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Uncharted Territory: Universal Credit, Couples and Money

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Summary

Universal Credit is a fundamental reform of means-tested working age benefits in the UK, replacing six benefits and tax credits with one monthly payment per individual or couple. It aims to simplify benefits, reduce administrative costs and fraud and error, and tackle poverty by improving take-up and increasing employment. Its rollout has been repeatedly delayed and beset by controversy.

Universal Credit removes the distinction between being in and out of paid work and imposes work conditionality requirements on most claimants, including – for the first time – many partners in couples with children, and people in work on a low income.

The first stages of the rollout involved single people, meaning that we know less about the experiences of couples on Universal Credit – in relation to either issues with an impact on all claimants, or those specific to couples. This research helps to fill that gap.

The Research and the Report

The first stages of the rollout involved single claimants, meaning that we know less about the experiences of couples on Universal Credit

Our research, entitled *Couples balancing work, money and care under the shifting landscape of Universal Credit*,[1] is a three-year (2018–2021), two phase, longitudinal qualitative study conducted by the Institute for Policy Research (IPR) at the University of Bath and the University of Oxford. The research explores how couples deal with work, care and money in the context of Universal Credit. This report sets out findings from phase 1, conducted between 2018 and 2020, focusing on design and payment. Our analysis draws on the experiences and views of our 90 interview participants to identify issues relevant to couples, especially in accessing benefit and managing and negotiating their finances. Participants will be interviewed again in 2020 about how life has changed and how well the system has responded.

Analysis and modelling of the impact of Universal Credit have often focused on gains and losses in entitlement for different groups compared to the 'legacy' system. But in addition to the amount of Universal Credit its rules and conditions, and how it is designed and paid, also affect people's lives. Research has also tended to

1. Couples balancing work, money and care under the shifting landscape of Universal Credit (2018–2021), ESRC ES/R004811/1 www.bath.ac.uk/projects/couples-balancing-work-money-and-care-exploring-the-shifting-landscape-under-universal-credit/

treat the household as an undifferentiated unit. Our interviews with couples instead explore how both partners responded to different aspects of Universal Credit.

Research and reports based on ‘lived experience’ have concentrated on more vulnerable groups, especially those on the lowest incomes and reliant on Universal Credit as their main income, and claimants experiencing difficulties. Our varied recruitment methods resulted in a diverse sample, including many claimants in paid work or recently employed. Many had claimed Working Tax Credit and some had incomes at the upper end of Universal Credit eligibility. They had not generally approached organisations for help or advice on problems. This report is thus based on a more varied group of claimants and labour market situations, reinforcing but also augmenting previous findings. Our fieldwork was before the unprecedented surge in applications to Universal Credit due to the economic impact of the COVID-19 pandemic. The pool of claimants is being significantly widened in this context, and so will include more diversity, making this research even more relevant.

The report is based on thematic analysis of individual and joint interviews with partners in couples (with and without children) who had claimed Universal Credit jointly. Some interviews also took place with single claimants and lone parents who had previously made joint claims with partners for Universal Credit and/or tax credits. Participants had received Universal Credit for over six months, so were experiencing its longer-term rather than initial effects.

123 individual and joint face to face interviews were conducted with 90 research participants in 53 households between June 2018 and January 2019, in four areas in England and Scotland that were amongst the first to roll out Universal Credit Full Service. Participants had a range of previous work and education experiences, and some were affected by mental or physical ill-health or disability. At the time of interview, in just over half of the 53 households (29) there was no-one in work, while just under half (24) had at least one earner. For 31 households, Universal Credit was the main income source. Of the 41 couples ten were dual-earner, 13 were one-earner and 18 had no earners. 30 couples had dependent children. There were nine lone parents and three single claimants. Only 12 couples were married, and there were several ‘blended’ families and step-families. All interviewees described themselves as white.[2] All couples were female/male.

2. This reflected our fieldwork ares, which were chosen in part as areas early in the Universal Credit roll out to couples.

1. Introduction

Universal Credit was proposed in 2010, its rollout began in 2013, and, at the time of writing, was expected to be fully in place by late 2024. Key design and delivery features include:

- automated monthly assessment;
- one monthly award, paid in arrears, resulting in an initial five-week wait, though claimants can access repayable advances;
- for couples, payment of Universal Credit by default into one bank account, joint or individual, nominated by them;
- a disregard of some earnings (work allowance) for those with children or with limited capability for work;
- integration of help with childcare and housing costs into the single award;
- monthly calculation of Universal Credit, with entitlement reduced if appropriate by a single taper in line with (increased) earnings, reported for most claimants by employers through PAYE via HMRC's Real Time Information system;
- reporting of changes of circumstances, with only those circumstances applying on the assessment date counting for that month's award (paid a few days later); and
- online claiming for most, and management of the claim via an online account and journal.

For couples, Universal Credit has a complex mix of individual and joint aspects, with potentially far-reaching consequences

For couples, Universal Credit has a complex mix of individual and joint aspects (see Box 1), with potentially far-reaching consequences for choices about paid work and care, and for the distribution of resources and power inside the household. In many ways – and even more than under the previous means-tested system – the presence, resources and needs, and actions of one partner affect the other. By the end of the rollout, some three million couples will be claiming Universal Credit. Its features and effects on couples are therefore of wide, and increasing, significance.

The design of Universal Credit for couples raised concerns for women's organisations and others, given gender inequalities in roles and resources, and research about access to income for individuals in couples. Research also showed the recipient, frequency, and labelling of benefits were key for low-income families' budgeting, with women often the 'shock-absorbers' of poverty and managers of household money. Financial autonomy was often found to be important for women in particular.

These issues were discussed as the Universal Credit legislation was debated; but much later commentary examined issues such as online access and the hardship caused in particular by the five-week wait for payment. In our research the focus is on gender, couple and relationship issues, going beyond the first few months of the claim, to examine roles and relationships, decisions and dynamics in the context of the key features of Universal Credit.

Box 1: Joint and Individual Aspects of Universal Credit for Couples

Universal Credit is jointly assessed for couples, like other means-tested benefits. A claim is a joint claim, as for some other benefits and tax credits. Both partners must agree an individual claimant commitment for the claim to go ahead as a joint claim.

Work conditionality is now extended to both partners in couples with dependent children, depending on the age of the youngest child; for the 'lead carer', this replicates arrangements for lone parents. Couples with children have to nominate the 'lead carer', and the online claims process now suggests payment should be made to them. Whilst conditionality is in principle individual, the earnings thresholds governing what conditionality regime is applied are both individual and joint.

Partners are jointly responsible for the claim, including reporting changes and repaying any overpayments. There is only one work allowance (earnings disregard) for a couple.

2. Claiming Universal Credit as a Couple

All participants had claimed Universal Credit and/or means-tested benefits or tax credits in a couple. Four-fifths had a joint Universal Credit claim when interviewed, most having moved from out-of-work benefits or tax credits, with the joint claim most often triggered by moving in together.

Couples claiming Universal Credit must each create a separate online account, which are linked for the joint claim. Couples' experiences varied; but many found the process of linking accounts challenging, and it did not always work well. This was often for similar reasons to other claimants (including the digital claim and problems of identity verification). But for some couples – for example, with the tenancy and bills in one partner's name – such problems were exacerbated, and this could delay the claim starting.

In 27 out of the 30 couples with children, the woman was nominated as 'lead carer', usually on the grounds that she was at home more, though some worked part-time. Some couples, however, objected to this enforced designation of differing roles because they saw it reinforcing traditional gendered patterns of work and caring. They criticised the resulting imbalance in work conditionality, with no recognition of the parenting role of the other partner or the realities of modern, more equal families. In many couples, the woman took on the main responsibility for managing the online account and other aspects of the claim, with men in paid work generally less engaged.

3. Getting to the First Payment

The five-week wait between a Universal Credit claim and the first month's payment in arrears has been extensively debated. It affected almost all couples negatively, though to varying degrees. Many had claimed before arrangements for accessing and repaying advances (loans) were improved. Experiences were largely similar to those reported for single claimants and lone parents, but unexpectedly some families with one or both partners in employment also struggled during the wait. Advances helped some, but many were wary of taking on a debt with repayments deducted from a much-needed benefit. For those with children, Child Benefit – regular and reliable – could be a 'life-saver'. Both partners must now agree to an advance, but some participants were still living with the consequences of the previous policy of allowing one partner to apply without the other's consent.

4. After the Wait, a Steady State?

The situation of some couples improved after receiving the first payment, but for many it did not. Important factors included deductions taken at source from the Universal Credit payment (the rules for which are stricter than under the legacy system), and benefit cuts. Again, many experiences were shared with other claimants, and have been documented elsewhere. Families with children with no historical benefit or tax credit debts and one or two earners seemed to manage best, and often found Universal Credit helpful for topping up low incomes, though some resented having to claim benefit at all in full-time work. Many single-earner couples were better off than under the legacy system but some dual-earner families were generally worse off – reflecting the incentives structure under Universal Credit designed to encourage the first earner in a couple into employment.

But many participants continued to struggle months after the first payment. There was often a gap between Universal Credit entitlement and the amount paid, largely due to the size and number of deductions. Couples found benefit and tax credit overpayments and third-party debts, even from before their relationship began, aggregated and deducted automatically from Universal Credit. A problem specific to Universal Credit is that claimants only know a week or so before payment how much they will get. This made budgeting challenging for all couples regardless of employment status.

Some couples resented the lower Universal Credit amount received when living together than when living apart. This is meant to reflect economies of scale, but only applies to partners living together. Other participants were affected by benefit cuts and the higher contributions they needed to make to rent and council tax, and inadequate incomes overall. The threat of sanctions hung over many couples. These issues reflect the wider social security system and affect other claimants too.

But joint means testing, with partners' incomes and needs aggregated to assess entitlement, and the disproportionate impact of austerity on women and families with children, seriously affected many.

5. Getting Paid Monthly

Many agreed with monthly payment, though only two-thirds of workers were paid monthly. Those with other incomes (earnings and other benefits), often paid at different times, adapted best, with some preferring monthly frequency. Equal numbers, however, preferred weekly or fortnightly payments, especially if Universal Credit was their main or only income. Previously, benefits paid at different intervals had helped tide them over, and their budgeting strategies gave them tight control over limited household money. Even some with monthly earnings preferred to budget weekly.

Others who struggled had lost out by moving from tax credits. For some, the exact timing of the Universal Credit payment was critical, as late payment could cause overdraft or bank penalty charges. Bulk purchases and direct debits from monthly benefit were often impracticable. More frequent payment was the improvement most commonly suggested by participants. Claimants in Scotland can opt for twice monthly Universal Credit payments; but some of our Scottish participants who chose this arrangement found it did not necessarily help, because of their low overall income.

There was little evidence of poor budgeting, and virtually all prioritised rent payment. Rather, inadequate income was a key issue in ability to manage household finances; indeed, for couples reliant on Universal Credit, once their basic costs were paid there was little income left to 'budget'.

Women were more likely to manage household finances. Some fitted this around caring for children and paid work. Men often had jobs, and a conviction that women managed money better. There was no let-up for many women. Many liaised with the service centre and managed the Universal Credit online account too, taking on compliance costs for the couple. Several lone parents said arguments with their partner about misappropriation of the joint claim was key in the relationship breakdown.

6. Managing an Integrated Single Payment

Universal Credit is paid as an integrated single payment into one account monthly by default. Opinions were split about whether this was helpful; families with earnings were generally keenest. A small minority said an integrated payment made no difference as they pooled all income in a joint account. But many preferred multiple payments paid at intervals through the month, and different sources and amounts going to each partner in particular meant women having a personal income.

Paying housing costs was a priority for all household types, but some had not realised initially how to claim them, and the wait for payment meant many fell into arrears. Being responsible for rent was largely seen as fair. Many preferred it to payment to the landlord as it gave them greater control and peace of mind knowing the rent had been paid. Some arranged for managed payments to their landlord; but in England and Wales this is discretionary and decided case by case, and the time lag in payment left some in continual arrears. Large deductions for rent and arrears meant some couples had insufficient money to live on. Social landlords were usually more flexible than private landlords in dealing with arrears; but arrears were a constant source of stress and prevented people moving.

Some participants valued the ring-fencing and labelling of payments for children under Child Tax Credit, finding it more reliable and predictable, as the amount did not change. Under Universal Credit, absorbing the child element into the single payment risked it being spent on general household expenditure. Others were less concerned about labelling than about the payee, arguing that payment to the main carer in couples with children helped give both partners an income. So there was some agreement about the advantages of paying the child element to the lead carer. Others argued for payment to the Child Benefit recipient (often the same). Some felt this would make misappropriation or mismanagement of Universal Credit less likely (though some thought who paid the rent and bills was more important in deciding the payee or bank account). Payment to the children's mother was seen as key in stepfamilies in which the partner was not the child/ren's father, and in cases of financial abuse.

Few participants were aware of, or using, the childcare costs element of Universal Credit. All but one reported difficulty in using it, in particular the need to pay upfront and then recover the costs. Having to validate costs added to the administrative burden of the responsible parent, typically the woman. With childcare contributions part of the monthly payment and tapered with (aggregated) earnings, it was hard to work out what was paid. Participants preferred the legacy system, or free childcare provision. If the woman received the Universal Credit, it was her income that was reduced as earnings rose; some experienced this as arbitrary. Some mothers got into debt with their provider and stopped claiming for child care as a result; others had to give up jobs or reduce working hours.

Overall, the integrated, 'lump sum' nature of the Universal Credit payment could be more problematic than its frequency. If it was stopped, this was only known a week or so before payment, and could leave people with little or no income. Algorithmic decision-making and automated assessment were contrasted unfavourably with the face-to-face methods claimants used to use.

Overall, the integrated, 'lump sum' nature of the Universal Credit payment could be more problematic than its frequency

7. Monthly Assessment and Means Testing

The automated monthly assessment of Universal Credit affected those with earnings the most. The aim of adjusting benefit monthly through one withdrawal rate (taper) was to make gains from work clearer, whilst incentivising entry to work and earning more. Participants had diverse experiences, with those relying less on Universal Credit accepting the balancing of benefit and earnings and appreciating the lower overpayment risk. Others were more equivocal. Contrary to the policy intent, some found the 63 per cent taper 'demotivating', seeming to penalise not reward earning more.

All of the two-earner and most one-earner couples said that Universal Credit fluctuated each month, sometimes significantly. Even those with fixed salaries paid monthly reported that their Universal Credit sometimes fluctuated in unpredictable and seemingly arbitrary ways. It was therefore difficult to anticipate drops in the payment and set aside 'surplus' earnings, and even harder to cope with if two sets of wages were involved. It was also hard for many to understand the amount paid, especially with a time lag built in and aggregation of earnings. This could deter people from working more hours or doing overtime. Knowing Universal Credit would be lower for the payee (often, in a couple, the non-waged or lower-earning woman) could be a disincentive for the main earner as well.

The lack of fit between timing of wages and the Universal Credit assessment period was problematic. For dual-earner couples, the risk of multiple wage payments being included in one assessment and so losing entitlement was higher, and spotting errors harder. For those with children, a month with no Universal Credit meant losing that month's work allowance for good. Some fell foul of complex surplus earnings rules which could mean losing entitlement for several months. Fluctuations could affect passported benefits and council tax support entitlement for anyone.

The inability to reliably predict Universal Credit caused financial distress, especially for payees and those responsible for budgeting (often women). Other benefits, in contrast, were dependable. Working Tax Credit might be lower, but was fixed and could be relied on for managing household finances. Many preferred annual assessment even if this could mean overpayments. The unpredictability of fluctuating payments challenged assumptions behind Universal Credit's design.

