Universal Credit
Not fit for purpose

Unite Universal Credit Survey Report

September 2019
Foreword

As trade unionists, our core business is to support people in the workplace. We know though that people sometimes find themselves out of formal work, perhaps due to ill-treatment and redundancy, or exclusion from the labour market through injury, disability, ill-health, or caring responsibilities. It is for this reason that our movement created our social security system as the collective safety-net to support us all, whatever our circumstances.

Yet over the last decade the government has waged a vicious war on that vital safety-net, culminating in the scandalous introduction of Universal Credit. The government claims Universal Credit will make life better for claimants, yet the evidence of Universal Credit’s failures is well documented. The system is causing severe hardship, misery, suffering and even deaths, pushing more people into poverty and driving tens of thousands of people into debt, rent arrears, and reliance on food banks. The impacts on children is nothing short of scandalous, with thousands of children forced to go hungry as a result.

Unite has been shocked by how repeated exposure of the serious flaws within the system, the shambolic process of implementation and wide-ranging cases of how claimants are being penalised, appear to have been completely ignored by the government.

For several years, organisations including trade unions and anti-poverty groups such as the Child Poverty Action Group, Gingerbread and the Trussell Trust, along with the Archbishop of Canterbury, have spoken out about their concerns with the fundamental flaws in this new benefits system.

Yet the government simply ignores these concerns and refuses to make any meaningful changes to Universal Credit.

Universal Credit is not just an issue that affects people out of work. Of the 1.6 million people on Universal Credit at the beginning of this year, 530,000 (34%) were in employment. It impacts on working people, penalising part-time, low-paid, zero hours and agency workers as well as the self-employed. It is part of a system that subsidises poverty wages, and insecure work, and has put even more power into the hands of unscrupulous bosses over workers.

Unite carried out this survey to provide further evidence to challenge the DWP’s blinkered approach. We’re calling for Universal Credit to be scrapped and replaced with a system that is fair and humane and provides a proper safety net for people who need financial support to live their lives.

Our survey also underlines the need for those claiming in-work benefits to seek help and advice now from their trade union and employers, before Universal Credit comes for them. Universal Credit is an industrial issue that impacts on low paid workers, with many problems caused by the mistakes and deliberate actions of employers. Being prepared is vital and trade union reps can help claimants to navigate the hurdles Universal Credit throws in their way and support them throughout their experiences with it.

At Unite we believe that we have a duty to challenge injustice. We will not rest until this unfair policy is scrapped.

Steve Turner
Unite Assistant General Secretary
with responsibility for Unite Community
Key findings

• The experience of Universal Credit claimants is overwhelmingly bad, and many claimants believe they are not getting the money they are entitled to.

• Sanctions in particular are cruel and unfair and make the impact of Universal Credit worse.

• Universal Credit is causing food poverty and driving the use of food banks. In some cases it has forced claimants into prostitution and illegal activity such as theft in order to survive.

• Universal Credit is pushing claimants into debt, including into the arms of pay day loan companies and loan sharks.

• Universal Credit is having a detrimental impact on claimants’ mental health which is increasing the risk of suicide.

• The application process is unfair, complicated and difficult to access. It is also rigid and unresponsive, for example most respondents would prefer to be paid fortnightly.

• Universal Credit is causing serious problems with housing, including rent arrears and homelessness.

• Universal credit is discriminatory, disproportionately impacting on disabled people, carers and parents.

• Parents struggle to pay for school trips, school uniforms and feeding their kids, particularly during school holidays, birthdays and Christmas.

• Families and friends having to fill the State’s role in providing a social safety net.

• Legacy benefit claimants overwhelmingly fear being moved onto Universal Credit.

• Universal Credit is an industrial issue that impacts on working people. It is particularly unfair to part-time, low-paid, zero hours and agency workers as well as the self-employed.
Introduction

Unite the Union is the largest trade union in the UK and Ireland with over 1.3 million members across all sectors of the economy including manufacturing, financial services, transport, food and agriculture, construction, energy and utilities, information technology, service industries, health, local government and the not for profit sector. Unite also organises in the community, enabling those who are not in employment to be part of our union.

Comment from a Unite rep

"I accompanied my son to one of his assessments to see if he was being treated fairly. I am in a wheelchair and they asked why I was there. I told them I was a lifetime member of Unite Union and knew a lot about workers' rights, and I had come to give him moral support. They were not happy, stating 'we don't like union people getting involved with benefit claims'. (I wonder why?)"

Universal Credit is designed to replace:

<table>
<thead>
<tr>
<th>Income Based Jobseekers Allowance (JSA)</th>
<th>Child Tax Credit</th>
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<tr>
<td>Housing Benefit</td>
<td>Income Support</td>
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<tr>
<td>Working Tax Credit</td>
<td>Income related Employment and Support Allowance (ESA)</td>
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The government currently plans to move all claimants on 'legacy' benefits to Universal Credit (UC) by 2023.

The government claims that Universal Credit is making things better for claimants and makes work pay. Yet there is substantial and growing evidence that it is doing the opposite. It has caused tens of thousands of people to fall into debt, rent arrears, and to become reliant on food banks, while causing real hardship, misery and even deaths.

In June 2018 the National Audit Office (NAO) reported a damning indictment of both the design and implementation of Universal Credit. The NAO exposed large numbers of claimants not paid in full on time and a significant increase in foodbank use following Universal Credit roll-out. It reported a failure to understand claimants needs, measure or gather intelligence on the impact on the vulnerable. It also highlighted the lack of resources for local authorities and advice agencies to support claimants to get the benefits they are entitled to. It concluded that the government “often dismiss evidence of claimants’ difficulties and hardship instead of working with these bodies to establish an evidence base for what is actually happening”.

The Universal Credit system institutes cuts as a fundamental part of its design. These include reductions to the ‘work allowances’ from April 2016, limiting child tax credits and Universal Credit to two children for new claims and births after April 2017, removing the family element in tax credits for new claims from April 2017 as well as freezes to benefit rates.

