deductions from people's ongoing UC payments, people must manage on a reduced income until the advance has been fully repaid, which can cause or exacerbate a distressing cycle of debt. People can therefore be left with an acute dilemma: experience hardship during the five-week wait, or experience ongoing hardship through reduced monthly payments.

Two-week 'run-on' payments are made to people in receipt of Housing Benefit (HB) to help reduce the gap between their last HB payment and their first UC payment. Run-ons of Income Support, Employment and Support Allowance and Jobseekers Allowance will also be available to people transitioning to UC from these benefits from July 2020. However, many people need this financial support now and run-ons of Tax Credits (TCS) are not planned. This is concerning as TCS are often the main source of means-tested support for low earners and families with children, both in and out-of-work. Finally, it is important to note that run-ons are not available to new claimants who are not transitioning from legacy benefits: the only support available to them is an advance.

Evidence from Citizens Advice Bureaux

Our evidence has consistently shown this lengthy wait to be one of the most problematic features of UC for CAB clients. It can cause or exacerbate debt problems, as payment of rent, council tax, utilities and other priority bills may immediately be put at risk, particularly if someone has no savings. It can also leave people struggling to afford food and other essentials. Indeed, clients have had to resort to food banks, Crisis Grants and high cost credit, such as payday loans, just to get by. Many clients have also reported increased stress and negative impacts on their mental and physical health as a result of the wait.

Citizens Alert: A south of Scotland CAB reports of a client who was recently made redundant. He was earning minimum wage, has no savings and was not entitled to redundancy pay so has no money to support him until his first payment. The emergency credit on his prepayment gas and electricity metres are about to run out and he has also run out of food. He has no idea how he will heat his home, cook food or pay his rent and has had to request a food parcel and apply for a Crisis Grant.

Citizens Alert: An east of Scotland CAB reports of a couple with young children who had to claim UC when the husband had to stop work to look after his disabled wife. Although they took an advance, they fell into rent arrears for the first time as they could not pay all priority bills and buy food for their family from the advance alone. When their first payment finally arrived, it was missing elements and was further diminished by the deduction applied to recover the advance. The clients were extremely distressed at the prospect of living on reduced monthly payments until the advance is paid off.

Citizens Alert: A west of Scotland CAB reports of a client suffering serious financial hardship during the five-week wait. The client had been her mother's full-time carer for many years until she recently passed away. The client was then forced to apply for UC. She has already accrued rent arrears as she has no savings or family to turn to for support and states

that the distress, on top of the grief, is exacerbating her own health conditions.

Citizens Alert: a north of Scotland CAB reports of a young client with disabilities who had to wait nine weeks for her first UC payment, due to processing errors. She did not want to take an advance as she already had some debts. She had to borrow money from family to pay her rent and is surviving on food parcels as she is not eligible to apply for any more Crisis Grants.

Citizens Alert: a west of Scotland CAB reports of a client who was recently released from prison. He has no funds at all to support him until his first payment arrives. He feels extremely distressed as all he is trying to do is create a better life for himself but feels he would be better off in prison. He suffers from epilepsy, brain damage, anxiety and depression and states that his poor mental health is getting worse because he is so stressed.

Citizens Advice Scotland recommends that:

- UK Government reduces the length of time people have to wait for their first UC payment.
- Consideration should be given to a single, additional, non-refundable assessment payment for new UC claimants to reduce hardship caused by having no non-repayable income for at least five weeks.
- DWP takes all possible steps to ensure that the processing of UC claims is not delayed. In particular, DWP should ensure that additional information requested by them, particularly in relation to housing costs, is appropriate and is processed in a timely manner.
- Run-ons should be extended to everyone with immediate effect. Run-ons of Tax Credits should also be introduced.

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