8. Who Gets Paid Universal Credit?

Our research explored the extent to which concerns about moving from differing payment arrangements for benefits and tax credits to a one payment default for Universal Credit were borne out. For five joint claims a joint account was nominated for payment; for 24 couples the payee was the woman and for 11 the man.

One couple had a split payment. Little can be inferred from this about intra-household distribution of resources; but receipt of income can be significant in itself.

Some couples decided the payee according to who managed the household finances – more often the woman (a third of couples said they shared responsibility). Generally men were seen by both sexes as less reliable with money. This often left the partner with responsibility for budgeting – usually the woman – with a heavy burden. There were other practical reasons for the choice, such as the bank account from which rent and bills were paid.

Many couples shared PIN numbers and bank cards and could do instant transfers between accounts, meaning that in trusting relationships the choice of payee or account made little practical difference. But if one partner had no regular income whilst the other had earnings, having some personal income mattered more, and nominating them as the payee could be seen as balancing up. The financial abuse experienced by some women could also lead to a determination to be the payee. Having to ask the other partner for money could change the relationship dynamic and undermine a sense of equality; it was described by some as demeaning and infantilising, though partners might not realise this. So ensuring each partner had their own income was seen as key. And if one partner had no income, they could not contribute to the household finances or learn financial management skills. Some lone parents who had previously had a joint claim felt that the inability of one partner to access a share of household income had contributed to the breakdown of the relationship.

Women in particular valued an individual bank account, and were wary of joint accounts unless they had their own too. This also gave a financial 'footprint' for residency, loans and benefits in their own right, if needed. Several said having one's own account was important in case of possible separation, and one woman who had re-partnered wanted financial independence this time. Re-partnering with someone who was not the biological father of your child/ren meant that half and half was seen as the wrong division of money. And whilst most relationships were described as stable and equal, there was concern about one payment in relationships which might be less stable, or be controlling or abusive.

About one in three women had experienced controlling behaviour or financial abuse, in three cases on Universal Credit. Seven of nine lone parents and one single person said this, or intimate partner violence, during a benefit claim had been a key reason for separation. Some felt better off as a lone parent or single claimant on Universal Credit with more autonomy and financial independence. Suggestions for change included notifications to both partners about each Universal Credit payment.

Views differed about how to make payments to couples. Some saw one payment as symbolising dependence – particularly relevant to partnered women, though many earned, and some were the main breadwinner. Couples with no dependent children suggested separate payments; some with children agreed. This could be seen as a *quid pro quo* for individual conditionality. But there was less agreement on how to do this in practice. Those with children, especially women, felt the lead carer would be disadvantaged by an equal split. Others thought half the standard allowance and the child element should go to the lead carer, though some thought low-earning partners should see at least some of their pay. A division according to financial responsibilities and liabilities was another idea.

The single monthly payment was only one issue among many, including the Universal Credit amount and its variability; and its impact depended on various factors, including trust between partners.

9. Accessing Budgeting Support

Claimants in need of additional support with managing the single monthly payment, or who are struggling financially, may be able to defer the repayment of deductions for a short time, although the decision is discretionary. They may also be offered personal budgeting support, including money advice, and Alternative Payment Arrangements (APAs). The three APAs include: paying the housing cost element of Universal Credit as a managed payment direct to the landlord; more frequent payments (typically, twice monthly but also weekly); and split payment of an award between partners with a joint claim. No-one in this research had been referred by their work coach for specialist budgeting or money advice but some had accessed an APA. In England and Wales, APAs are discretionary and claimants must demonstrate the need for any alternative payment to be agreed.

The commonest APA, involving 18 of the 42 households getting help with rent, was payment of housing costs to the landlord. Both partners were required to consent, even when the tenancy was in one name. The majority were in Scotland, where payment of the housing element to a landlord is more widely available; some people in England had had requests refused. More frequent payment – usually twice monthly – was also more common in Scotland where claimants may choose this as an alternative to a monthly award. Both partners must consent. Among those opting for more frequent payments, experiences were mixed. Some had switched back to monthly payment, as twice-monthly payment could interfere with the payment of rent and other household bills, usually due monthly or four-weekly. Only one couple had a split payment, paid weekly, which had been granted, along with direct payment of the housing element, due to their very exceptional personal circumstances.

Because earnings generally disqualify working claimants from getting budgeting advances (loans for one-off costs), couples without earnings were more likely to have been granted these. Some found them easier to access than the previous system of loans but others disliked the inflexibility, including a minimum amount of borrowing and stricter repayment terms. The rules meant that claimants sometimes borrowed more money than they needed at the time because a further budgeting advance could not be granted until the outstanding debt had been fully repaid.

10. 'A Nice, Comprehensible, Simple, Straightforward, Personal Benefit'?

Participants' experiences challenge the extent to which Universal Credit is 'a nice, comprehensible, simple, straightforward, personal benefit'

Our study explored aspects of Universal Credit a decade since it was proposed, and investigated an under-researched area: how couples are responding. Participants' experiences challenge the extent to which Universal Credit is 'a nice, comprehensible, simple, straightforward, personal benefit',[3] as its architects intended. Our focus is on couples; but many issues explored in this research apply to other claimants as well.

The ability to manage a single monthly payment was only partly shaped by its frequency; also important were the (lack of) generosity of allowances, the (in)adequacy of the amount received and the presence (or absence) of other sources of income. Couples in particular found their benefit level low, and partners were less likely than before to have some personal income each.

The volatility and unpredictability of the monthly payment, especially for those affected by wages interacting with the fixed monthly assessment period, was exacerbated for dual-earning couples. The arrangements for reclaiming childcare costs and the tapering of childcare contributions as part of the monthly assessment were also problematic for such couples. Both issues could undermine the policy priority within Universal Credit of incentivising work and making more work pay.

One integrated payment appeared simpler. But simplification is a matter of perspective. Budgeting could be harder without smaller, more frequent payments. Without labelling indicating the purpose of benefits, and the potential loss of (almost) all household income if something went wrong, the risks of one large lump sum payment were significantly greater. For trusting partners the payee mattered less. But past experience made some women, in particular, wary of partners controlling resources. Financial dependence was seen as out of step with modern relationships by many.

But for many women in couples, the responsibility of managing the Universal Credit payment (and often the online claim) imposed significant, ongoing administrative and compliance burdens. Universal Credit was not just 'like work'; it was work, and often onerous and stressful. These are perhaps some of the less well-known, unintended gendered consequences of Universal Credit.

3. Interview with Lord Freud, Minister for Welfare Reform, cited in Sainsbury, R. (2014) 'Talking Universal Credit: In conversation with Lord Freud', *Journal of Poverty and Social Justice* 22(1): 37–44.

Policy Implications

Our research suggests that more consideration should be given to the needs, circumstances and treatment of couples in general, partnered women, and those in controlling or abusive relationships. More specifically, we would suggest the following policy implications from the issues discussed.

There is a need to revisit deductions policy and rules – including, for couples, partner inherited debt. Deductions should be included in assessing the financial impact of Universal Credit to give a more realistic picture. The relationship between single and couple Universal Credit rates should be reviewed, especially given the flat-rate temporary addition to standard allowances due to COVID-19.

The adverse impact on access to individual income caused by Universal Credit suggests some elements should be separated out, ensuring personal access to some income for both partners in couples and improving incentives for second earners.

In relation to the increased volatility of incomes for some, policy should be guided by the principle that Universal Credit claimants should be able to predict and manage their household income, and make decisions about work and working hours, with greater confidence. The treatment of childcare costs also requires reform, to reduce the uncertainty and hardship caused by upfront payment, and to prevent the undermining of incentives to earn or earn more, for both partners.

Non-means-tested benefits such as Child Benefit should be maintained and improved, to lessen reliance on the one Universal Credit payment. More frequent Universal Credit payments would be useful, though probably of only limited help if this is the main income source. More radical reform would separate and label benefits for different purposes rather than include them in one payment.

Separate payments of Universal Credit to both partners in couples would help mitigate risks of power imbalances and control and abuse. They could address contradictions in Universal Credit design, including individual conditionality without individual payment, and an emphasis on self-reliance whilst encouraging financial dependence in couples. Separate payments could redistribute not just income in couples but also the tasks of managing a large monthly lump sum for the household, mainly done by women in our research. At a minimum, the administrative and compliance costs imposed by Universal Credit should be reviewed, to better understand their (gendered) impact and how to reduce these.

1

Introduction

For the partners in couples, there are aspects of Universal Credit with potentially far-reaching consequences for their work/ care choices, for the distribution of resources and power inside the household, and even for the conduct of relationships

Universal Credit is a major transformation of most of the means-tested elements of financial support for working-age people in the UK with and without children. It brings together six existing benefits and tax credits into one single payment, is assessed and paid monthly in arrears, and has mandatory work requirements for many more people than under the previous system. By 2024, when it was forecast that Universal Credit would be fully operational, it was expected to be in payment to an estimated six to seven million households. With the unprecedented surge in the number of Universal Credit claimants due to the COVID-19 pandemic (1.8 million new claims at the time of writing), this figure is likely to be an under-estimate. Whether the increase will be sustained in the longer term is currently unknown, but Universal Credit looks set to be an important component of income for a large and growing number of households – for some, indeed, their main source – and the amount of Universal Credit will be a key determinant of their income and living standards. But it is not just the level of financial support that is important. The rules and conditions determining Universal Credit eligibility and entitlement will be central to recipients' options and decisions about employment, about how to balance paid work and care, and about how to budget and manage their money. All these have implications for family relationships and for everyday lives.

For some claimants, these rules and requirements will not be so different from those under the 'legacy' system (the means-tested benefits and tax credits that Universal Credit replaces). But for people in couples – married or cohabiting, with or without children – the Universal Credit rules are a complex mix of individual and joint elements, and the single monthly payment presents a new payment regime and budgeting environment. Thus for the partners in couples, there are aspects of Universal Credit with potentially far-reaching consequences for their work/care choices, for the distribution of resources and power inside the household, and even for the conduct of relationships. Our research, 'Couples balancing money, work and care: exploring the shifting landscape under Universal Credit' explores these issues. Based on a series of in-depth, face to face interviews with individuals who are or have been in couples jointly claiming Universal Credit, the research objective was to examine the ways in which couples make decisions about work and care and manage their household finances in the context of this new and developing policy landscape. This longitudinal three-year project (2018–2021), comprising two phases of interviews, is funded by the Economic and Social Research Council (ESRC/RS004811/1). Ethical approval was secured from the University of Bath Social Science Research Ethics Committee (SSREC reference number S18–003) in June 2018.

This report is the first of two major research outputs and presents findings from the first phase of interviews conducted between June 2018 and January 2019. The main focus of the report is to explore how couples claiming Universal Credit budget and manage their money. It is our aim to follow up with all participants for a second round of interviews in 2020, including those who may have since separated or re-partnered. During phase 2, the analysis will focus more on work incentives and the conditionality regimes, including whether and how these shape the decisions couples are making about employment and caring. Using the longer timeframe, phase 2 will also explore gendered and relationship effects in greater detail, together with any wider or unintended effects.

In this first chapter, we start by describing the Universal Credit policy environment and the specific issues raised for couples. We then explain our research design and methods and describe our interviewed sample. The final section of this chapter sets out the rationale for this report, which focuses on the design, assessment and payment of Universal Credit in terms of how these can affect money and budgeting in couple households.

Universal Credit and Couples: A New Policy Environment

By replacing six means-tested benefits and tax credits with a single structure, uniform rules, and monthly assessment and payment – and by removing the distinction between in-work and out-of-work benefits – Universal Credit is frequently described as the most radical reform of the UK social security system since the inception of the modern welfare state. Of the estimated six to seven million households expected to be claiming the benefit when it is fully rolled out (representing half of all families with children), about 2.9 million will be couple households (House of Commons Work and Pensions Select Committee, 2019).

Designed to mimic earnings and receipt of a monthly salary, Universal Credit synthesises payments for essential living costs, housing, children and child care into a single award assessed and paid calendar monthly in arrears, usually into one nominated bank account per eligible individual or couple. The assessment and payment in arrears mean that there is at least a five-week period at the start of a new claim before any payment is made (an elapsed calendar month before the assessment can be made, and then one week to arrange and make payment). Administered by a single agency, the Department for Work and Pensions (DWP), Universal Credit has a single ‘work allowance’ for some groups, and a single ‘taper’ for all. The work allowance allows some earnings without loss of benefit and the taper reduces the benefit gradually as earnings rise. Other income (including some social security benefits) may be treated differently, and may reduce the Universal Credit payment pound for pound. Some costs (including for housing) are included in the award. Working parents are additionally entitled to a financial contribution of up to 85 per cent towards childcare costs (for couples, only if both partners are in employment).

For claimants on the PAYE system for income tax, there is monthly automatic adjustment of the benefit as earnings rise or fall, using the HMRC’s real time information system (RTI). Self-employed people, and others who fall outside the system of PAYE, must report their own earnings monthly. Universal Credit is intended to help smooth the transition from being out of work to being in employment, while making the financial impact of working, and of earning more, more visible and motivating to claimants.

Alongside changes to assessment and payment arrangements is a digital platform for online applications and ongoing self-management of the claim through the use of an online journal and account. A stricter set of conditionality requirements, underpinned by sanctions, is also in place – including in principle, for the first time, in-work conditionality. Complementing these policies is a programme of employment support delivered by work coaches based in Jobcentres, to include not only help into employment but also support for those in paid work to earn more, find another job, and/or work more hours.

This pared-down set of design and payment features fits into an overarching policy narrative of simplification and improved work incentives, intended to encourage claimants to enter employment, earn more and take personal responsibility for budgeting their money, as they would, it is claimed, if earning a monthly salary (DWP, 2014).

Joint and Individual Elements of Universal Credit

We outline further details of the design and implementation of Universal Credit in each subsequent chapter as we explore the issues that flow from specific aspects of its design, assessment and payment. But, as general context, it is important here to note some of the key features that affect couples, and how these differ from the legacy system.

For couples, there is a mix of joint and individual elements in the Universal Credit system. Key aspects include some that mirror previous benefits/tax credits and are inherent to means-tested benefits based on the couple; some, but not others, are similar to previous jointly claimed benefits and tax credits; and some are new to Universal Credit:

- **Aggregation of the couple's income and assets for means testing,** whether they are married or cohabiting, and whether they are opposite sex or same sex. This also applied to the means-tested parts of the legacy system, so the 'benefit unit' – which means a couple or a single person, with or without children – is the same for Universal Credit.

- **Eligibility for a joint claim:** Couples who live together in the same household are required to make a joint claim. One person starts the claim and the other joins it. Both must create an online account and each partner must be eligible to qualify for the couple's standard allowance. Some legacy benefits and all tax credits have to be claimed jointly by couples.

- **Work conditionality:** The existing lone-parent conditionality regime is extended to partners in couples with dependent children for the first time. Couples with dependent children must jointly nominate a 'lead carer', who will have modified work conditionality requirements, depending primarily on the age of the youngest child.[4] This extended conditionality is new under Universal Credit. Joint claims in which each partner had their own work conditionality – also applied to income-based Jobseeker's Allowance (JSA) for couples without children (though not to joint claims for tax credits), but not to the other legacy benefits which Universal Credit replaces (income-related Employment and Support Allowance, Income Support or Housing Benefit). The partners in couples claiming these benefits were designated either a 'main claimant' or a 'dependent partner' and only the main claimant had work conditionality.