Since 2017 parents of three and four year olds have been told to look for work or risk being exposed to sanctions. This requirement only applies to a child’s designated “lead parent”. Therefore, in a two-parent household in receipt of Universal Credit, the non-lead parent is expected to find work regardless of the child’s age. It is much
harder for lone parents to find work particularly when their child(ren) are young, due to the severe shortage of affordable childcare. The age at which a child’s parent must find work if they are on various benefits has been decreasing – from 16 years old in 2008 to five years old by 2012.

As a result, the Resolution Foundation estimates that Universal Credit will make working families an average of £625 a year worse off compared to the current tax credit system, particularly for lone parents.

Universal Credit is also entrenching discrimination, affecting women, black and Asian and disabled people more severely as they are disproportionately more likely to be in low paid jobs, casual and zero hours contracts or unemployed. On average benefits make up twice as much of women’s income than men’s, largely due to their caring responsibilities and relative poverty, and as such women will feel this measure disproportionately. Black women are more likely to be lone parents. The benefit freeze which is due to end next year has made poorer families even poorer. As a result lone parents and their children are the hardest hit.

Increased conditionality for working-age claimants also impacts black and Asian claimants as they are disproportionately represented among workless households or in low and insecure employment. This is exacerbated by severe race discrimination in employment. Disabled black and Asian women experience the greatest individual financial loss.

Many disabled people in work are likely to be about £40 per week worse off under Universal Credit. Removal of financial support such as Severe and Enhanced Disability Premium for disabled people can prevent them from being able to work. With changes under Universal Credit disabled people would find it harder to remain in work.

Despite these huge in-built flaws in the system the government continues to roll-out Universal Credit to more claimants.

Unite has therefore run this survey to provide further evidence of the real impacts of Universal Credit and challenge the false narrative from government that Universal Credit is working and fit for purpose.
Methodology

The survey was sent out via Unite’s Community membership email communications, social media and through face to face surveys outside job centres throughout the month of June. The survey responses were sourced from all areas of the country and returned:

- 1173 responses from people currently on Universal Credit
- 554 in receipt of legacy benefits
- 67 people with friends and family on Universal Credit
- 50 who work with people on Universal Credit
- 173 others who were concerned about the impact of Universal Credit including former claimants

Unite believes that this is a robust snap survey of the impact Universal Credit is having.

The survey generated many thousands of free text comments and case studies that provide concrete examples of claimant’s experience. We have tried to include as many of these as possible throughout the report as we feel it is these real human stories that best illustrate the experience behind our statistics.

• Note that, as far as possible, we have left these as expressed by respondents, with minor editing of spelling and grammar in some cases.
1. The experience of Universal Credit claimants is overwhelmingly bad

Universal Credit claimants that responded to our survey overwhelmingly reported that their experience of claiming was “bad”, with only 8% claiming it was a “good” experience.

<table>
<thead>
<tr>
<th>What is your experience of claiming Universal Credit?</th>
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<tr>
<td>Bad 75.4%</td>
</tr>
<tr>
<td>Neither Good nor Bad 16.5%</td>
</tr>
<tr>
<td>Good 8.0%</td>
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<tr>
<td>Number of responses 1169</td>
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The survey data highlights how difficult life has become for many people on Universal Credit. The majority of claimants reported skipping meals and struggling to afford basic necessities such as clothes, transport and utilities, while 42% of claimants had been forced to use food banks as a result of claiming Universal Credit.

Comments from Universal Credit claimants

“*I can’t afford to buy food, so I have to go to my mums for food; it’s an absolute disgrace and disgusting*”

“*The money is no way near enough. You can’t afford your bills. It is terrible. It is simply not enough to cover rent, council tax, electric, water, utilities and have any left over for food.*”

“*Couldn’t afford electricity so no heating. Cooked meals on a camping stove with a little gas cartridge.*”

“*I spoiled myself at work because I couldn’t afford sanitary products. I’m a teacher and I had to leave my class to go home and get changed.*”

“*Lost my car. And as I have a disability which the DWP made me jump through hoops to prove (even though they’ve 12 years of records on me) I’ve ended up making my injuries worse, getting upset, anxious, depressed and angry.*”

“*I am an insulin dependent diabetic. During the heatwave of 2015, including the hottest days on record, I was placed in debt, rent arrears and threatened with eviction because UC refused to help and it took 3 months with help from my MP to get my first payment. I had no electricity and my fridge - a lifeline for my insulin was off because my electric had been cut for non-payment (due to UC!) I was told by my first Work Coach "I don’t care if you need to have a fridge for your insulin, I can make you get a weekly prescription and if your insulin spoils you have to get another one. I don’t care if you can’t afford a fridge; it’s a luxury item, your problem!"*"
One of the saddest findings of the survey is the survival decisions that people have been forced to make. Many have reported issues such as relying on charity and food banks, using savings and being forced to sell or pawn personal items.

At the more extreme end several have talked about having to “steal to eat”, resorting to begging, shoplifting and “criminal activity”.

Several women have also reported resorting to “survival sex” and prostitution due to debts and lack of money.

Comments from Universal Credit claimants

“[I] have seen the impact on young people/people with mental health issues who cannot manage their money and end up losing their homes gambling to try to get out of trouble stealing from one another in order to buy food for children risking their personal safety in order to survive.”

“It’s disgusting! You have no option but to get in debt with universal credit unless you work also. People are breaking the law to survive and it’s shocking. I can’t believe my kids have to grow up in this society. I don’t live anymore, I just survive.”

These admissions further evidence the findings of both Professor Philip Alston, the UN Special Rapporteur, in his report on extreme poverty in the UK, as well as the Parliamentary Work and Pensions Select Committee inquiry into the possible link between the roll-out of Universal Credit and survival sex. The latter identified three possible links: the wait for a first payment, which is a minimum of five weeks but can be longer; the accumulation of debt, as a result of third-party deductions to benefits or taking out an Advance Payment at the start of the claim for example; and sanctions, which are applied at a higher rate under Universal Credit than the system it replaces.