- **Claimant commitment:** Both partners are subject to individual conditionality and must accept their own 'claimant commitment' – setting out the number of hours/earnings they are required to achieve – for the claim to proceed. But the minimum and maximum amounts of earnings related to conditionality – known as the administrative earnings threshold (AET) and conditionality earnings threshold (CET) – are also jointly assessed and applied. Claimants who are part of a couple can therefore be allocated to different conditionality regimes and the earnings of one partner can affect the regime allocation of another.[5] Of the legacy benefits, only income-based JSA had some conditionality for both partners in a joint claim (see above).

- **Joint responsibility for reporting a change of circumstances:** This was also the case under the legacy system of tax credits and any joint benefit claims, but for benefits with a main claimant and 'dependent' partner, only the main claimant was responsible.

- **Sanctions, overpayments and debts incurred by one partner (in the current or any previous benefit claim) can affect the other:** This was also the case under the legacy system for jointly claimed benefits and tax credits, but the treatment of overpayments and debts is different and generally stricter under the Universal Credit deductions policy.

4. Unless the claimant or a child has a disability, as soon as the youngest child turns one, lead carers are required to attend work focused interviews. With a youngest child aged two they are required to prepare for work and, once the child is three, lead carers are expected to spend 16 hours per week in paid work or looking for work. With a youngest child aged between five and 12, the number of hours to be worked or spent job searching increases to 25 per week. Once the youngest child is aged 13, lead carers are normally expected to undertake paid work or demonstrate job search equivalent to 35 hours per week.

5. For example, if one of the adults earns above the household CET, both claimants are placed in the 'working enough' regime, regardless of whether they are both working or not.

- **Child care:** Both partners must be in paid employment to claim financial help with childcare costs. This was also the case under the legacy system. However, the eligibility rules on the minimum number of hours that must be worked have been removed under Universal Credit.

- **Work allowance:** This is the amount that lone and couple parents (and some people with limited capacity for work) can earn before entitlement is reduced by the single taper, or withdrawal rate. In tax credits, the threshold above which the amount of benefit received based on earnings was reduced by a taper (withdrawal rate) related to the aggregated income of the couple, as it does in Universal Credit. Under the out-of-work means-tested legacy benefits, however, there were small weekly earnings 'disregards', which were doubled for a couple compared with a single childless person, but above which benefit was reduced pound for pound, rather than by a taper.

- **Single Universal Credit payment per couple into one bank account (joint or sole):** Under the legacy system, the claimant had to nominate a bank account. But there were separate payments for each benefit/tax credit claimed, so a single payment (rather than multiple payments) for a range of benefits paid together is new.

- **Advances and budgeting loans:** Both members of a couple must now consent to, and are responsible for repaying, an advance or budgeting loan. This is new in the context of the loans available in Universal Credit, though also applied to loans for joint claimants in the legacy system.

Equality organisations and women's groups have raised concerns about the increased scope for financial abuse and controlling behaviour that the single payment could pose for women living with an abusive or controlling partner

Thus, in many ways (and more than in the previous system), the decisions, behaviours and actions of one partner (past and present) will affect the other partner. As can be seen, some of these features are not new, but are inherent in means-tested benefits based on treating the couple or family (rather than individuals within it) as the 'benefit unit'. And previous research on means-testing and decision-making within couples alerts us to the gendered way in which these can work out in practice. For example, each partner's ability to access an income when claiming means-tested benefits as a couple can be an important factor in relationship stability, partnering decisions and living arrangements (Griffiths 2017; Griffiths 2020). Equality organisations and women's groups have raised concerns about the increased scope for financial abuse and controlling behaviour that the single payment could pose for women living with an abusive or controlling partner (Sharp, 2008; House of Commons Work and Pensions Committee, 2018). Similar concerns have been expressed in respect of women whose partner has a drug, alcohol, mental health or gambling problem (Rotik and Perry, 2011).

Other research indicates that for low-income families, having different sources and amounts of income coming into the household at different times often assists budgeting and money management (Kempson, 1996; Daly and Kelly, 2015). Studies show how the labelling and separate payment of different benefits enable low-income benefit recipients to understand what the money is awarded for, facilitating budgeting and influencing how and on what or whom the monies are spent (Goode et al., 1998; Hartfree, 2014). As the 'shock absorbers' of poverty (Lister, 2005), it is also women and mothers in particular who may be more likely to feel the brunt of any budgeting difficulties arising from a single, monthly payment (CPAG, 2010). By upsetting the 'delicate juggling act' that women often perform, a single, undifferentiated monthly payment could also increase the risk of debt and rent arrears, undermining financial security and potentially increasing women's and children's poverty (Lister, 2010). Absorption of benefits intended for children into a single award also reverses a long-established principle in in-work means-tested benefits in the UK system that child-contingent benefits should be paid direct to the main carer (Lister, 2010). A substantial body of research shows that paying benefits for children to the mother or main carer helps payments to reach their intended beneficiaries, while allowing for the redistribution of resources within households (Lundberg et al., 1997, Goode et al., 1998, Goode et al., 1999).

Discussion and Research to Date

There has been some discussion of the issues of intra-household money management and gender in relation to Universal Credit, both during the passage of the legislation and subsequently (e.g. Bennett, 2011; Millar and Bennett, 2017).[6] However, to date, much analysis and modelling of the impact of Universal Credit has tended to focus on financial gains and losses in entitlement compared to the legacy system, which vary for different groups (Portes and Reed, 2018; Brewer et al., 2019: Gardiner and Finch, 2020). But in addition to the amount of Universal Credit for which claimants in different circumstances may be eligible, its rules and conditions, and the way it is designed and paid, all also make a difference to people's lives. Empirical work and studies conducted since Universal Credit began rolling out has sought to document the 'lived experience' of claimants, in particular the difficulties faced by some in accessing the online system and the hardship resulting from the five-week waiting period at the start of the claim (Simpson and Patrick, 2019; Cheetham et al., 2019). Other studies have explored the management of monthly

6. There is also some literature on conditionality, care and gender (for example, Wright et al., 2018; Anderson, 2019) which will be discussed when we focus on these issues at the second round of interviews.

payments (Hartfree 2014;) and the uncertainty of variable payments (Gardiner and Finch, 2020). Research reports from third sector organisations working with, or advising, Universal Credit claimants have also identified the challenges of access, money management and income inadequacy (for example, Tucker and Norris, 2018; Hobson et al., 2019; Jitendra et al., 2019).

Much empirical research has focused on more vulnerable groups and the poorest households which are reliant on Universal Credit as their main source of income, together with claimants known to be experiencing financial difficulties. Our sample had clearly specified recruitment criteria (based on the 'joint' nature and length of the claim) and was drawn from a range of different sources and localities. These methods resulted in a diverse sample (outlined below) which included many claimants who were engaged in paid work, or who had recently been employed. Just over half the couples we interviewed had at least one earner, many had prior experience of claiming Working Tax Credit, and some had incomes at the upper end of eligibility for Universal Credit entitlement. Although the research was not intended to be statistically representative, the sample therefore includes participants with a wider range of employment and income circumstances than recorded in many previous studies. Most participants had also been claiming Universal Credit for a year or more, meaning that they were beyond the initial claim and wait for first payment, and the well documented issues relevant to the waiting period.

Research to date has also tended to treat the household, and the members within it, as a single unit (for example, DWP 2017). Our interviews with couples were designed to explore how both partners in a couple responded to different aspects of Universal Credit. The focus of our study – on the ways in which the partners experience Universal Credit and the impact this has on how they manage and distribute household money, as well as their decisions about work and care – allows us to view Universal Credit 'inside the household' through a more couple-specific lens and to explore gender, relationship and family issues in more detail.

Design, Methods and Sample

Our research is a qualitative longitudinal study based on in-depth face-to-face interviews with Universal Credit claimants who have experience of claiming as a couple. The separate technical and methodological annex that accompanies this report (www.bath.ac.uk/publications/phase-1-technical-and-methodological-report/) provides a more detailed account of our research design and how it was put into practice. Here we explain the rationale for our approach and summarise key points about the methods and sample. Our main research objective is to explore and understand how people in couples are experiencing Universal Credit and the extent to which this is influencing their decisions and behaviour about work, care and household finances as a consequence of what they perceive to be the opportunities and constraints of the new system. Thus the aim was to collect data on how people are responding to Universal Credit in real-life settings from the perspective of the claimants themselves. The research is therefore qualitative, in order to be able to examine lived experience, and longitudinal, in order to explore whether and how this leads to changes in perceptions or behaviour and/or adaptations and adjustments over time.

Our focus is the experience of couples both with and without children, because having one monthly payment between them affects couples regardless of whether or not there are dependent children in the household. Due to the slower than anticipated 'natural migration' on to Universal Credit and the delayed 'managed migration' process, through which existing claimants move across to it, we extended the sample criteria to include participants who had previous experience of claiming as a couple, but were now claiming Universal Credit as lone parents or single claimants. The inclusion of 'former' couples and those with previous experience of claiming legacy benefits and tax credits jointly was valuable as an opportunity for obtaining additional relationship and comparative perspectives.

We worked in four fieldwork areas, selected because they were among the first nationally to roll out Universal Credit Full Service to couples and families with children. The areas were also chosen to provide a mix of urban, rural and semi-rural geographies, together with a variety of socio-economic, labour market and housing conditions. Within these areas, we used the (publicly available) DWP statistics database to identify postcodes with higher numbers of couples already claiming Universal Credit. Finding the sample itself presented a number of challenges. We explored with the DWP the option of generating a sample from the Universal Credit database but data privacy and security issues proved irresolvable within the timeframe of the research. We therefore used a variety of routes to find potential participants, including community outreach, door-to-door recruitment by commissioned companies, Facebook, Jobcentre flyers, personal contacts and snowballing. We aimed to recruit participants who had been receiving Universal Credit for at least six months, so that our sample would mainly be beyond the initial phase of making the claim, which had already been explored by others.

Our aim for the first phase was to conduct three interviews in the couple households, comprising an individual interview with each partner plus a joint interview with both partners present, to enable us to explore the joint and individual aspects of claiming Universal Credit and of managing household finances. Participants were interviewed in their own homes. Interviews were recorded digitally and transcribed verbatim using encrypted recorders and proprietary software. We were careful to ensure that we obtained informed consent from each participant and to follow best ethical practice throughout, including allowing interviewees to withdraw at any point in the process if they so desired. A copy of the consent form is included in the technical annex. We gave a small financial gift in recognition of participants having given up their time to take part, as is customary.

The solo interviews explored how money in the household is managed, distributed and spent, and how the new policies may have affected choices and the distribution of roles, paid work and money in the household. Childcare preferences and arrangements were also covered in couples with children. The joint interviews aimed to elicit a more nuanced understanding of the gender dynamics within the couple, including the degree of inter-relatedness or separateness in household budgeting and money management and the extent to which the views, preferences and behaviours of one partner may influence or override those of the other.

Achieved Sample

Table 1 shows the achieved sample for the first round of interviews. In total we carried out 123 interviews with 90 individual participants living in 53 households. There was roughly equal coverage in terms of numbers of households across the four fieldwork areas. Of the 53 households, 30 comprised couples with children, 11 were couples without children and 12 were individuals who had previously claimed as a couple; nine were lone parents and three were single claimants. 52 participants were women, and 38 were men. More women than men were interviewed in part because all nine lone parents we interviewed were women. Among the 41 couples, we achieved the full set of three interviews in 34 cases.

Table 1: The Achieved Sample – First Phase June 2018 to January 2019

Households: 53	
Couples • 30 couples with dependent children • 11 couples without dependent children	**Previously living in couples** • 9 lone parents • 3 single people without dependent children
Living in	
• Bath: 16 • Cumbria: 10	• Greater Merseyside: 14 • Scotland: 13
Interviews: 123	
• 88 solo	• 35 joint
Of the 41 couples	
• 34 with 3 interviews • 2 with 2 interviews	• 5 with 1 interview
Individual participants: 90	
• 78 people in couples, of whom 2 only gave a joint interview	• 9 lone parents • 3 single people without dependent children

Reflecting the ethnic profile of the fieldwork areas, all 90 participants described themselves as white. 79 participants said that they were white British and the remainder described themselves as being from other white backgrounds.

All those living in couples were in female/male relationships. The age range was between 18 and 55 years old. There were 39 households with dependent children (30 couples and nine lone parents). All but one of these had a child or children under the age of 12 and for 28 households this included at least one pre-school aged child. In 29 of the 53 households, no-one was in work, while in 24, there was at least one earner. For 31 households, Universal Credit was the main source of income. Among the 41 couples, ten were dual-earner couples, 13 were one-earner couples, and 18 were couples with no earners. Among the 30 couples with dependent children, in 12, one partner was earning, and in nine, both partners were working. In the remaining nine couples with dependent children, neither partner was working.

These categories all refer to the status at the time of the interviews. But some participants had recent experience of moving between different claimant groups due to ending or forming a partnership or having a baby, for example, and several of the couples 'without dependent children' were parents whose children were looked after by others. The separate technical annex which accompanies this report provides more detailed information on the characteristics of the sample, in terms of households, couples and individuals.

Analysis

All 123 interview transcripts were analysed using MAXQDA 10, a Computer Assisted Qualitative Data Analysis (CAQDAS) software package designed to help in the management, analysis and interpretation of large volumes of qualitative data. The policy context of Universal Credit and its particular design features provided the principal framework for analysis. Transcripts were coded thematically using this framework, with analytical outputs organised according to key areas of policy, design and claimant experience. Data variables from individual and joint interviews outlining key characteristics of our sample were also collected and analysed using SPSS.[7] The report was written using mainly qualitatively-derived outputs from transcripts, supplemented by quantified data where relevant.

7. SPSS is a software package used for interactive, or batched, statistical analysis.

This Report

Our first phase report focuses on the key aspects of Universal Credit designed to influence how claimants budget and manage their money in particular. These include: payment in arrears; payment monthly; an integrated, single award; monthly assessment; one payment per couple and alternative payment arrangements. Copious quotes are used throughout using the actual words voiced by participants. Aliases are used to anonymise quotes and minor details may have been changed to protect personal identities. This very rich interview material allowed us to explore a range of issues affecting couples claiming Universal Credit together and, for those who have previous experience of claiming jointly, to reflect back on this time. We also explore how people's experiences of Universal Credit compare with the legacy system of benefits and tax credits. Our main aim is to shed light on the aspects of Universal Credit which may have unique, differential or disproportionate effects on couples, but it is also the case that many of these design features will have wider relevance to single claimants and lone parents as well.

The ways in which couples experience Universal Credit may be very different from the policy intention and this is one of the issues and tensions that we seek to explore

For this report – based on the first wave of interviews conducted between June 2018 and January 2019 – we have focused on the immediate issues facing our participants arising from the design of Universal Credit and the impact that these had on the ways in which they managed and negotiated their finances in general and Universal Credit in particular. This is valuable in helping to disentangle the impact of specific aspects of Universal Credit in the context of wider welfare policy.

The rest of this report is divided into eight chapters covering the issues facing the couples as they experienced Universal Credit, and in particular the relevant design features and policy measures which provide the changed context in which budgeting and household financial management decisions are made. While we seek to isolate these Universal Credit-specific features, people claiming benefits often experience these 'in the round' and without necessarily being cognisant of the intricacies of the policy design or intent. Universal Credit may also interact with other forms of means-tested help and non-cash 'passported' benefit payments, for example help with prescription costs, free school meals, and/or council tax support and exemption schemes, in complex ways. Universal Credit's design and payment regime also sits within the context of a decade-long period of austerity, welfare reform and social security cuts (Gardiner, 2019; Hills and Cooper, 2020). And there are several areas in which policy has changed, both during and since our fieldwork, and we draw attention to these as appropriate. However, because our report was substantially written before the COVID-19 outbreak, emergency measures introduced in response to this have not been included.

To reiterate, this is an in-depth, qualitative study in which we are examining Universal Credit from the perspective of couples claiming the benefit jointly. The ways in which they experience Universal Credit may be very different from the policy intention and this is one of the issues and tensions that we seek to explore. We start with the process of making the claim.

2

Claiming Universal Credit as a Couple

> *Just because … we're making a joint claim doesn't mean … everyone's situation is just the same.*
> **Leah, joint claimant, female, Somerset, single-earner couple, one child**

Because claiming Universal Credit as a couple incorporates both joint and individual elements, joint claimants travel a different road onto the benefit and face a different set of issues and challenges compared with lone parents and single claimants. This chapter describes our couples, outlines their relationships and living arrangements, explores the circumstances giving rise to the joint Universal Credit claim and recounts the different experiences they had when making the claim.

Employment Backgrounds and Benefit History

All 90 participants had experience of claiming Universal Credit or means-tested benefits or tax credits as a couple and, at the time of the interview, 80 per cent were claiming Universal Credit jointly. Of these, three quarters had been claiming Universal Credit as a couple for six months or more and a third for two or more years. Prior to claiming Universal Credit as a couple, just under one in four (21) participants had been claiming Universal Credit as a lone parent or single person. Around three quarters of participants (70) had previously claimed legacy benefits or tax credits, among whom almost two thirds (59) had claimed as a couple. Around one in ten participants had also claimed as a lone parent (11) and one in ten had claimed as a single person (ten).

In the main, the sample comprised couples who had moved on to Universal Credit from tax credits (Child Tax Credit and Working Tax Credit) or out of work benefits (JSA, ESA and IS). Couples with children were more likely to be, or have been, claiming Working Tax Credit prior to the Universal Credit claim, while those without dependent children were more likely to have been claiming an out-of-work benefit.

Almost two thirds of our interviewees (57) were 16 (or under) when they left school. All had experienced some form of paid work since leaving full-time education but the nature and longevity of employment varied. Some participants had a mainly continuous history of employment interspersed with short intervals of unemployment or periods outside the labour market – due to redundancy, ill-health or having children, for example – whereas others had had more prolonged periods of unemployment and economic inactivity. Most of the jobs participants were (or had been) employed in were low paid or minimum wage; however, a few were employed in jobs which paid modest salaries close to the national average. Around a third of participants (36) said that they had a disability or long-term health condition which limited their amount of paid work they were able to undertake. In a majority of cases (30) the reported condition was a mental health problem. Nine participants said they had a physical disability, six had chronic ill-health and four had a learning difficulty. Just over a quarter of participants (24) said they were not currently employed because they cared full-time for a disabled child or partner.

Around a third of participants (32) were in paid employment at the time of the interview, among whom a large majority (29) were in couples with dependent children. Of working participants, seventeen were employed part time, 15 were employed full time and two were self-employed (although in both cases they also had part-time earnings). Five participants were working on variable or zero hours contracts and several more were employed through agencies. In just over half of the 53 households, no-one was working (29), and in just under half (24), at least one person was working. Ten couple households had two earners and thirteen had one. (There was one lone parent who was in paid work.) In seven couples, the single earner was the male partner and in five couples it was the female partner.

Of the 30 couples with dependent children, there were nine two-earner couples; twelve one-earner couples; and nine no-earner couples. Of the 11 couples without dependent children, there was one two-earner couple; one one-earner couple; and nine no-earner couples. Just one of the nine lone parents was working and none of the three single claimants was working.

Couple Relationships and Living Arrangements

Although most participants said they were in a stable, committed relationship with their partner, the longevity of relationships and current living arrangements were diverse. Three quarters of couples had been together for three or more years, but many had only recently started living together and a few lived apart. A third of couples had been living with their partner for less than three years and three lone parents lived apart from their current partner. The other six lone parents were separated or divorced and the three single claimants were not currently in a relationship.

Around two thirds of couples lived in social rented houses or flats, and around a quarter rented from a private landlord. Around half of these tenancies were joint and the rest were individually held. Only one couple had a mortgage. Among the lone parents we interviewed, five lived in social rented housing and four rented privately. Two single claimants were homeless at the time of the interview. One, a woman, was living in a hostel and the other, a man, was 'sofa surfing.' The third single claimant was fighting eviction.

Of the 41 couples, 29 were cohabiting and 12 were married. Almost three-quarters of participants (58) had never been married. However, several participants said they had plans to marry their current partner at some point in the future. A large number of participants had re-partnered and, in several couples with children, the male partner was not the biological father of one or more of the children. Seven participants disclosed that one or more of their children were being looked after by the local authority or foster carers, or had been placed for adoption. Nine participants had themselves been cared for by the local authority as a child.

Participants who were in a couple typically described their relationship as '*happy*' or '*good*', as well as '*equal*' or '*modern*'. However, some referred to their relationship less positively, as '*difficult*' or '*complex*', '*going through ups and downs*' or '*on and off*'. Around one in five participants (17 individuals, all but one of them women, and about a third of women in the sample), mentioned that they had experienced domestic violence, controlling behaviour or financial abuse. Fifteen said the abuse had occurred in a previous relationship, while for two, it was in their current relationship. The man who had experienced domestic violence had himself been a perpetrator of domestic violence in his current relationship. Seven (of nine) lone parents interviewed, and one single claimant, said that they had experienced financial abuse or intimate partner violence during a previous joint claim for Universal Credit or legacy benefits which, in most cases, had been a key reason for separating.[8] The three lone parents who lived apart from a partner mainly did so for financial reasons, to protect their individual entitlement to benefits which would have been lost by living as a couple. As one of them explained:

> *[My partner] is living with my sister at the moment … [if we lived together] … the £300 that I get would stop and we'd be relying on his money … I'd only get [child's] money … They'd class him as having to support me and [my child]. So [my child's] money would stop, mine would stop … and then the housing would stop as well, I wouldn't get no help with my rent … it wouldn't be worth … it all financially until we're both more financially stable … It wouldn't be worth me putting him on the claim because we'd just be losing out on money that we can't afford to lose out on.*
> **Chloe, lone parent, female, Somerset, not earning, one child**

Reasons for the Joint Universal Credit Claim

A variety of changes of circumstance and life events had given rise to the joint Universal Credit claim. Reflecting the fact that many couples had only recently started living together, the most common reason for claiming jointly, given by one in four participants, was because their partner had moved in with them, or they had moved in with a partner. Thirteen participants said their partner had moved in with them and another 13 said they had had moved in with their partner. In some cases, moving in together as a couple had been

8. These issues are covered in greater detail in chapter 8.

prompted by a significant life event, for example having a baby (7) or getting married (2) whereas, in other cases, it was due to a change of benefit status or housing.

Celia and Peter claimed Universal Credit as a couple after getting married and moving in together. Though they had been partners for several years, and had two children, they had previously 'lived apart together' because Celia could not afford the loss of entitlement to means-tested financial help that living with Peter would have entailed:

> *Officially, we never actually moved in together until we were married, just for the fact of we knew we were going to totally ripped off … Most of the time he was doing … night shift work … so he would come down and stay for a night or two, but officially he didn't move in until after we got married.*
> **Celia, joint claimant, female, Scotland, dual-earner couple, two children**

In other instances, the partners had not chosen to live together but had been obliged to do so due to a change in the benefit status or housing circumstances of one or both partners. After missing a Jobcentre appointment Neil, for example, was sanctioned for 120 days, ending his claim for JSA and Housing Benefit. Having no means of supporting himself, he moved in with his partner, giving rise to the joint claim. Another male participant had voluntarily given up his job and was not entitled to claim benefits for six months. Being '*kept*' by his partner and surviving on her benefits, the couple decided to make a joint claim in the belief that it would enable them to cope better financially:

> *She was on benefits, so technically I got no money for the six months … because I give up my job, and then we decided to make a joint claim because … she was keeping me and … I said, well why don't we make a complete new claim, because otherwise we wouldn't have had any money whatsoever … I was managing on nothing, I was basically living on my partner's … benefits … till we made a joint claim for [Universal Credit].*
> **Owen, joint claimant, male, Cumbria, no-earner couple, no dependent children**

Several male participants had moved in with their partner after losing entitlement to Employment and Support Allowance (ESA) following a medical assessment that judged them fit for work. Abigail and Henry moved in together after an anonymous caller to the DWP reported them for 'living together' fraud. At the time, they were living in separate households and had been claiming ESA as single people. Investigated for 'failing to disclose a partner' and threatened with criminal prosecution, the couple felt that they had no choice but to move in together. Doing so ended their individual claims for ESA and they were obliged to claim Universal Credit jointly:

We claimed separately, we were both on ESA and … we got a phone call and someone had rung Jobcentre and told them that [partner] was living here … This guy [from the DWP] rang up and … he was saying it's against the law and you could get arrested and I just thought, oh God … I can't deal with stress of it … About a fortnight later we went in and said … we wanted to make a joint claim.
Henry, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children

One in five (18) participants said the Universal Credit claim had arisen when they or a partner (usually the man) had been made redundant or reached the end of a fixed term contract. Moving home was the next most commonly cited reason (12). Seven female participants said the Universal Credit claim had been made after they had stopped working or reduced their hours after having a baby, or having reached the end of a period of Statutory Maternity Pay or Maternity Allowance. Other reasons for the joint Universal Credit claim included: starting a new job (4); being dismissed (3); a reduction in earnings (2); and giving up a job due to a deterioration in health (1). One couple were told they needed to claim Universal Credit when the male partner's employment terms and conditions were changed from a fixed to a zero hours contract:

My partner went from a secure contract at the job that he was at … to a zero hours contract, so in the eyes of HMRC … that job had ended.
Faye, lone parent, female, Greater Merseyside, not earning, one child

Several participants, all former claimants of out-of-work legacy benefits, believed that there had been no change of circumstance; they had simply been told by the Jobcentre that they were being moved on to Universal Credit:

Joseph: *We went on to Income Support initially and then they moved us over to Universal Credit about a year later.*

Researcher: *And the point that they moved you over, had anything changed about your situation?*

Joseph: … *No, nothing really changed, we were just told that we had to go on Univeral Credit.*

Researcher: *Who told you?*

Joseph: *The Jobcentre.*
Joseph, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children

Multiple Partnership Transitions and Changes of Circumstances

A third of participants had experienced more than one significant life event or change of circumstances since first claiming Universal Credit. Eighteen participants said that they (or their partner) had had a baby and eight had been made redundant and then started work again. Several had had a change of partnership status and living arrangements. Ten had moved from a single to a joint Universal Credit claim, while five had separated from a partner and moved from a joint to a single claim. Some participants had done both. Six participants had ended a joint claim, claimed Universal Credit as a lone parent, then claimed as a couple again (in some cases it was the same partner, in others it was a new one).

A third of participants had experienced more than one significant life event or change of circumstances since first claiming Universal Credit

One lone parent, who received disability living allowance (DLA) due to a mental health condition, was living apart from her partner at the time of the interview but had in fact gone through a series of relationship transitions and living arrangements in the months before and since claiming Universal Credit. Prior to her current lone parent claim, she had been claiming Universal Credit jointly with her partner, who claimed Carer's Allowance as her carer. Having previously lived apart, the couple had moved in together after getting engaged. However, her partner's Carer's Allowance was deducted in its entirety from the Universal Credit payment and, after cohabiting for a month, her fiancé moved back out, and she re-claimed Universal Credit as a lone parent. In the meantime, her partner, who was back living with his sister, had found full-time work and the couple had decided to marry. Knowing that her lone parent claim would stop as soon as her partner moved back in, she was deliberating as to when she should notify the DWP of the change of circumstance:

> *I was already getting Universal Credit as a single parent … We've been together now four years … At that time lived with his mum and dad … He wasn't working … but he was classed as my carer at that point, so … he had that income … but because he was claiming Carer's Allowance, that was then getting deducted off of what … I had coming in … because of £60 a week Carer's Allowance was getting deducted, I was worse off … So we stopped it … but our circumstances will be changing because we get married … in two and a half weeks … I'm dreading what it means … the upset it's going to cause, because we get married on the 21st of December, now if I let them know that date through my journal, that's Christmas buggered … because they stop everything, you then have to make a joint claim.*
> **Molly, lone parent, female, Scotland, not earning, four children**

James outlined how he and his partner had initially claimed Universal Credit as a childless couple, then had a child together, separated, lived apart and claimed separately, he as a single claimant and his partner as a lone parent, then reunited and claimed Universal Credit jointly again, all within the space of two years. He explained how the Universal Credit claim and payment had adjusted with each change of circumstance:

> *We [claimed Universal Credit] initially to cover the gap between myself being out of work and in work, but … I was only out of work for … less than two weeks … the claim was open but we were both … full-time employed at the time and childless, so … our earnings exceeded the benefit amount, so it kind of just levelled off at zero … Then we … found out [partner] was pregnant … [she] then went part-time and … the [Universal Credit] ended up then kicking back in again because with … her reduced income and being on maternity pay … thresholds were met … That enabled us to then have [partner] at home for twelve months rather than just the standard maternity leave … Then the system kind of … stopped again because [partner] was then working full time and picking up extra shifts … Then … the system kicked in again more recently, with me being unwell … around … seven months ago I … got quite poorly, so my work contract only meant I'd have a full-time wage for two months … From there I moved onto statutory sick pay … plus a part-time wage from [partner's] job … Then my health got worse and our relationship broke down as a result, so we separated for around three months. I had … a small homeless spell … We've managed to kind of sort things back out again … I've recently just been discharged from care and I'm going back to work in a week's time … We had a real rough spell and we've had to rely upon that system a little bit with the bits in between.*
> **James, joint claimant, male, Somerset, single-earner couple, one child**

Making the Joint Universal Credit Claim

Although the Universal Credit claim for couples is joint, conditionality is individual, so each partner has to separately create an online account, be approved as 'an eligible claimant' and formally accept their claimant commitment, before the joint claim can proceed. Couples with children are also required to nominate a 'lead carer' with main responsibility for looking after children. Though most participants were familiar with accessing online systems using a computer, tablet or mobile phone, navigating this process was said by many to be challenging. And while some found the individual and joint aspects of claiming as a couple straightforward, other said it was confusing or frustrating. Several said their claims had been delayed as a result of the difficulties faced.

Some participants struggled to submit the online application, not because of poor IT skills, but because of difficulties completing the self-managed claim. Many had applied for Universal Credit before 'Help to Claim'[9] was rolled out in 2019 and none knew about or had received help via Universal Support,[10] its predecessor. It took some multiple attempts before their claim was finally validated. Several were forced to abandon earlier attempts and start a new claim afresh, ultimately delaying the application and first payment:

> *Your name, your partner's name, who's going to be the main claimant, who's going to be the one who's caring for the children … Then a few times you make a mistake, so you're phoning up, you're waiting in a queue to get spoken to, by the time they've spoke to you, they're getting you more confused … [They say] we're going to have to scrap it and you need to start again, which angers me more … You've got to do it on your own … you're stuck doing it and then you're getting to a point where like you're confused, so you're having to phone again and then you're told, oh you've done it wrong, you need to start again.*
> **Ruby, joint claimant, female, Scotland, no-earner couple, two children**

Some claims were unable to proceed because one or both partners were unable to verify their identity; not everyone had a valid passport or driving licence or utility bills in their name. Abigail had only recently moved in with her partner and her driving licence still included her previous address. Though the matter was eventually resolved, it had delayed the claim by several weeks:

> *My passport's … ten years out of date … I haven't really needed [one] … I've got a driving licence but …]it's] got [my previous] address on … I didn't have a car … and I couldn't afford to send off for a new driving licence because it costs probably forty, fifty quid … It was just an absolute nightmare.*
> **Abigail, joint claimant, female, Greater Merseyside, no-earner couple, no dependent children**

Even when they did have up to date identity, attempts to verify their ID using the online system were frequently unsuccessful, which meant attending the Jobcentre in person:

9. The 'Help to Claim' service started in April 2019 and is delivered independently of the DWP by Citizens Advice to provide free, confidential assistance to applicants making a claim for Universal Credit. The service can be accessed any time until the first full correct payment of Universal Credit is in place.