As a result of claiming Universal Credit have you experienced any of the following?

- Skipped meals: 70%
- Used food banks: 42%
- Could not afford to buy clothing: 78%
- Could not afford school uniforms or school equipment: 27%
- Could not afford school trips: 26%
- Could not afford transport: 60%
- Could not afford bills such as heating, electricity and water: 65%
- Been to a payday loan company: 19%
- Been to a loan shark: 8%
- Relied on support from family and friends: 78%
- Other: 13%
2. **Universal Credit is pushing claimants into debt**

The survey shows that most Universal Credit claimants (82%) have been either put into debt or further into debt as a result of moving to Universal Credit. Many claimants have reported reverting to pay day loan companies (19%) and in some cases loan sharks (8%).

In the comments fields others report taking out credit card loans and loans from friends and family, as well as from their employers. Many also raise being in arrears to utility companies and their landlords and some have described having their houses and cars repossessed.
A major cause of this appears to be the 5 week wait for first payments, leading many to require an advanced payment (61%), or the impact of sanctions (see section 7).

| When you applied for Universal Credit, did you get an advanced payment? |
|-----------------------------|----------------|
| Yes                         | 60.7%          |
| No                          | 38.1%          |
| I don’t know                | 1.2%           |
| Number of responses         | 1163           |

Comments from Universal Credit claimants

“DWP act as irresponsible lenders whenever they give advance payments that have to be paid back over 12 months (with one deferment possible for 3 months) to people without consideration of their ability to repay, or of the impact on the claimant of making the repayments that they will impose. If they were regulated by the FCA they would be barred for this.”

“As soon as I moved to Universal Credit I felt poorer and more degraded than I did when I was on benefits. I have to go to food banks, I can’t afford petrol to get to work, I work without any food or anything to drink all day and I struggle to feed my children. It’s degrading and I feel like going to work is pointless when I am this poor. I can’t pay my bills and I am now in debt and if I am struggling what on earth are people who are disabled and those who can’t work coping.”

“The 5 weeks wait left me in rent arrears and my landlord served me with an eviction notice because of this. Paying back the advance payment only made things worse with trying to get back on track with my debts that had built up over the 5 weeks while I waited.”

“I was on working tax credits and child tax credits for over 7 years and never fell into debt or struggled to pay my rent let alone feed the kids and myself until I was moved on to UC.”

“Me and my family have worked all our lives and still we have been treated like nothing and dirt on shoes. Sorry but this subject is so emotional and ruined our lives so it’s very hard to write about, but we feel like we have to as we never wish the months we were starving and all this debt on anyone. Anyone who moves to universal credit has to find a way to borrow during that first 6 weeks and then they only give you the least amount they think you can live off but obviously take off any money they ‘lend you’ and ignore the bills you have going out already so we have been left with 10 pound a week after all bills which means we have to live off a food banks contributions. It is disgusting and has to change.”
3. **Universal Credit is causing problems with housing including homelessness**

With Universal Credit, housing benefit is often not paid straight to the landlord but to the claimant. In pilot areas this has resulted in up to 60% of claimants going into rent arrears and increases in homelessness. Letting agents are already refusing to rent to anyone claiming Universal Credit.

Unite’s survey provides similar findings. 74% of the claimants that responded to the survey claimed the housing element of Universal Credit. Of those 73% reported experiencing rent arrears, 29% being threatened with eviction and significant numbers reporting being evicted or having landlords refuse to rent to them. There were several cases where respondents reported being made homeless as a result of Universal Credit.

### Have you experienced any problems with the housing element of Universal Credit?

<table>
<thead>
<tr>
<th>Problem</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Rent arrears</td>
<td>73.3%</td>
</tr>
<tr>
<td>Threatened with eviction</td>
<td>28.8%</td>
</tr>
<tr>
<td>Evicted</td>
<td>4.2%</td>
</tr>
<tr>
<td>Landlords have refused to rent me</td>
<td>10.6%</td>
</tr>
<tr>
<td>Other</td>
<td>22.0%</td>
</tr>
</tbody>
</table>

Number of responses: 791
4. **Universal Credit is contributing to mental health problems and suicide**

Many respondents reported on the toll that Universal Credit was taking on their mental health – including stress, depression and, in several cases, suicidal thoughts and attempted suicide.

Many claimants with pre-existing mental health conditions have experienced a deterioration of their mental health as a result of Universal Credit, while others have developed mental health conditions as a result. In numerous cases claimants have talked about suicide as a result. Some examples of these are below:

**Comments from Universal Credit claimants**

“Since we were forced on Universal Credit I’ve tried to commit suicide 3 times (before universal credit I’d never tried this once) me and my 8 year old have had to spend a month living off crackers and tins or frozen veg in a bowl on their own for meals.”

“On more than one occasion my depression has been low enough that I’ve considered suicide but the only thing that has stopped me is my kids, I worry that without me they’d end up in a much worse place.”

“I have four young children to support and the thought of having no money to feed them has led me to thoughts of suicide.”

“The idea behind it I agreed with at the time but in practice it has been an absolute nightmare to have to deal with and caused me so much hardship and stress that I contemplated suicide on a daily basis.”

“I can seriously say that the impersonal, bureaucratic and inhuman way Universal Credit was imposed on me nearly pushed me into suicide. The only reason I didn’t call it a day was that it would have destroyed my teenage daughter’s life too.”

“It is not universal and it is certainly not of any credit to anyone, and is why we are seeing a rise in food banks, fuel banks and baby banks. It is why new mothers are choosing to leave their new born babies in hospital. It is why people are dying on the streets, homeless and destitute. It is why my severely disabled best friend reached the conclusion that she no longer had a life and killed herself.”
5. The application process is unfair, complicated and difficult to access

One of the major criticisms of Universal Credit is that the application process is complicated and unfair as it forces claimants to apply online. These concerns have been highlighted by the DWP’s own survey of online claimants to Universal Credit that showed that large numbers found the process difficult and prohibitive to the point that many were unable to claim.