10. Universal Support was delivered by local authorities, funded by grants from the Department for Work and Pensions (DWP). It was a scheme to help people make a Universal Credit claim and manage ongoing payments. It was withdrawn and replaced with Help to Claim in April 2019.

You've got to take a photo [of] your passport like … on your phone … and it didn't work … We couldn't get it to work … There was three places you could go through that could verify you, and neither of them, none of them worked … so I couldn't do it … no, we'll have to go into the Jobcentre and do it.
Anna, joint claimant, female, Somerset, dual-earner couple, two children

Some mentioned that the online ID veritication process only worked using an up-to-date smartphone:

I had to take a picture of my passport and it didn't work … I took about twenty [photos] and eventually [husband] did it and it worked … It was quite stressful … one of the options was, do you have a smartphone … and I clicked on it and it said, if you don't have a smartphone, speak to someone who does!
Angela, joint claimant, female, Somerset, dual-earner couple, two children

Proof of address could be difficult when tenancies and bills were held in one partner's name. One participant explained that this had delayed the couple's claim by more than six weeks:

You've got to take all these documents as well and that can be quite stressful … I had nothing with a bill on, and it has to be a certain like a Council Tax bill or utility bill, and actually that delayed payment as well because I wasn't able to provide the evidence … that delayed payment … [by] six to eight weeks.
Leah, joint claimant, female, Somerset, single-earner couple, one child

Several participants failed the residency test. In one couple, the male partner had applied for, but not yet been awarded, British nationality. A further complication was that his employment had always been on a casual basis and outside the PAYE system:

It was really challenging because … he's in the process of getting British nationality and it was really hard to prove the fact that he was living here on a permanent basis, because all the contracts that he's got … are on a casual basis. So that was taking a very long time for him.
Mia, joint claimant, female, Somerset, dual-earner couple, no dependent children

Allison was European, and had lived, worked and paid tax and national insurance in the UK for more than ten years. However, the online system deemed her ineligible. The couple unsuccessfully asked for a mandatory reconsideration and were obliged to take their case to a tribunal before the decision was over-turned many months later:

> *We had to take them to the tribunal when we first started claiming, because they didn't believe [partner] lived in this country and that went on for quite a while … Just me and the children [were on the claim] but they wouldn't pay for [partner] … We won … We were lucky because we still had a bit of money in the bank and I still had a wage to come off [my previous job], so that tided us over.*
> **Ryan, joint claimant, male, Cumbria, single-earner couple, two children**

Couples in which only one partner is deemed an eligible claimant are still entitled to claim Universal Credit, but they only receive a single person's allowance. Moreover, if a claimant who is eligible for Universal Credit lives with a partner who is not, the ineligible partner's earnings still count as part of the monthly assessment:

> *Where one of the couple isn't from this country … wasn't eligible for Universal Credit … she'd still get it but his earnings are still deducted from her claim … He hasn't got a part in the claim, there's no money sort of for him, but his earnings are still deducted from the claim.*
> **Faye, lone parent, female, Greater Merseyside, not earning, one child**

Even when each member of the couple had succeeded in opening an online account, the process of linking them to create a joint claim was not necessarily straightforward, and some needed hands-on assistance:

> *The initial logging on and everything was fine but when it got to like verifying you and linking the two together … that was when it got really complicated … And then you have to go in and take your ID into the Jobcentre … You both separately you register, and then they do this thing where they link your accounts together as a joint claim … you attach the like claim together … the process was incredibly complicated … I'm glad that bit's over.*
> **Angela, joint claimant, female, Somerset, dual-earner couple, two children**

For those whose partner had a current live claim for Universal Credit, the process could be no less frustrating. Having to attend the Jobcentre was said to be onerous and time-consuming:

> *There was stuff that was done online and then stuff you couldn't do online and I think [partner] particularly struggled … because I wasn't on the system at all … So … I had to go and make a claim as a single person … and then I could join … The process of joining an … existing claim was a ball ache … the number of hoops I had to jump through to join … It was frustrating … having to take loads of unpaid time during the day to go down to the Jobcentre to wait*

for my appointment that was late, and then sit and answer questions I could have answered over the phone … This could have been done so much easier … It's not an easy transition.
Tom, joint claimant, male, Somerset, dual-earner couple, two children

Working claimants, in particular, often resented having to attend in person at all. Calls to the contact centre also involved long waits on hold and lines were only open during office hours. Visits to the Jobcentre, which also only operated Monday to Friday, could be difficult to fit around work, particularly if jobs were full time and/or nine to five:

Because I was working, I was having to like sneak out of the office to make a phone call … You'd sit on hold for an hour … which, when you're at work, isn't great … And then it's like 'OK now just pop in and give us all your information' … but I work … in a hospital … I've got a list of patients, I can't just pop in … you can give me an appointment … if you were the patient that I had to cancel, you wouldn't be very happy … if I'm going to cancel a patient it needs to be six weeks' notice.
Tom, joint claimant, male, Somerset, dual-earner couple, two children

Working claimants, in particular, often resented having to attend in person at all. Calls to the contact centre also involved long waits on hold and lines were only open during office hours

Having to present ID and other documentary evidence in person obliged many employed claimants to take unpaid time off work:

So the thing that made it stupid for me was I was working at the time … full time … I had to get away from my work to go into the Jobcentre to prove who I was, I had to go in … They phone you and they've got an appointment for you to go in. Well I was working until five … and for me to try to get into the Jobcentre was horrendous, I couldn't get in.
John, joint claimant, male, Scotland, no-earner couple, no dependent children

Many could not understand why both members of a working couple should have to attend in person or accept a claimant commitment if they were working full time:

He went after his shift … which he wasn't happy about having to go and … to the Jobcentre when he was working. That was the only way we could … the Universal Credit was as a couple … I think it's wrong really if the other partner is working, there's no reason for them to have to go and do what he had to do, commitments and everything.
Melissa, joint claimant, female, Greater Merseyside, dual-earner couple, three children

One couple with pre-school children were obliged to arrange paid childcare on two separate occasions when visiting the Jobcentre with documentary evidence:

> *There is a long process of interviewing and actually approving us as a couple that we're entitled to receiving Universal Credit. So we had to bring documents and after that we had to book … a [claimant commitment] interview … I was still paying a childminder … so we will be able to go to the Jobcentre. And they missed to actually make copies of our documents. So we've been there, each one of us two times … I still had to pay for the childminder to look after [child] to sort out the Universal Credit and they, they couldn't do it right!*
> **Jackie, joint claimant, female, Scotland, dual-earner couple, two children**

Some suggested that Jobcentres' opening hours should be extended to include early evening and Saturday mornings to better fit around the needs of working parents:

> *They're open … Monday to Friday, which is quite difficult if you are working … The payment was delayed because I couldn't get in … It would have been a lot more helpful if they had maybe one Saturday a month or … an evening every month … to fit in [with] working people.*
> **Tamsin, joint claimant, female, Greater Merseyside, single-earner couple, two children**

Some parents also disliked Jobcentres which were said to be child-unfriendly with security personnel they found intimidating:

> *I hate having to go to the Jobcentre because they're not the most child-friendly places … It's always really hot … really clammy and sweaty in there and … the security guards … they're quite burly … it's not great for the kids, they don't like it … They say they want to help you … [but] there's not that much flexibility there or help.*
> **Tamsin, joint claimant, female, Greater Merseyside, single-earner couple, two children**

One participant said that their local One Stop Shop was much more welcoming and family-friendly:

> *You have to go into the most depressing place in the world where you're not allowed to use the toilet! I only ever used to go to the One Stop Shop, which is amazing and much nicer … Really nice in there and really welcoming.*
> **Angela, joint claimant, female, Somerset, dual-earner couple, two children**

Others said the treatment they had received had varied depending on whether or not they were working, and the staff member that had dealt with them:

> *When I went in the Jobcentre … it doesn't make you feel great! … It seems to be like they talk down and then they found out I work, and then the way they talked to me is completely different … They tried to explain things more to me when they found out I was working … whereas like before they just kind of looked at me, it was like, well what are you going to do for work?*
> **Leah, joint claimant, female, Somerset, single-earner couple, one child**

This said, the face-to-face contact that customers received in Jobcentres was often preferred to 'faceless' call centre staff. Some participants also said that staff in their local office had '*bent over backwards*' to be helpful:

> *They were really helpful … The guy was like, OK, that's fine … you've got all the information with you, come downstairs, I'll see if I can find anyone to help you. And they did sort of go out of their way to help, you know, which was good, I felt that the service, the face-to-face service was really good, it felt like people were really trying to help you.*
> **Tom, joint claimant, male, Somerset, dual-earner couple, two children**

Nominating a Lead Carer

Even in couples where the roles were split along traditional gender lines, several felt the policy reinforced a traditional male breadwinner and female homemaker model which was out of step with contemporary norms

Couples with dependent children who claim Universal Credit jointly are additionally required to nominate a lead carer with the main responsibility for looking after the child/ren. Lead carer status determines the conditionality regime and mandated hours of work or job search the designated partner is then required to meet (depending on the age of the youngest child and household earnings). In this research, nominated lead carers were overwhelmingly female (27 of 30); only three were male.

Though sometimes unfamiliar with the term 'lead carer,' most couples remembered having to make this choice when making the joint claim. Some were happy to do so, but others objected. Those for whom the decision raised no particular issues were couples in which work-care arrangements closely matched the policy assumption of divided roles – a principal earner and a main carer. In these instances, decisions were made pragmatically, depending on which member of the couple was working or earning most at the time. If one partner was working full-time (usually the man) and the other working part-time or not at all (usually the woman), it made practical sense, many said, to nominate the (female) partner as lead carer because she spent more time at home with the children:

I vaguely remember, and I think it probably would have been me! … Because I was always going to end up being part-time work, so I would have been at home more than [partner].
Esther, joint claimant, female, Scotland, dual-earner couple, two children

That female partners were more likely to be lead carer simply reflected the fact that male partners were more likely to be working longer hours at the time they made the claim:

It's based on my work pattern and the hours that I work, so it made more sense for my partner to be the main carer.
Nick, joint claimant, male, Somerset, dual-earner couple, two children

Being a lead carer also often went hand in hand with responsibility for managing the online account and other aspects of the claim, which working men were generally less engaged with than women:

I didn't find it much of an issue to be fair, I mean I was always happy to put [partner] down as lead carer because she's always here … because I'm at work, if they ever needed to contact anyone or anything like that, she would always be the easiest point of contact! Because I wouldn't be easy to contact at work.
Luke, joint claimant, male, Cumbria, single-earner couple, two children

Several women nominated themselves simply because that reflected the reality of the partners' respective roles regarding their involvement in care for the child/ren. Leila's partner worked full-time, but she was actively job searching and keen to find work. Regardless of which partner was working, she said, she was the children's main carer, and always would be:

Researcher: *[Do] you feel you both have responsibility for looking after children?*

Leila: *Well of course we should! … Otherwise why would I need husband?! (laughs) … I choose myself of course.*

Researcher: *And that was because he was already working?*

Leila: *No, that's because I'm their main carer! And I will always be, whatever happens!*
Leila, joint claimant, female, Greater Merseyside, single-earner couple, two children

Nevertheless, even in couples where the roles were split along traditional gender lines, and notwithstanding the fact that either partner can be the nominated lead carer (and that some lead carers were men), several felt the policy reinforced a traditional male breadwinner and female homemaker model which was out of step with contemporary norms around work and caring in couples with children:

> *In this situation, I think it is important that [partner] is the lead carer … because she's got muscular dystrophy … But (sighs) … if they could find a way to split it, I think it would be better, just because you know … this isn't the olden days … it's not always the man going to work and the woman staying at home … in a lot of cases, it's the other way round.*
> **Dylan, joint claimant, male, Greater Merseyside, single-earner couple, two children, joint interview**

Some objected to the policy because it was at odds with more gender equal parenting practices in which both partners share responsibility for children:

> *We didn't agree with it because … [when ex-partner] and I were together … there wasn't a lead carer … we're both his parents, like even now … yes, [child] lives with me, and in a way, yeah, I am his main carer now, but when [ex] was living here, we were both equal. So I didn't agree, and I don't agree now, that joint applications, you shouldn't have to put who's a lead carer, because technically that's like saying that that person's more important than that person and that's not the case … because … we both just took the role of being [child's] parents as [child's] parent … It was a really odd question … but … we just thought that, well I'm the mum, I should go for that … I didn't understand why Universal Credit done it. I thought that was a bit wrong.*
> **Sophie, lone parent, female, Somerset, not earning, one child**

One couple did actually share paid work and childcare responsibilities on a strictly equal basis. Splitting their working week in two, one partner was responsible for child care for the first half of the week, and the other for the second half. This created a genuine dilemma, both for the partners and for their work coach, as to which one should be the nominated lead carer:

> *I remember thinking that was absolute nonsense, because we literally 50/50 split the care … and because [partner] was nominated as lead carer … the ten hours or whatever it is that I actually have [daughter] on a Monday, where she's not at nursery, count as time that I should be working! It's really, I just think surely a little tweak to the system would allow for that.*

Because of the light touch thing … I said …'I've got my four year old daughter for that whole day.' And … he just sort of waved it through! It was like,' yeah, but you're earning so it's fine'.
Mike, joint claimant, male, Somerset, dual-earner couple, two children

Both partners agreed that the policy was unnecesarily inflexible and and should be changed:

Mike: *One of us has to be the named carer, it's like they haven't allowed for a 50/50 split in child care … So technically on the day that I've got [child] I am supposed to be working.*

Angela: *That seems quite unfair.*

Mike: *It's a bit silly, isn't it?*

Angela: *Yeah, that's not, that's not really how modern families work.*

Mike: *… It feels like … that all could be removed with just an extra line in the algorithm … The only thing that I would change, the named carer thing. The necessity to have a lead carer …*

Angela: *Yeah, why can't it just be both of us because that is actually what it is … [it's] a bit old-fashioned.*
Angela and Mike, joint claimants, Somerset, dual-earner couple, two children, joint interview

Another participant suggested changing the 'lead carer' terminology to better reflect the fact that, in many couples, and regardless of who went out to work, children are cared for by both parents:

Oh is it like who's, who's staying home with kids? … Because … nobody in a relationship is a lead carer, you both have to take responsibilities, doesn't matter if I am at work that I don't take care of my kids, or if he would be at work that he doesn't take care of [them] … What they should just re-phrase that who's you know … put a different name on … so it's the person … who's nominated to stay home with the kids.
Allison, joint claimant, female, Cumbria, single-earner couple, two children

3

Getting to the First Payment

Because Universal Credit is assessed calendar monthly, entitlement can only be calculated and paid in arrears after the end of the first month of claiming, once household earnings and other income received within the month have been factored in. When first rolled out, Universal Credit also included a mandatory period of seven waiting days during which the benefit was not payable; nor was any benefit run-on paid initially. Eligible claimants were therefore initially obliged to wait at least six weeks before receiving their first payment. Extensive media coverage of claimants' financial hardship during this 'designed-in' wait without payment contributed to the government announcing in the Autumn Budget of 2017 that, from February 2018, the seven day period of ineligibility at the start of the claim would be abolished, reducing the waiting time from six to five weeks following receipt of an eligible claim.