This complication is reflected in the fact that only 23% of claimants think they are receiving the money that they are entitled to under Universal Credit, 48% said that they are not receiving the money they think they are entitled to and 29% said they did not know.

<table>
<thead>
<tr>
<th>Are you receiving the money that you think you are entitled to under Universal Credit?</th>
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<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>I don't know</td>
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<tr>
<td>Number of responses</td>
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Survey comments often refer to the complex claiming process and report having to argue and challenge Universal Credit decisions. Others reported concerns about the limited advice and support for claimants, particularly face to face support. People also raised concerns that those with mental health problems, disabilities or limited English language skills were especially vulnerable.

The survey highlights the impact of forcing new claimants to apply online, with respondents believing it causes real problems for many people who don’t have either access or the language and IT skills to cope with the complex online application. Many believe that making it obligatory appears to be designed to penalise the most vulnerable.

<table>
<thead>
<tr>
<th>All claimants are required to claim Universal Credit online. Do you think this is fair or unfair?</th>
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</thead>
<tbody>
<tr>
<td>Unfair</td>
</tr>
<tr>
<td>Fair</td>
</tr>
<tr>
<td>I don't know</td>
</tr>
<tr>
<td>Number of responses</td>
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</table>

63% of people on legacy benefits were also concerned that the process of applying would be complicated and 38% were worried about applying online (see section 11)

Comments from Universal Credit claimants

“No one at the Job Centre seems to understand UC. We are newly self-employed and getting UC - I have a 1st Class Honours Degree in Business and it is the most confusing, complicated and time absorbing system. The idea of UC seems to make some sense, but the planning, roll-out, implementation and follow-up is not fit for purpose.”
“We are expected to check that we are receiving the correct amount each month, but it's so complicated I don't understand it.”

“I claimed Universal Credit as an educated person who is computer literate and who speaks fluent English, but I still found the form incredibly difficult to fill in. I currently work with people who need to claim Universal Credit, and every day I meet people who would struggle to manage a benefit where the burden of managing the claim is placed squarely on the claimant.”

“There needs to be less gatekeeping on telephone claims, and there needs to be greater support for people learning to manage their claims on an ongoing basis. The government's Help to Claim provisions fill a need, but they only last until the first full payment.”

“UC is difficult to claim even for people who are computer literate and used to using smart phones. For people who struggle to remember passwords etc it can be disastrous if they get locked out of their account. The 5 week wait/advance payment means people are straight into debt and will have lower payments of UC for the following year as they repay the AP. Some people are suffering alone at home, others are getting very angry in jobcentres, and it looks likely to get a lot worse as more people are moved across to UC.”

Another major concern with Universal Credit has been the move to monthly payments from fortnightly in legacy benefits. Respondents overwhelmingly believed that the system would be better if it paid people fortnightly (69%) although a significant minority did support the monthly payments (20%).

<table>
<thead>
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<th>How would you prefer to be paid?</th>
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<tr>
<td>Fortnightly</td>
<td>69.2%</td>
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<tr>
<td>Monthly</td>
<td>20.2%</td>
</tr>
<tr>
<td>Other</td>
<td>10.6%</td>
</tr>
<tr>
<td>Number of responses</td>
<td>1160</td>
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Unemployed people were more likely to prefer receiving money fortnightly (73%) while those that preferred monthly payments were slightly more likely to be self-employed (34%).

When asked to explain their preference the majority of respondents said that it was easier to budget fortnightly.

**Comments from Universal Credit claimants**

“Monthly is just too long to wait. Especially when you have no idea what payment you will get until 7 days before its paid.”

“It's impossible to budget with such a small amount on a monthly payment. Especially when you have children, things have to be bought and if you have the money in your hand you will spend it, leaving you with nothing for the rest of the month.”

“It is difficult enough to live off benefits getting them fortnightly. Now under Universal Credit it's a monthly payment. Not everyone is good at budgeting their money and making it last the month. It's plunging people into poverty and sometimes debt and let's not forget homeless. How is this making our country any better?”

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Unite the union
6. **Universal credit is putting financial strain on parents and families**

The survey highlights how Universal Credit is putting severe financial strain on families and causing many children to lack basic necessities for school and to go hungry over school holidays. This is due to the loss of free school meals during the holidays which adds between £30 and £40 a week to parents’ outgoings. Families with children are more likely to fall into crisis and make up over half of people at foodbanks\(^\text{10}\).

The survey returned just under 500 claimants with children and shows that more than four fifths (79%) of these parents said they found it hard to make ends meet during the school holidays. Many had been put into debt, forced to rely on foodbanks or the help of friends and family.

Over 80% of parents also identified birthdays, Christmas and other family events as times when it is particularly difficult to make ends meet. 69% of parents had skipped meals, 55% could not afford school uniforms or school equipment and 52% said they couldn’t afford school trips.

<table>
<thead>
<tr>
<th>Are there any times of the year where you find it particularly difficult to make ends meet?</th>
<th>Universal Credit claimants with Children</th>
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<tbody>
<tr>
<td>School holidays</td>
<td>78.9%</td>
</tr>
<tr>
<td>Birthdays and family events</td>
<td>79.3%</td>
</tr>
<tr>
<td>Christmas and other religious holidays</td>
<td>81.0%</td>
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</table>

**Comments from parents on Universal Credit**

“I can’t afford new uniform for my youngest daughter; my middle daughter has had to skip meals at college and is behind on her A-Levels because I can’t afford the textbooks she needs for her courses.”

“Ridiculous system for reporting childcare costs – when starting a job I can’t afford to take the job as there is no way to pay the childcare first month nursery fees – Universal Credit wouldn’t reimburse you until the following month.”

“If I was on working tax and child tax credits I would be entitled to the school clothing grant with the council but as I have been changed to UC I’m not entitled to it.”

“My children are missing out on school trips and it’s making me feel like I have failed my children.”

“If we’d known this was the system we would never have claimed UC, but now we can’t go back to tax credits. It’s a nightmare; we rely on food banks and second hand school uniforms now, which is mortifying for the children.”
7. Sanctions are unfair and make Universal Credit worse

Unite has long argued that benefit sanctions are unnecessary and cruel. There is no evidence that sanctioning helps people into work and the evidence of the harm that sanctions cause is growing.11

The survey illustrates how prevalent sanctioning has been for people in the current benefit system with 1 in 4 of all respondents reporting having been sanctioned. 29% of men and 20% of women responding to the survey reported that they had been sanctioned.

The survey suggests that Universal Credit has not reduced the use of sanctions, with no statistical difference between the proportion sanctioned on Universal Credit and those on legacy benefits.

The evidence of the impact on claimants is stark. People who had been sanctioned were substantially more likely to have been pushed into debt by Universal Credit, including to payday loan companies and loan sharks, and have used food banks.

For those claiming the housing element of Universal Credit the data shows that those that had been sanctioned were more likely to have faced rent arrears, eviction or threats of eviction and been refused rental properties by landlords.

When asked why they had been sanctioned many highlighted missing appointments or phone calls, some highlighted that wrong information and mistakes had been made by staff with the process, payments and information, accused of overpayment, missing appointments through injury, illness or working and travelling, as well as accusations of unsatisfactory work search, and “their attitude”.

As a result of claiming Universal Credit have you experienced any of the following?

Have you experienced any problems with the housing element of Universal Credit?
Reasons why people have been sanctioned

“Wife received holiday pay while on the sick after having treatment for Cancer and they deemed it salary.”

“They sanctioned me for not sending doctors note in because someone at Job Centre Plus kept “losing” my evidence. Another advisor “found” them, and it hasn't happened since.”

“They said they hadn't received forms sent to me and stopped benefit. After two months they said they had them but had gone to the wrong department.”

“They said I had been paid by my employer when my employment had finished 2 months prior.”

“Sent to interview couldn’t afford to get there.”

“Sanctioned because they said I didn’t go to appointment, but I was there and local Jobcentre Plus told me it’d been cancelled without my knowledge and moved to an earlier time.”

“Partner’s work entered wages wrong and they thought we earned double the wage he was on, so we got nothing for 2 month.”

“My partner missed an appointment as he was offered a day’s work. Sanctioned for over six months on a high level which was his entire personal allowance.”

“My child got ill and I couldn’t attend a meeting, so they sanctioned me. I was told I could have brought them along or got someone to look after them.”

“It was deemed that my partner had given up his job voluntarily prior to claiming. I appealed and had it overturned after MASSIVE stress.”

“I went to my sons to help with childcare over Xmas. They said I didn’t try hard enough to look for work. I was 200 miles from home with no access to a computer.”

“I was sanctioned for attending my sister’s funeral even though I let them know on my journal a fortnight previously I needed my appointment changing I have also just been sanctioned 420 pounds for been late to an appointment which wasn’t mandatory.”

“I was in prison and when I came out DWP said I’d missed appointments”.

“I was in hospital unable to attend interview. Apparently, chemotherapy isn’t a good enough excuse.”

“I volunteered with a charity to help underprivileged children for a week. They cut me off as I was not looking for work during that time.”
“I have diabetes and had a doctor’s appointment that they knew about in advance, but they still insisted on giving me an appointment. I was 10 mins late but still sanctioned.”

“I forgot to tick a box when I uploaded my childcare costs. I ticked it the next day but as the upload was considered a day late, they refused to reimburse the 85% I’m supposed to get back.”

“I attended an interview, but the computer system had crashed so my attendance couldn’t be recorded, my claim was cancelled the next day for non-attendance. Staff acknowledged their error but can’t reverse a closed claim.”

“I am deaf and as they demanded I make a call yet couldn’t due to the hearing issues they left us for months without food.”

Comments about sanctions

“Sanctions are literally causing poverty and in extreme cases starvation, homelessness etc. Delays in applications in excess of 4 weeks to wait for funds is wrong, how can people live on nothing for in excess of 4 weeks. The article today about sanctions reducing someone to less than £6 for an entire month is ridiculous, you couldn’t even feed yourself on bread and water for that amount let alone pay for electricity and gas.”

“The sanctions are truly barbaric. I admit it was my fault I lost my job. But I’ve been punished already, several times over, not least by losing my job. A 3-month sanction is in effect a 6-month sanction. Because I have to pay the hardship loan, I needed to take at a rate of 40% of my payments. If I had no family to help, I would have had no choice but to sell drugs just to feed and clothe myself.”

“My experience has been awful and unfair. I missed a call but tried to call back twice and sent a message to my journal apologising and saying I’ve tried to call and I’m available. I was sanctioned for this.”

“It’s been 12 hours since they sanctioned me, and I can’t sleep or stop crying. They’ve made me feel like I’m already a terrible mother and I’m scared I won’t be able to provide for my baby.”

“The sanction came out of the blue - it was mentally devastating and tipped me into full-blown fibromyalgia.”

“Being sanctioned for over six months was the worst experience of my life never have I been so desperately poor it’s a truly cruel and unfair type of punishment.”
8. Families and friends have to provide a social safety net

Another significant theme from our survey is the impact Universal Credit is having on family and friends of claimants as a result of people’s financial hardship.

The survey highlights how 78% of respondents have had to rely on support from family and friends as a result of claiming Universal Credit.

Such a situation is highly dependent on the ability of family and friends to afford support and is showing how Universal Credit is largely being propped up by informal support networks.

By implication those people without such support are also losing out from this unfair system.