In our study, virtually all couples struggled financially while waiting for the first Universal Credit payment

Continued coverage of claimants' financial difficulties led to reforms to the system of repayable advances, intended to tide eligible claimants over before they received their first payment. From January 2018, claimants were able to access larger advances and repay them over longer periods. Eligible claimants were able to request a full month's 'indicative entitlement' – their expected Universal Credit payment – within five days of making the claim, compared with only 50 per cent initially. The maximum period of recovery was also extended from six to 12 months and, from October 2021, it will increase further, initially to 16 but now to 24 months. Claimants can also request to defer advance repayments by three months, although the decision is discretionary and only granted in exceptional circumstances. A non-recoverable two-week Housing Benefit run-on was also introduced in April 2018, and a two-week run-on for claimants moving on to Universal Credit from Income Support, income-based JSA and income-related ESA is to be introduced in July 2020.

In our study, virtually all couples struggled financially while waiting for the first Universal Credit payment. However, the nature, duration and seriousness of the difficulties varied depending on their employment circumstances and the timing of the claim. Non-earning couples, both with and without children, faced the greatest financial difficulties, while dual-earner and single-earner couples with children generally faced the least. Those who claimed Universal Credit earlier in the roll-out also experienced greater financial difficulties because they generally waited much longer than five weeks before receiving the first payment. Policies governing the amount and recovery period for advance loans were also more restrictive at the time many of our couples made their claim.

Moving on to Universal Credit from Paid Work

The couples who managed best were those moving on to Universal Credit directly from paid work, or who still had an earner in the household. Here, wages and small savings helped bridge the gap during the wait for the first payment:

We was lucky that I was working … so we still had my wage coming in, even though it wasn't a lot.
Lucy, joint claimant, female, Cumbria, no-earner couple, two children, joint interview

Nevertheless, even some families with a wage earner or the previous month's wage to fall back on struggled during the wait for payment. With earnings typically used to pay rent, some couples ran out of money before they received their first payment and were obliged to use a food bank:

When I was working we had … some money … we had that to fall back on … plus I was due … pay as well from them as well, which then paid the rent … but with the food we were kind of stuck … which is why we had to use the food bank.
Dennis, joint claimant, male, Scotland, no-earner couple, two children

Some working couples who had been in receipt of Working Tax Credit had also delayed making a claim for Universal Credit in the expectation that their tax credits would run on for four weeks, allowing those whose job had ended the time to quickly find another one without the need to formally reclaim, as it did under the legacy system:

[Partner] was working at [company] but that was a month to month contract. So they had no work, so he got paid off … [Partner] … put the claim in for Universal Credit … we didn't want to, we kind of hoped that he'd get a job before … our WTC ran out, because obviously you get a four week run on of WTC … because the way they seen it as if you got a job within that four weeks, then you wouldn't have to notify them again. So we were kind of hoping that he got a job within that four weeks but… no, we had to go on to Universal Credit … It's the worst thing ever.
Ellen, joint claimant, female, Scotland, no-earner couple, two children

For such families, having to endure an extended wait before they received their first Universal Credit payment meant that rent arrears and other debts were the frequent outcome.

Moving on to Universal Credit from Legacy Benefits

The majority of couples in this research had migrated on to Universal Credit from a legacy out of work benefit (for example, Jobseekers Allowance (JSA), Employment and Support Allowance (ESA) or Income Support (IS)). With neither wages nor savings to fall back on, the financial hardship they experienced was often made worse by the limited and sometimes inaccurate information they had received during the move to Universal Credit. This was in part a product of the self-completed, online application process and policy of encouraging (and requiring) applicants to manage their own claim, particularly in the early days of roll-out. Consequently, contact with Universal Credit staff seemed mainly to occur after the online form had been submitted. Few in our sample were therefore aware that the rules about benefit run-on and claim backdating were different under Universal Credit compared with legacy benefits. Many assumed that their current benefits and tax credits would run on during the move:

> *We didn't know our Child Tax Credits would get stopped when we claimed Universal Credit … I used to get [CTC] on a Monday and I checked my bank … I phoned them up and they went, yeah, your CTC claim's been stopped … We didn't know that they paid for the children, we still thought [it] would run on, but … it stopped and they don't tell you … the [CTC] claim just basically got dissolved and we didn't know.*
> **Ellen, joint claimant, female, Scotland, no-earner couple, two children**

A similar assumption was that Universal Credit would be paid retrospectively, covering them from the date of submission of their claim, as would have been the case under the legacy system. That making a claim for Universal Credit automatically ended existing claims (for the six benefits and tax credits replaced by Universal Credit), and that entitlement only started from the date they became an 'eligible claimant',[11] therefore often came as a shock. Maya and Jake were told to claim Universal Credit when Maya started part-time work. Her delight at having been offered her first job in five years, since having her child, was short-lived when the couple were informed that their Housing Benefit had been stopped:

> *One day when I had to sign on and my adviser at the Jobcentre says Universal Credit's been rolling in and it would be better for you since you have a child in the family. So I was like, OK, I'll discuss it with my wife … and they just said, right, we're going to put you on Universal Credit … So me and my wife went to the council … and said, we're going to Universal Credits, so what happens to our Housing Benefit? So they suspended our Housing Benefit … my wife was in pieces. It's like I have to act like the strong one, being the man and all that! But my wife was in pieces … Everything was fine … perfect … everything was getting paid out … and then we've been like sanctioned from Housing Benefit until we got our Universal Credit …*

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11. An eligible Universal Credit claimant is a person who has satisfied all the requirements for claiming the benefit, including verifying their ID and signing their Claimant Commitment. In the case of a joint Universal Credit claim, this would require both members of the couple to each sign their own Claimant Commitment.

They had to stop it altogether till Universal Credit got involved … We were worried about getting … backdated payments of rent … we were worried about getting kicked out.
Jake, joint claimant, male, Cumbria, single-earner couple, one child

With no Housing Benefit run-on,[12] for existing claimants of legacy benefits and tax credits, rent and council tax arrears were thus often the unavoidable outcome of claiming Universal Credit. At the time of being interviewed, and a year after first claiming Universal Credit, this couple had still not finished paying off the rent and council tax arrears incurred at the start of the claim, even though the female partner had since moved into paid work.

A related issue was that many claimants were not aware of the need to claim housing costs when completing their online Universal Credit application, or that, until they did, the Universal Credit housing element would not be paid or backdated. Some also assumed, or had been wrongly advised, that their Housing Benefit would automatically run on during the move. It was not until they received their first Universal Credit payment, six weeks after applying, that one unemployed couple discovered that their housing costs had not been included. By the time they realised, they had accrued three months' rent arrears and were evicted from their flat. With no dependent children, and deemed to have made themselves 'intentionally homeless', they were not in a situation in which the local authority had an obligation to rehouse them. The couple's relationship broke down and, at the time of the interview, the male partner was homeless and 'sofa surfing.' Moving location every two or three days, he had little prospect of being able to secure a job, he said, until he found somewhere to live:

I was previously getting JSA and … Housing Benefit … so everything was under control … then I got moved on to Universal Credit … I had to wait six weeks for the first payment … but there was no housing element attached to it … I had to ring them up to tell them that … if you don't send me any housing element it's going to leave me in a big hole, which it did … Then … they wanted me to send all my tenancy agreement again which they'd already got from … the JSA but because they'd changed their system … it was all fresh and brand new … From every conversation I had … at the Jobcentre and on the phone … they assured me that … it would all be a smooth transitional process where I was going to move from JSA to Universal Credit … and everything was going to be covered, which it wasn't. I had to chase up and I had a lot of trouble … which eventually just led me to be in the position I'm in now, which is homeless basically. This was the first time I've had serious rent arrears … If I stay

12. This participant claimed Universal Credit prior to April 2018, before the introduction of the Housing Benefit run-on.

say with my friends, there's all sorts of changes to their Council Tax and their money, they've got to declare … other people are living there and everyone's scared of it affecting their benefits so they're scared to help.
Eric, single claimant, male, Greater Merseyside, not earning, no dependent children

Advance Loans

In this research, 59 per cent of all couples said that they had received an advance payment, similar to the 57 per cent of eligible new claims to the Universal Credit Full Service recorded nationally between February 2018 and January 2019.[13] Those most likely to receive an advance were no-earner couples without children. However, half of couples with dependent children and 40 per cent of couples with a wage earner had also received an advance.

Participants who had claimed Universal Credit relatively early in the roll-out were not routinely informed that they could request an advance. By the time they found out, many had already fallen into rent arrears and were struggling financially:

I spoke to tax credits about … what to do because we didn't want to have any overpayment … So then I was forced to close down my CTC claim, as well as Housing Benefit … and then nobody actually told you at that time that there was an advance to take, I had to … go down to the Jobcentre and beg for them to give me some sort of help because I had a small child and I didn't really know what to do … all our security had stopped.
Faye, lone parent, female, Greater Merseyside, not earning, one child

Because it was a repayable loan that claimants might struggle to repay, some claimants were actually advised by a Jobcentre work coach or service centre case manager against taking one out:

We asked about an advance and we got told [by a work coach] that … they would give us it if they needed it, but we're better off not going down that line because we need to pay it back and it would get us in more debt and would struggle more than what we are … That's when my husband says, no, we'll just leave it, we'll just struggle.
Ruby, joint claimant, female, Scotland, no-earner couple, two children

13. All Party Parliamentary Group on Universal Credit wwwturn2us-2938.cdn.hybridcloudspan.com/T2UWebsite/media/Documents/Communications%20documents/Universal Credit-REPORT-FINAL-v3.pdf

When Universal Credit first rolled out, the maximum amount that could be advanced was also initially capped at 50 per cent and the loan had to be repaid in full within six months. While the policy intent was to ensure that claimants repaid their borrowings as quickly as possible, the relatively small amount advanced was sometimes insufficient even to repay the rent arrears that many claimants accrued during the move to Universal Credit. The six-month repayment period also left some couples with little money to live on. Struggling to get by, some turned to family and friends for help, others to foodbanks. For many couples with children, Child Benefit, which was sometimes the family's only source of income, proved to be a life-saver:

> *It was food banks and family … My family are really, really sick of me … they're not well-off themselves … We had to use food banks, we didn't have a penny … They give us £170 advance payment but I had to pay that to my rent because the landlord wasn't very nice … and we waited seven weeks … Nothing, just my Child Benefit and then my part-time wage … Oh it was embarrassing … it's people seeing you going in as well … it just felt like I was failing … All you want to do is provide for your kids … The children never went without but me and [husband] went without quite a bit … It was just an absolute nightmare at the time.*
> **Amelia, joint claimant, female, Greater Merseyside, single-earner couple, two children**

Reflecting the policy changes to advances, couples who had claimed Universal Credit later in the roll-out spoke of how work coaches and some social landlords now actively encouraged them to apply:

> *The first time I went to the Jobcentre and asked if there was any help … she told me to take out a payday loan and I said, well how am I meant to afford that? And then she said, well OK, I suppose we could give you a food bank ticket … We had a child … eighteen months old and I didn't know what else to do. And then I went a few days later … and there was a different person at … the Jobcentre and she said, oh you can take an advance out, and I said, nobody's told me about this. So she made me an appointment to come back, on the same day as well, she really pushed for that … They asked what it was for and … I said, well I've got a young child, I've got no gas and electric, I've got minimal food in … and then they granted us an advance … of [£500].*
> **Faye, lone parent, female, Greater Merseyside, not earning, one child**

However, not all couples accepted the offer of an advance or responded to them positively. Taking on a loan to repay rent or council tax arrears and other debts seemed like 'robbing Peter to pay Paul', and many declined:

[Social landlord] were sending residents letters about how to apply for loans … I got one … saying, do you know about Universal Credit? Do you know it takes six weeks to get the money, hence we want our rent now, so you'd better get into more debt to provide our rent for us.
Tessa, joint claimant, female, Somerset, single-earner couple, one child

Some chose to struggle on rather than take on a debt that would result in a large deduction from their Universal Credit payment. However, many got into financial difficulties as a result:

Knowing that it was a loan and knowing that it did take the regular money off, I thought, well it's pointless because they're going to make my money short and it's going to be harder and harder every month to do it … but I ended up in a lot of arrears.
Eric, single claimant, male, Greater Merseyside, not earning, no dependent children

For those who took out advances, the payment was a welcome injection of funds which helped to stave off the immediate threat of eviction or a utility disconnection. However, for some, the relief was short-lived. Several participants said that they had accepted an advance without being informed, or fully realising, that repayments would immediately be deducted from the first Universal Credit award:

The advance really mucked it up with the huge advance you get at the start. Because they didn't explain you need to pay that back … We also didn't realise the first advance would come off as much as it is and it would be constantly … We were never told … it would instantly come off … your next payment … They seem to throw the money at you and then rip it straight back off you … Why give you an advance and then take it back off your next payment straight away?
Nell, joint claimant, female, Scotland, no-earner couple, two children

With overdue rent and council tax to pay, Celia said that she had no choice but to accept an advance, but did not fully understand that it was a loan. Nor did she realise that her partner's earnings would further reduce the monthly Universal Credit award from which the repayments were deducted:

She sat and gone through it with me and she went, oh this is what you'll get, would you like to take the advance? And I was hesitant but when she explained it to me … you kind of get taken in thinking everything's going to be OK … I had taken the advance because I thought I've still got last month's rent to pay, this month's rent to pay, two months' Council Tax, so right away I was about £1,000 [in debt] … So I'm like I can't afford not to have it … It was … selling to you that it was a good thing for you and not the fact that it's going

to then get taken off … I assumed that you would get that money added back in, so as it was giving you extra money a month … but it didn't … They told us that's what we were entitled to but then didn't say that your take-home pay also comes off of this. So they gave us the advance and … then [we] found out the take-home pay then comes off of that … They didn't explain a whole lot of it to be honest.
Celia, joint claimant, female, Scotland, dual-earner couple, two children

Other participants were unconcerned that the advance was a loan, especially given that it was interest-free and could be repaid over 12 months. The ease and speed with which the advance was arranged and paid, without the need to complete a written form, were also appreciated.

Managing Advance Repayments

Those who took their full entitlement found that 100 per cent advances could be a double-edged sword

Concerns over their ability to meet advance repayments led some couples to accept an amount much less than the family was entitled to and needed to get by:

I didn't realise it was going to be eight weeks before we got any money, so I just asked for £300 … When I did ring up to ask for the advance, they did say are you sure that's enough, and I was like, well yeah, and they said, well you can borrow up to a certain amount and I said, oh no I don't want to because I've got to pay it back, and we were already in enough trouble as it is … I didn't want to take it and then have to pay it back because then we'd still be short each month anyway.
Sue, joint claimant, female, Greater Merseyside, dual-earner couple, three children

On the other hand, those who took their full entitlement found that 100 per cent advances could be a double-edged sword; the larger the amount advanced, the greater the reduction in the monthly Universal Credit payment. Couples with children whose monthly Universal Credit entitlement could amount to £1,000 or more could be particularly badly affected. Some families had to budget for a drop in income of up to £200 per month automatically deducted from the Universal Credit award for up to a year after making the claim.[14] Even with the extended repayment period of 12 months, some found the drop in income hard to manage, particularly if they were also struggling to get to grips with monthly budgeting:

14. This represents 40 per cent of the standard couple's allowance of £498.89. (The maximum was later changed to 30 per cent).