Comment from Universal Credit claimant

“*I am worried about even buying essentials because I am using money which I had kept for emergencies. I have no family or long-term friends, so cannot borrow money from anyone, have not worked for many years due to PTSD and have had no support.*”

Comments from people with family or friends on Universal Credit:

“*My daughter, who suffers depression, is constantly being hounded by DWP rules. As her father I have to support her financially which, in turn leaves me short.*”

“*My mum’s on Universal Credit and she now gets less than what she used to get and struggling a lot and she cries a lot in front of us saying she’s destroyed her life by applying for Universal Credit*”

“*My daughter had February and March payslips counted as being from one month. UC reduced her payment to next to nothing for March. I had to loan her £680 to pay her rent. She is a single parent of two young children and works part-time. When UC were contacted regarding this, they were very flippant and said that this happens annually to everyone!!!*”

“*My family member has mental health issues and can’t log in to his account needs help also has to go to appointments causes him more anxiety he shouldn’t have to go I’m sure a doctor and consultant prognosis is more relevant than someone that sits and takes notes*”

“*I have a daughter, divorced with 2 children working 20 hours per week since April and has yet to receive a single penny from UC. Her family would literally be starving if she did not have an extended family support group.*”
9. Universal credit is an industrial issue that impacts on people in work

The government refrain that Universal Credit 'makes work pay' is also challenged by the survey results. Universal Credit claws back 63p of every £1 earned for some claimants\(^2\). When compared with the top rate of income tax of 45 percent on incomes over £150,000 a year, this demonstrates just how unfair Universal Credit is for the UK’s lowest income households.

The inclusion of in-work benefits within Universal Credit also potentially means that for the first time, working people could find themselves sanctioned if they cannot demonstrate to the DWP that they are seeking to improve their paid income. While the government has suggested that these plans are not currently implemented\(^3\) the issue is still very much on the agenda.

Frustrations with the inclusion of in-work benefits may go some way to explain why full-time workers within the survey were significantly more likely to rate Universal Credit as bad - 87% as opposed to 80% of part-time workers, 74% of self-employed and 72% of unemployed people.

Universal credit also relies on the competence and compliance of employers and adds a new dimension to the already unequal relationship between employer and employee. Core to this is the Real Time Information pay data (RTI) where employers submit PAYE data to HMRC on or before their employees’ pay day. If employers submit data late or submit incorrect figures (even if they are subsequently corrected), there can be potentially serious consequences for the Universal Credit award. In some cases, it could alter the level of Universal Credit payments or it could lead to a Universal Credit award stopping. The survey throws up several examples where the claimant has suffered due to incompetence or malice from their employer.

Comments from Universal Credit claimants in work

“UC is based on what my employer submits to HMRC and if my employer submits my pay late or early due to a bank holiday or Christmas this again messes with the amount I receive as the assessment period will take it as I have been paid twice.”

“I am paid every 4 weeks and due to this my assessment period clashes once a year so during that time my UC is cut in half as both wages count within that one assessment period when in fact the 4 weeks wage is for the month before and the other wage is for the following month. When challenging this I was informed that the payments would work out over the year with one month not taking any wage into account but this has not happened I have been on UC for over a year so it has happened twice.”

“I was sanctioned for leaving work as I felt I was being mistreated. At the industrial tribunal I won my case but I was still sanctioned on UC.”

“When I started work the DWP made the assumption that I was earning the same amount every month as the first month. I was with an agency. It got very messy.”

Universal Credit also creates bogus incentives. For example, people in part-time work can be forced to give up work that suits their disability or caring responsibilities in order to take up worse paid full-time work or risk sanctions. Universal Credit brings in the loss of Severe and Enhanced Disability Premiums which mean single disabled people lose around £2,000 per annum and a disabled couple over £4,000 per annum.
Two thirds of those that worked in the survey worked part-time - workers that were more likely to be female. Many of these claimants argued that the Universal Credit system actually disincentivises them from finding work.

**Comment from Universal Credit claimant**

"Supposedly you are meant to be better off working than claiming Universal Credit. I was only able to get a part time job I have now lost all my universal credit and I have lost my housing benefit entitlement and my job didn't cover my rent food and expenses for getting to work for my part-time job. So I will be going back on benefits and leaving my job because in theory I'm actually worse off a lot worse off in work then I would be on benefits."

Under Universal Credit there is greater bureaucracy imposed upon self-employed people who have to submit monthly income, instead of the current annual income, before any benefit payment. Self-employed workers were far less likely to get an advanced payment compared to those who were full time (40% compared to 72%), which may be one explanation for why they were far more likely to have been put into debt due to Universal Credit (61%).

Many self-employed people also raised concerns with the impact of the Minimum Income Floor (MIF) and irregular wages. The MIF requires claimants to earn the equivalent of 35 hours a week at the National Minimum Wage (NMW). The OBR reported that many low-income self-employed people could be around £3,000 a year worse off due to the MIF. This is likely to lead to small businesses closing, damaging the economy and disproportionally impacting on single parents and carers who often work as self-employed to manage their caring responsibilities.

**Comments from self-employed Universal Credit claimants**

"The system is unfair, I moved home so had no choice but to move from working tax credits to universal credit. The system for self-employment is confusing, and payments are only given out on a monthly assessment period. Income fluctuates, so the payments are not guaranteed."

"Not strictly a sanction, but self-employed claimants get their claim closed immediately if they have too much income in one month. A new claim has to be started from scratch. This has happened to me twice."

"Devices such as the MIF seem arbitrarily cruel and appear designed purely to discourage people from claiming or to get them off the system. This April, the minimum wage went up in-line with inflation; because of this, the MIF also went up (it is based on the earnings of someone working 35 hours at minimum wage). However, the maximum amount of UC entitlement didn't go up. The result? My Universal Credit award has been cut by around £25 a month – ironically as a result of a measure to keep living standards in-line with the cost of living."

"I am self-employed. I know very few people who are self-employed that make anywhere near the MIF. ACAS say that the self-employed aren't expected to earn minimum wage so why should the DWP"

"If I was to earn £100 above my MIF one month, and £100 below my MIF the following month, I would on average have earned my MIF each month, but be cut more than if I had earned the same. It's deterring me from staying self-employed and building new business and contributing to the economy in a more positive aspect with the generation of new services."
10. People working with Universal Credit claimants raise concerns

Many Unite members work directly with Universal Credit claimants and the survey also generated useful case studies and insights from some of these workers. They highlight many of the same concerns as the claimants themselves.

Comments from people who work with Universal Credit claimants

“I work with vulnerable members of the community. Many are unable to use the online journal and do not understand the procedures, due to English being their second language. They regularly have their claims stopped because they have misunderstood something on their journal. New claimants are offered little or no advice at the job centres and cannot wait for five weeks. I see men and women crying at the way they are treated.”

“The digital-only approach is unfair and unrealistic. I volunteer at Coventry Citizens Advice and the first client I tried to help not only didn’t have broadband or a mobile phone, he didn’t even have a landline. Assumptions about Internet access are wildly over-optimistic. People living in poverty can’t afford broadband and often only have Internet ‘access’ via a mobile phone with a cracked screen. Library hours have been cut back and anyone struggling for hours on a minimum wage zero hours contract will find it a nightmare. The delays are horrendous and cause terrible distress. The level of admin/clerical skills expected of people, who’ve only ever done manual/unskilled work is totally unrealistic, especially if English is not their first language. The whole process is an obstacle race that seems designed to be cruel and relentless.”

“As a community support volunteer, I work with many people who struggle with UC. Most of them, who are of working age, but living in complicated circumstances, struggle with the online reporting. In a rural area, it is difficult to access help and support, also, connectivity is intermittent. Libraries have closed or have reduced hours. Many voluntary sector/civil society groups, who have hitherto been able to help people, have lost funding. UC depends on citizens being confident, competent and connected. The most vulnerable are not. Many are ‘falling off the radar’ and will be at risk of exploitation and moving into ‘the unofficial economy’ in all its nasty forms.”

“I work in a drop-in centre in north London. People who are claiming UC are waiting too long to get their first payment. They are dependent on food bank vouchers we issue. But they cannot get cash to put on their electricity key meters so have no electricity for weeks. They can only get a benefit loan once they have gone through the eligibility process. So are without money during this time. Those having their ESA stopped are forced to wait for weeks with no money until they can ask for a tribunal, or they are forced to claim UC and lose their ESA for good”.

“As a city councillor I am waiting to go to a tribunal on behalf of a constituent, a 50 year old woman with chronic disability, constant pain and vertigo after surgery which has forced her out of work. She began to receive disability benefits but these were stopped after a workplace assessment. She is the sole breadwinner for herself and her widowed mother.”
"I work for Crisis, the homelessness charity. Universal Credit is very often the final straw precipitating people into homelessness, both the physically and mentally well and disabled people (frequently “reassessed” and transferred to UC from disability benefits whatever their health issues). The central issue is the extremely low payments under UC, insufficient for the basic necessities of life including food, rent, hygiene, energy and clothing. People have absolutely no reserves to cope with any sort of unexpected financial challenge. The low payments are compounded by debt repayments, including “hardship payments” i.e. loans from the DWP to see people through periods when reduced or no benefits are paid (the initial wait and during sanctions) as well as other additional, usually high interest loans from various disreputable lenders. “

“As a landlord I am most concerned about the failure of UC so far. The fact that people are, in many cases, worse off than they were before is a disgrace. The theory of empowerment and responsibility for a tenant to pay their own bills as if they are receiving a wage is great providing that enough money is given to them to be able to do so. The reality is that the benefit cuts equal a complete cut in housing benefit in real terms, so people are having to make the choice between feeding their families and paying their rent. When housing was paid directly to the landlords there were much less arrears. Putting people in a position where they have no choice is disgusting.”

“As someone who works within the Criminal Justice System and Youth Work sector I see first-hand the devastating effect of UC. The system is brutal, biased against claimants, inhumane and utterly degrading of vulnerable people who desperately need support. The sanction system leaves vulnerable people in dire situations, open to exploitation and placing their homes, children and welfare at risk. This system is a disgrace to a first world country and needs urgently abolishing.”

11. Legacy benefit claimants do not want to be moved onto Universal Credit

Unite’s survey received over 500 responses from people on legacy benefits - income based Jobseekers Allowance (JSA), Housing Benefit, Working Tax Credit, Child Tax Credit, Income related Employment and Support Allowance (ESA), Income Support.

The vast majority (96%) of these respondents were worried about being moved onto Universal Credit, with less than 2% saying that they were not worried.

<table>
<thead>
<tr>
<th>Are you worried about being moved onto Universal Credit?</th>
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<tbody>
<tr>
<td>Yes</td>
<td>95.6%</td>
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<tr>
<td>No</td>
<td>1.8%</td>
</tr>
<tr>
<td>I don't know</td>
<td>2.6%</td>
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<tr>
<td>Number of responses</td>
<td>544</td>
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The largest concerns raised by these respondents was related to reductions in their current benefits rates as a result (86%), while many others were concerned about the wait for their first payment (78%), being sanctioned (65%) and the complicated process for application (63%).
If yes, what are your concerns?

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<thead>
<tr>
<th>Concern</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Waiting for the first payment</td>
<td>78.2%</td>
</tr>
<tr>
<td>Receiving less money</td>
<td>86.1%</td>
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<tr>
<td>That the process will be complicated</td>
<td>62.9%</td>
</tr>
<tr>
<td>Applying online</td>
<td>37.9%</td>
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<tr>
<td>Being sanctioned</td>
<td>65.3%</td>
</tr>
<tr>
<td>Other</td>
<td>15.1%</td>
</tr>
<tr>
<td>Number of responses</td>
<td>531</td>
</tr>
</tbody>
</table>

Comments about other concerns

“Being arbitrarily found fit for work despite having a chronic illness. Concerned the stress alone will be too much”

“Going without food for my kids and rent not getting paid”

“Having to live off only my husband’s state pension whilst he is sick with cancer”

It is clear from comments that many respondents did not trust the Universal Credit system and had often seen what had happened to family and friends who were already on it. They raised issues of being denied access, late payment, and errors in the system, discrimination and the lack of transparency and accountability in the system.