Universal Credit itself, it's everything rolled into one, it's a shock to the system itself. But then having another £100 knocked off each month … It's quite a lot to contend with … in quite a short period of time.
Eva, lone parent, female, Cumbria, not earning, two children

The fixed and largely non-negotiable repayment terms, which many said they had not been fully informed about, were also particularly worrisome:

They says take the advance because you're going to be getting that every month anyway, and at first I was a wee bit hesitant to taking it because, one, they never told you had to pay it back, and that you can't compromise with them, negotiate how much you can pay back.
Celia, joint claimant, female, Scotland, dual-earner couple, two children

Based on *indicative or estimated* rather than *actual* entitlement (which can only be assessed in arrears, after the monthly earnings of potentially two earners have been factored into the calculation), some advances had been significantly over-estimated, resulting in some couples having to repay large loans from a much lower than predicted Universal Credit award. One couple with children, who were advanced more than £1,200, were alarmed to discover that their joint earnings reduced the Universal Credit payment to a much smaller amount than they had initially been informed they were entitled to. With the advance treated as an overpayment, they were obliged to repay the loan from their earnings:

Initially we had an advance payment and for some reason they gave us £1,285 … and since then we've been entitled to £27 … so quite a lot to pay back from our Universal Credit.
Tessa, joint claimant, female, Somerset, single-earner couple, one child

The burden of repaying large and sometimes over-estimated advances was all the more difficult to manage if the change of circumstances giving rise to the Universal Credit claim (for example, a new baby or moving house) had, of itself, generated additional financial demands. One couple accepted a £300 advance to decorate and furnish the run-down council house they had recently moved into ahead of the imminent arrival of their first child. It later transpired that they had been overpaid because entitlement to Universal Credit did not in fact start until the baby's birth certificate had been produced at the Jobcentre – a crucial piece of information that they had not been given at the time they made their claim:

When we first [claimed Universal Credit] they overpaid us … We didn't realise they'd overpaid … because obviously we'd never claimed it before … and then … they just decided they weren't going to pay us for many months … which left us with the house [to pay for] and just my wage. It was a bit of a nightmare … We filled in the form perfectly fine … everything was just correct, so I think it was probably their error … They lowered the amount each month and took … £200 out of the £360 we were getting at that time … We got through it … but it was just a struggle.
Luke, joint claimant, male, Cumbria, single-earner couple, two children

To make matters worse, as new parents who had never previously claimed benefits or tax credits, they were not aware, and had not been informed, that Child Benefit is payable in addition to Universal Credit. With a new baby in the household, they had to manage almost entirely on the male partner's wages until the overpayment had been recovered in full:

We thought it was all just like one thing … We didn't get really any money from Universal Credit until [first child] was born … But I don't really know it was a separate thing … I didn't really know anything about Child Benefit until like a month ago … because no one told us about it.
Luke, joint claimant, male, Cumbria, single-earner couple, two children

Advances did not therefore necessarily prevent couples from struggling financially. Even after getting one, some couples were obliged to continue borrowing from family to help pay rent, top up gas and electricity prepayment meters and buy food:

We got an advance, we still had to borrow off family … my parents and [partner's] parents … helped us out … I would go to my mam's and say, can I nick some bread, can I nick some tatties … could you give us any food that you've got that you don't like sort of need? Could you borrow me £10 to put on the gas or electric. We did have to borrow. Luckily they didn't want it all back … We had to … we'd have literally been living off about £2.50 a week!
Vanessa, joint claimant, female, Cumbria, single-earner couple, three children

A few claimants had been helped by local charities, social workers or family support workers attached to Children's Centres. However, the type and availability of help, and the ability of claimants to access it, varied depending on their circumstances and where they lived. In some areas, financial help and welfare support previously provided by local authorities was said to have all but disappeared. Strict eligibility criteria also deterred participants from applying, particularly if one or both partners were employed. Those with no access to local support, or reluctant to ask parents or siblings who were themselves struggling, or elderly, had no option but to turn to food banks for help. Even then, many food banks operated according to referral and eligibility criteria which restricted who could be helped and how many times:

> *We've just actually had a parcel delivered today from the food bank. You're only supposed to get them three times a year. Before, you used to be able to just go in and pick up what you needed. Now you've got to get referred, which I'm lucky I've got a health visitor … because the only people that can help you get referred to a food bank is your doctor, your health visitor, Social Services and a minister. If you don't have any of that, you're stuck.*
> **Ruby, joint claimant, female, Scotland, no-earner couple, two children**

Further government reforms meant that claimants experiencing serious financial hardship could ask to defer advance repayments, by up to three months in exceptional circumstances, at the discretion of a decision-maker. However, at the time of writing, full repayment must still be completed within no more than 15 months (12 months plus three months extension).[15] Because of the often large sums deducted from the Universal Credit award in monthly repayments, in spite of (or indeed because of) getting an advance, many of our couples were still repaying advances as well as rent arrears and other borrowings and debts more than a year after first claiming.

Consent and Joint Liability for Advances

An issue uniquely affecting couples was that, early in the Universal Credit roll-out, joint claimants were able to arrange an advance without both partners consenting. Some couples found the ability to authorise an advance without their partner's presence or consent convenient, particularly if their partner was working:

> *I remember … when we asked [about] an advance payment, my partner wasn't actually physically there with me … they just ask me, is your partner happy with that and I said yes of course … as a joint couple, that probably helps.*
> **Mia, joint claimant, female, Somerset, dual-earner couple, no dependent children**

However, others were less sanguine, and questioned the legitimacy of obliging both partners to take joint liability for repaying a loan to which only one partner had consented and of which the other had not necessarily received any share. After separating from her partner and

15. As of October 2021, the maximum repayment period for Advances is to be extended to 24 months.

claiming Universal Credit as a lone parent, Leah found herself liable for repaying half the advance her now ex-partner had arranged and spent without her knowledge or consent. Because she was the family's sole earner, the couple had agreed that the Universal Credit award should be paid into her partner's bank account and she was unaware that an advance had been paid:

> *[Partner] was able to go into the Jobcentre and get an advance payment for both of us and then I wasn't actually there to consent to it, but I've still got to pay half of that back, so it was done behind my back … which I found crazy really and I spoke to them and they said because we were on the joint claim, that's part of being on there really. So even when I went on to a single claim … half of that … went onto my account, so I'm eligible for paying that back.*
> **Leah, joint claimant, female, Somerset, single-earner couple, one child**[16]

In fact, during 2018, the policy changed, and both members of the couple were required to consent to an advance either verbally at the Jobcentre, over the telephone, or in writing using the online journal.[17] Although these and other policy adjustments to advances were welcome, the financial repercussions of taking on a large repayable loan as a joint claimant sometimes only became apparent over the longer term, after a couple had parted company; and joint claimants who later separated who had not personally authorised, received or benefitted from an advance before the rules changed were still required to repay half.

Reforming the Five-Week Wait

Other suggestions from participants for reducing financial distress during the five-week wait for payment included allowing legacy benefits and tax credits to run on during the move to Universal Credit:

> *It was … a long wait of receiving your first payment of Universal Credit. That was … hell to be honest with you! Had to lend off my mum, had to lend off my partner's parents as well, which is a bit embarrassing … We're still repaying it … two years later, still paying … They shouldn't really say right we're stopping [your benefits], they should just … roll it on … I reckon that could be a big help if they did do that.*
> **Jake, joint claimant, male, Cumbria, single-earner couple, one child**

16. This couple later re-partnered, and were a couple again at the time of interview.

17. www.gov.uk/guidance/universal-credit-advances#how-to-apply-for-a-universal-credit-advance

Reducing the five week wait by introducing an interim award before the first payment is made, as suggested by the Labour Party[18] may also help new claimants not entitled to any benefit run-on. However, if Universal Credit is to remain payable monthly in arrears, financial support in the form of an upfront, non-recoverable grant[19] was felt by participants to be much fairer than a repayable loan, and a more targeted way of helping those most in need:

> *It's another debt, it's another stress … Why put a new family into that situation of lending them money and … not actually going to give them money? To me, that's just another way of … making it difficult for poor people.*
> **Tessa, joint claimant, female, Somerset, single-earner couple, one child**

That many couples and families with children struggled to make ends meet a year or more after they had first claimed Universal Credit and repaid the initial advance nevertheless suggests that the wait for the first payment and size and affordability of loan repayments were not the only, or even the most significant, aspects of Universal Credit causing budgeting difficulties and financial hardship.

18. https://labour.org.uk/press/corbyn-labour-will-scrap-universal-credit-immediately-lift-300000-children-poverty/ 27 September 2019.

19. In Northern Ireland, Discretionary Support Awards and payments from a Universal Credit Contingency Fund provide one-off, non-repayable grants for claimants who remain in hardship after alternative assistance has been taken into account: https://publications.parliament.uk/pa/cm201719/cmselect/cmniaf/2100/2100.pdf. Some think tanks have also suggested this, for example http://brightblue.org.uk/wp-content/uploads/2019/03/Helping-hand.pdf p140.

4

After the Wait, a Steady State?

Once claimants have been through the first assessment period and have received their first Universal Credit payment, the policy assumption is that, thereafter, the claim will move into a steady, 'business as usual' state. Among this sample, too, couples expected that after they had received their first payment, they would finally be 'out of the woods' and able to get the household finances back on track. Some did indeed find this to be the case. However, for others, it proved to be a different story. This chapter explores which couples managed best and who coped least well in the months following receipt of the first Universal Credit payment, exploring the role and relative influence of deductions from the Universal Credit payment and the cumulative impact of welfare reform and social security cuts more broadly.

Couples in Steady State

In the main, couples who got quickly back on track were working families with children who were claiming means-tested benefits for the first time, or who had previously claimed tax credits, but had no overpayments or debts to repay. In these instances, with current earnings, previous wages or maternity pay to fall back on, and with careful budgeting and help from family, many such couples had managed to get by without an advance. The extra cash from Universal Credit came as a welcome boost to the family budget, acting as an income top-up in a similar way to tax credits:

> *The payment has helped our overall situation because … it's an extra £400 a month … But … if [partner] was working part-time, I don't know whether it would just level out anyway. I mean it's just a case of at the moment she gets that because she's here looking after the kids … It has helped … it's impacted good in a way … It gives us a little bit more stability.*
> **Luke, joint claimant, male, Cumbria, single-earner couple, two children**

For couple families with a single earner on the minimum wage, the Universal Credit payment could be a lifeline:

> *Trying to survive on a minimum wage in keeping a household like this running … it's … not doable. I mean we sat down and worked out about a week or so ago that we're currently running at a deficit if we didn't have Universal Credit, we're running at a £200 or £300 deficit. So with the Universal Credit it's, it's keeping us afloat at the moment … just. My wages, it wasn't enough, we could barely keep rent paid.*
> **Nick, joint claimant, male, Somerset, dual-earner couple, two children**

Dual-earning families, too, were sometimes pleasantly surprised by the Universal Credit payment the family had been awarded. Though such couples generally received a relatively low award, they welcomed the extra money coming into the household. One male participant, who had re-partnered with a lone parent, said that the £100 they received each month helped to make up for the fact that the children's biological father paid no child maintenance:

> *It's not propping us up … it's a real asset … we're not going to turn down the £100 but it's not like that's paying for the month's food or paying the rent. It's … softening the blow of not receiving child maintenance from the children's father … the £100 Universal Credit does kind of fill that hole a little … So actually the £100 of Universal Credit does help … but it's not a huge amount of money.*
> **Tom, joint claimant, male, Somerset, dual-earner couple, two children**

The payment also helped to compensate for long-term wage stagnation which had eaten away the value of his earnings:

> *I think we are quite lucky that Universal Credit plays a very small part of our lives … and if we really, really thought about it, we probably could get away with not having it at all. It's … nice because it softens the blow of you know eight, nine years of a pay freeze … Life has got a lot more expensive around us and our wages have not gone up, because we've both been in the [workplace] for almost … eight years, so I've never had a pay rise … that £100 is the difference between eating pasta for a week and actually being able to eat food.*
> **Tom, joint claimant, male, Somerset, dual-earner couple, two children, joint interview**

Nevertheless, working couples sometimes resented having to claim Universal Credit at all, believing that pay rates should increase to enable people in work to support their families without having recourse to means-tested social security:

> *Instead of giving us that benefit, just up our wages so we don't need that benefit.*
> **Vanessa, joint claimant, female, Cumbria, single-earner couple, three children**

Other families liked the fact that Universal Credit topped up wages. A few working families found they were actually better off under Universal Credit than they had been during a previous claim for Working Tax Credit, although, because their circumstances had since changed, it was hard for them to pinpoint the reason why:

> *I know it's controversial and … there's a lot of people don't like it, but I think it's better … We actually get more money, which I never thought would be the case, but we do … I've no idea why but they offer more for us on Universal Credit … When I was with tax credits, we'd get about £400 a month but … on Universal Credit it's about £100 more … I don't understand why.*
> **Angela, joint claimant, female, Somerset, dual-earner couple, two children**

However, for many other couples, the months following the first payment proved to be as challenging as the initial wait for payment. Couples were often shocked to find that the actual payment they received was much lower than their entitlement or the amount they had been led to expect, as well as sometimes significantly less than the amount they had formerly been getting when claiming legacy benefits or tax credits. Repayments for the advance loan, deducted from the first Universal Credit payment, were a key reason why. However, many couples found that advance repayments were not the only or necessarily even the largest deduction being taken at source from their Universal Credit award. Deductions were also being taken to recover benefit and tax credit overpayments incurred during the move to Universal Credit and historically. In many cases, sums were also being recovered on behalf of third parties for rent and council tax arrears, for example, together with other debts that claimants were said to owe. Unpaid fines imposed by magistrate's courts and fixed penalty notices levied by local authorities (for littering, for example) were also sometimes deducted, although these were much less common.

Deductions

Couples were often shocked to find that the actual payment they received was much lower than their entitlement or the amount they had been led to expect

Deductions are automated monthly amounts mandatorily taken from a claimant's Universal Credit award to repay outstanding loans and debts owed to the government or third parties – including local authorities, landlords and utility providers – for a range of debts including advances, benefit overpayments, unpaid emergency loans, rent arrears, council tax arrears, fuel arrears and court fines. They reduce at source a claimant's Universal Credit payment and can be taken without the claimant's consent. In couples claiming Universal Credit jointly, the loans and debts of both the partners are aggregated.

Claimants with debts owing to more than one government body or third-party can be subject to multiple deductions. Multiple deductions reduce the Universal Credit payment in strict order of priority and according to a complex set of repayment terms that are generally much more stringent than the legacy system.[20] Up to three deductions can be taken concurrently, although, as of October 2019,[21] the overall maximum amount should not normally exceed 30 per cent of the (single or joint) claimant's Universal Credit Standard Allowance. From October 2021, deductions from a claimant's Universal Credit award will not normally exceed 25 per cent of the standard allowance, equivalent to the maximum rate under the legacy system. There are also higher *minimum* deductions under Universal Credit than was the case under the legacy system. As older debts are paid off in threes, other outstanding debts are added until the debts of (both) claimants are

20. http://data.parliament.uk/DepositedPapers/Files/DEP2019-0980/38._Deductions_v5.0.pdf

21. Prior to this date, the maximum rate of deduction was 40 per cent.

recovered in full. The actual amount deducted is calculated separately each month and can vary depending on the monthly income and earnings of the claimant(s).