Respondents also raised concerns about getting into debt, struggling with monthly budgeting, being found fit for work, disability not being recognised, PIP assessments, stress and mental health problems, housing not being paid direct to landlord, impacts on childcare, incurring fees for prescriptions and dentistry, self-employment and the minimum income floor as well as the loss of the disability element of tax credits.

Working people on legacy benefits need to be aware that Universal Credit is coming down the tracks. It’s important that they talk to their employers and their trade union reps in order to try to be prepared.
Comments from legacy benefits claimants

“Currently receiving working tax credit with disability element and am a part-time self-employed. Will be hit by double whammy of losing the disability element and minimum income floor as my business doesn't currently generate enough profit.”

“As a disabled person I'm scared to the point of suicide, death sounds better than the hell the DWP put you through.”

“I have nightmares about how I would cope financially if I had to go onto Universal Credit. I am severely disabled and without my carers I wouldn't even be able to get out of bed.”

“There are not many things in life that scare me, but I am terrified of my husband being forced on to Universal Credit. I am terrified because I think it would kill me. Universal Credit is an in-work benefit and does not appear to cater for those that cannot work through illness or disability, and it does not recognise the needs of the people that look after them.”

“I'm severely disabled and I'm terrified they're going to force me to claim UC at some point. I'm just about managing on what I get now but if they stopped my ESA and PIP I wouldn't be able to cope. I buy as little as possible as cheaply as possible and make meals stretch out for two days instead of one. When the weather is cold, I stay in bed to keep warm and get my carer to leave me a flask of hot tea or soup. If it comes that I have to claim UC I really don't know how I would cope.”

“All the horror stories I have heard about UC makes me extremely worried about being transferred to it. I am on benefits as I am unable to work due to suffering from acute anxiety and depression, so the added stress of having to deal with the myriad problems caused by UC will send me into such a distressed state, I fear I may need to be hospitalized. And that is no exaggeration. I have been very poorly of late, so I just don’t think I will be able to cope with being forced under UC.”

“Phoned Citizens Advice Bureau and they advised me that we could be £250 WORSE OFF per month on Universal Credit. We could be £450 a month better off. There is no way of knowing unless we claim. Our family of 3 currently has to survive on a household income of less than £10k per year with just child benefit, Pip and carers allowance.”

“I've just been taken off ESA because of a medical assessment and they told me to claim UC but because my wife is an agency nurse and we have some savings they told me I can't claim anything even though the assessment said I couldn't work at my trade they have not offered me any help to find an alternative form of employment which takes into account my health conditions. I am very angry about my situation because I still have a valid Doctors note from my consultant at the hospital where I was operated on and also from my GP.”

“I have only just started claiming benefits after I was unfairly dismissed. It took me a full year through benefits appeal process to get ESA and PIP...I almost lost my home....it was just so traumatic and dehumanising I am dreading having to have to go through this all again when moving onto UC...I know people who have been without heating over winter whilst waiting for UC ...and people being told to just use food banks. What the hell are we doing with food banks in the 21st century in a developed country?!”
Conclusions and recommendations

The film I, Daniel Blake, Ken Loach’s tragic story of a 59-year-old joiner who falls into extreme poverty after his benefits are stopped, was described by Tory MP James Cleverly as a “work of fiction”.

Yet our survey reveals the tragic reality of the impact of Universal Credit on the lives of claimants and their families. Both claimants and those working to support them describe the utter fear and misery of being forced onto Universal Credit and pushed into poverty. Already vulnerable people, many with English as their second language, many with disabilities, serious illnesses and mental health issues, and without access to the necessary IT to make and manage their claims, are often unable to understand the complex procedures or the cruel sanctions placed on them for failing to get things right. Universal Credit is, as one volunteer for MIND said, simply inhumane.

Comment from a MIND volunteer

“As a society we must ask ourselves if the system of Universal Credit is a sustainable way for people to live and manage their money. How can the government’s determination to roll-out universal credit at all costs be a determinant of a functioning society and workable economy?

Who benefits from Universal Credit? Certainly not the claimants. But private companies that carry out assessments are being handed millions of taxpayers’ money by the DWP to put sick and disabled people through tests. What sort of society encourages such private profit from people’s suffering?”
It is for these reasons that Unite is campaigning to stop and scrap Universal Credit. Should government refuse to scrap Universal Credit, Unite strongly demands that government commits to:

- End benefit sanctions for all claimants and abolish plans to introduce in-work conditionality.
- Ending the long waits for claimants to receive money, and the unsustainable debts caused by advanced payments.
- Allow people to apply for Universal Credit in jobcentres with face to face support, not just online.
- Introduce flexibilities within the monthly assessment system to recognises that people are not all paid monthly or regularly.
- Provide people with better help when the system fails them, including through adequate levels of staffing for the system and proper funding to advice and legal aid services for claimants.
- Reverse the in-built benefit cuts within Universal Credit including lifting the cap on benefit uprating, removal of the taper rates for payments, reversing the cuts to the work allowance in full, scrapping the unfair ‘two-child’ policy and removal of the first child premium.
- Simplifying the childcare support offered to Universal Credit claimants to prevent claimants having to cover massive upfront costs.
- Allow payments to multiple recipients within the same household to prevent financial dependence on one individual and provide some protection for victims of domestic abuse.
- Remove the Minimum Income Floor for the self-employed.
- Pay landlords directly to stop people getting into rent arrears and losing their homes.
- Introduce incentives and penalties on employers to protect claimants from error or malicious act that cause benefits not to be paid. This should include an enforcement body with real power to win compensation and sanction employers who cause Universal Credit claimants to lose their benefits, as well as an extension of the right of workers to bring tribunal claims against employers for unpaid wages to include unpaid, underpaid or late Universal Credit.
- Give claimants the right to trade union help and representation for Universal Credit claims. Trade unions should also be given formal enforcement powers, including the ability to bring a class action.

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Len McCluskey, Unite General Secretary

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