'Last resort' deductions, for arrears of rent, service charges and utility bills, and for the ongoing cost of rent and energy usage, can be taken *'when a claimant has arrears of essential household outgoings and has failed to budget for these'*,[22] and it is considered to be *'in the best interest of the claimant and their family'*. Intended to safeguard claimants who would otherwise be at risk of homelessness due to being evicted or of having their gas or electricity disconnected,[23] last resort deductions are excluded from the 30 per cent cap, so may be additional to other deductions. Moreover, if an advance, sanction or penalty also applies, last resort deductions continue *'even if it means the total deductions exceed the 40 per cent [now 30 per cent] maximum'*.[24] Again, a priority order and complex set of interacting maximum and minimum percentage rates of last resort deductions apply, which vary depending on the creditor and type of debt.[25]

Claimants experiencing financial hardship can make a request to have deductions reduced or deferred. However, the decision to grant a reduction or deferment is made at the discretion of a DWP decision-maker on a case by case basis. Moreover, they can only be granted for advance repayments or tax credit debt, benefit debt or Social Fund debt.[26] The amount deducted for rent arrears can be reduced, but only if the arrears being taken are higher than ten per cent of the standard allowance. Deductions for other types of third-party debt, for example council tax arrears or court fines, cannot be reduced or deferred. However, if the amount of third-party deductions exceeds 25 per cent of the aggregate of the Universal Credit standard allowance and payments for children, claimants must consent to the amounts being taken.

22. www.gov.uk/government/publications/how-to-request-deductions-from-benefit-a-guide-for-creditors/third-party-deductions-from-benefits-a-guide-for-local-authorities-arrears-of-council-tax

23. www.gov.uk/government/publications/how-to-request-deductions-from-benefit-a-guide-for-creditors/third-party-deductions-from-benefits-a-guide-for-local-authorities-arrears-of-council-tax

24. www.gov.uk/government/publications/how-to-request-deductions-from-benefit-a-guide-for-creditors/third-party-deductions-from-benefits-a-guide-for-local-authorities-arrears-of-council-tax

25. For example, rent and service charge arrears are a maximum of 10–20 per cent; gas, water and electricity arrears are a maximum of 5 per cent; and mortgage interest arrears are a maximum of 5 per cent of the standard allowance: www.gov.uk/guidance/universal-credit-debt-and-deductions-that-can-be-taken-from-payments#annex-a

26. The discretionary Social Fund provided interest-free government-funded crisis loans, budgeting loans and community care grants to eligible claimants of certain means-tested benefits. Crisis loans and community care grants were abolished in 2013. After this date, these elements of the Social Fund were instead localised and funding was devolved to local authorities. However, the money is not ring-fenced and each local authority is free to provide such assistance as they see fit. Many use the funding to support local food banks and very few now offer emergency cash payments.

Benefit and Tax Credit Overpayments

After repayments for advances, the most common reason for deductions were benefit and tax credit overpayments incurred during the move to Universal Credit. Having waited eight weeks to receive the first Universal Credit payment, one couple found that they were liable to repay £2,000 in Working Tax Credit overpayments. This had arisen when their tax credits continued to be paid during the move to Universal Credit. They had simply assumed that their entitlement was continuous, as it had been under the legacy system, and no-one had informed them otherwise:

> *Because of the change [to] Universal Credit from Working Tax [Credit] … they made the mistake of giving us the money when they made the change, so we've had to pay back a debt of nearly £2,000 to … Working Tax Credits and then … literally we had to wait at least eight weeks for our Universal Credit and they still charged us a £2,000 overpayment … And I tried to dispute it, but I still had to pay it. I've just finished paying it now.*
> **Megan, lone parent, female, Somerset, not earning, three children**

Deductions were also taken for historical tax credit overpayments that many couples assumed had been written off:

> *When [son] was about one, so 2013,14, we received a certain amount [of tax credit] every month, didn't even cross our mind that it was too much because it was just a number, we'd never been on these things before, and then at some point we got a letter saying we'd had like something like £500 too much overall … and that our [Universal Credit] payment would be reduced, that part of what we were now getting would go to pay [it] off … So we were really tight for about nine months … it was really, really close.*
> **Mike, joint claimant, female, Somerset, dual-earner couple, two children**

The historical nature of many debts made it hard for claimants to query the deduction or challenge the amount being recovered. While not disputing that he may have been overpaid tax credits, Finley had received no notification from HMRC of the amount he allegedly owed (which had arisen during a previous joint claim), nor had any attempt been made to recover the debt prior to his Universal Credit claim. He had also been '*hit with a civil penalty*' of which he said he had no prior knowledge:

> *The deductions are my … overpayment to HMRC, which I had a huge war with because … I've never been updated … I have been in the dark … I've been told completely different things … I've had no letter, I've been unable to know what I still owe … [It] didn't make sense either the amount they hit me … I was also hit with a civil penalty for fifty quid. I don't know what the civil penalty was for,*

nobody's told me … It's like I'm in a dark room … I should have been notified … what my overpayment amount was, they should have been sending me letters saying that I still owe this … or this has now been cleared. I never got that. I was always having to phone up.
Finley, single claimant, male, Somerset, not earning, no dependent children

Sometimes couples were unable to fathom how or why they had been overpaid or what the debt was that was being recovered from their Universal Credit award; very little information had been provided on the online statement as to the nature, amount or recovery period for the debt. Deductions to repay old Social Fund loans sometimes dated back decades, making it virtually impossible to know whether the amount was correct and, if not, how they could seek redress. As with other historical debts, little information was provided on the Universal Credit statement other than the source and monthly amount being recovered:

We have something coming off our money that was from 2009, a budget loan apparently … Now we have no record of this because I don't keep letters. I might have got one with my ex-partner but I can't remember … We can't debate it because we've no idea whether we got one.
Nell, joint claimant, female, Scotland, no-earner couple, two children

Vanessa was embarrassed and shocked to receive a letter informing her that she owed £700, but it did not say what the debt was for or explain why how it had arisen:

It went to debt collection which to me was embarrassing, I don't like owing anybody, I don't like having debt … When I got that letter saying we owed £700 … I was nearly floored, I was like … why do we owe this? What do we owe it for? I want to know everything about this debt before I'm paying any of it. And it was horrible, knowing that you owed something that you knew nothing about.
Vanessa, joint claimant, female, Cumbria, single-earner couple, three children

After many phone calls and online journal conversations, it later transpired that after their child was diagnosed with autism and awarded Disability Living Allowance (DLA), as her official carer, she had received a back-dated payment of three months' Carer's Allowance. Treated as unearned income for the purposes of calculating the family's Universal Credit entitlement,[27] the lump sum, when added to her partner's earnings, pushed the family's monthly income

27. As indeed are all non-means-tested income replacement benefits.

above the eligibility threshold for Universal Credit and the claim was automatically closed down. Although they were able to subsequently reopen the claim, the couple lost a month's benefit entitlement. Moreover, when the Universal Credit was finally reinstated, payments for the 'debt' were deducted from the next Universal Credit award:

> *They totally closed the account … It's took them months to give me an answer … I must have phoned multiple times … We [reclaimed] and got our next statement and they'd took £127 off us for this debt, and I was like … you shouldn't be taking anything off us until we know what this is for … I said, right, well just reduce it down to £50 a month, so she did that and then I eventually got an answer back off … a manager … saying, it's for Carer's Allowance … They'd gone back and amended all the statements … instead of sending me a letter saying you've got a lump sum of £700 … from Carer's Allowance, you have to pay this back to us. If they'd have sent me that … it wouldn't have carried on for months and months and months … I was heavily pregnant, I was literally crying at points.*
> **Vanessa, joint claimant, female, Cumbria, single-earner couple, three children**

The stress and time it had taken Vanessa to resolve the problem, when heavily pregnant, had adversely affected the couple's relationship:

> **Ryan:** *We've argued over it because she's got frustrated with them because … it went from the original person and it was passed to supervisor and then further up … It's just very stressful, very tedious and then we take it out on each other … and it'll cause tension in the house, and it's something we both don't want, because obviously my partner's dealing with the kids and I'm coming back from work, I'm tired. So when I come in I want to spend some time with the kids before they go to bed, get something to eat, talk to my partner … go to bed … and then the cycle starts again!*
>
> **Researcher:** *So it has affected your relationship?*
>
> **Ryan:** *It has yeah, I'm not going to lie, it has. Not just this, it can be other things as well, financial wise … There's a few times where she's rang me at work … and she's been crying on the phone because … we've got to pay this much back.*
> **Ryan, joint claimant, male, Cumbria, single-earner couple, two children**

Third-Party and Last Resort Deductions

Rent arrears incurred during the wait for the first Universal Credit payment were the most common reason for third-party deductions. Some couples had been able to avoid these by negotiating voluntary arrangements with social landlords to repay arrears based on amounts they could afford to pay back:

> *From the date that we got told that our Housing Benefit was suspended … about four weeks … maybe a little bit more than that. We accrued maybe £400, £450 of arrears and we were paying maybe £24 off of that each month.*
> **Maya, joint claimant, female, Cumbria, single-earner couple, one child**

Those living in privately rented accommodation generally had to clear rent arrears in their entirety or risk defaulting on their tenancy and possible eviction

However, those living in privately rented accommodation generally had to clear rent arrears in their entirety or risk defaulting on their tenancy and possible eviction. Some were obliged to hand over the entirety of the first Universal Credit payment to their landlord, which meant another month with no benefit income:

> *The private landlord … was just hounding, non-stop hounding. And then when the first Universal Credit did come in, it didn't help because we had to pay every penny to him to stop him … mithering me.*
> **Amelia, joint claimant, female, Greater Merseyside, single-earner couple, two children**

Though intended to reduce the risk of homelessness and utility disconnection, the often large amount taken in last resort deductions to cover both arrears and current rent liability left some couples with insufficient money to live on.[28] The amounts taken were also sometimes increased without notice or claimants' consent:

> *This last month, how much they take off for rent arrears went through the roof, the percentage went through the roof. Don't know why that happened, it wasn't requested by us to be paid any higher. We asked them for a specific amount to what they pay for the rent anyway and what to take off us to help pay towards the rent, and it was total £400, and that was the agreement we had with the housing, £400 a month … I don't want to be staying in arrears … but … all we'll have left is £36 for food.*
> **Robert, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children, joint interview**

28. Alternative Payment Arrangements, including direct rent payments to landlords, which claimants can request or voluntarily agree to, are discussed in chapter 9.

Some participants, who had attended the magistrate's court after receiving eviction notices or repossession orders, also reported that the monthly amount they had agreed to pay was ignored or overturned when the arrears were deducted from the Universal Credit award:

> *We ended up in … £1500 worth of rent arrears now, because when I first went on Universal Credit they didn't pay me for two months … It's not just I didn't want to pay my rent … I've always paid my rent and they can see … that I consistently paid … They were saying they were going to seek possession … but [housing association] had requested they pay my rent directly … So this month I got £140 because they paid the rent plus I think it was £100 Universal Credit decided to pay towards my arrears but the court order says it's £43, so … they've taken too much but Universal Credit said there's nothing they can do.*
> **Tamsin, joint claimant, female, Greater Merseyside, single-earner couple, two children**

For affected couples, the bewildering array of deductions over which they had little control was causing considerable financial hardship. In such cases, it was unclear how or by whom assessments had been undertaken, or even whether they were conducted in claimants' 'best interest'. Due to the way in which Universal Credit is calculated in arrears,[29] couples with multiple deductions, and earnings, found that the amounts deducted could fluctuate from month to month with no advance notice, adding to budgeting difficulties:

> *It's always different. They've taken different debts off, added new debts on and they've taken this, taken that … and we've never had the same amount – so we can never budget because we don't know whether we're getting £600, £700, £500 … a month.*
> **Nell, joint claimant, female, Scotland, no-earner couple, two children**

Deferrals and Reductions

Reflecting the automated nature of deductions and the discretionary nature of deferral decisions, whereas some requests to reduce or defer the amount being recovered from the Universal Credit payment had been responded to favourably, others had been refused:

29. 'It is not possible to say before the end of an Assessment Period how much will be deducted because of the way Universal Credit is calculated. Once the calculation is made, at the end of the Assessment Period, the claimant's Universal Credit statement will give a breakdown of each deduction.' Footnote 13 www.gov.uk/guidance/universal-credit-debt-and-deductions-that-can-be-taken-from-payments

They're still taking about £120 a month off us … and I've asked them time and time again to lower them payments … they won't, they won't do it … After you take your rent and your council tax, your gas, electric, we're lucky if we've £300 for the month.
Zoe, joint claimant, female, Greater Merseyside, no-earner couple, one child

Repayment deferrals seemed to be responded to more favourably than requests for reductions. However, deferral arrangements apparently had to be renewed every six months, a policy about which claimants were not routinely informed. Reversion to the original repayment amount seemed to happen automatically, with no notice given and without claimants' consent. By the time the payment statement was issued, it was too late to challenge the deduction until the following month:

I was still paying the £50 a month … Then about six months later, we looked at our statement and £124 had gone out for this debt, and I was like, hold on a minute, I reduced this down to £50. So I was back on the phone, 'oh you've got to renew it, you've got to like phone us every six months and tell us if you want it reduced'. I was like, and when did you tell me that? … You can't just take money and not like give us any advance warning, we rely on that money … We didn't even have [any notice] because … you get your statement a week in advance but you can't amend it, you can't phone them and say … don't take this £100, because it's already been taken. So you're stuck until the next month when you tell them, can you reduce it back down to £50.
Vanessa, joint claimant, female, Cumbria, single-earner couple, three children

Furthermore, although a deferral in the amount being recovered could help resolve a short-term financial crisis, some found that prolonging the period of repayment was dispiriting, especially if there was no prospect of any material improvement in the family's financial situation before the end of the deferment period:

We got them to defer some [deductions] as well like over the Christmas period because obviously we were going to have no money for Christmas, but now we're kind of regretting it because it's just taking ages to get paid off.
Kai, joint claimant, male, Scotland, no-earner couple, two children

Partner Inherited Debt and Deductions

Particularly frustrating and iniquitous, as far as couples were concerned, were deductions for 'inherited' overpayments and debts relating to a period when one or both members of the couple was claiming benefits with a former partner, or as a single claimant or

Particularly frustrating and iniquitous, were deductions for 'inherited' overpayments and debts relating to a period when one or both members of the couple was claiming benefits with a former partner, or as a single claimant or lone parent

lone parent. Nell, who had separated from her children's father and re-partnered, discovered that her ex-partner, though working, had failed to pay the council tax on the property in which the family still lived. After she was informed that she was jointly and severally liable to pay the arrears, debt repayments to recover the full amount were deducted from the joint Universal Credit award with her new partner. Also being deducted was her share of historical Social Fund loans together with an advance that she and her ex-partner had taken out when they first claimed Universal Credit. Although they had been able to defer some of the debts, the sums deducted reduced the couple's Universal Credit payment considerably:

> *[Current partner] is affected by it as well … even though [ex-partner] is the one now that works … All the debt that we ever got … when I was in a relationship with … the kids' dad, now comes off our money, so any like crisis grants … budgeting advance, community care grants, are all coming off our money … That amounts to £200 [a month] but they've deferred two [for six months], so usually we only get £700 a month. So last month … [out of] £1,300 … it's usually £300 deductions … but they take £100 odd off for the first advance that we got … it's horrible! … And there's Council Tax, we're paying a massive bill that I thought my ex-partner was paying when he was working … but he never paid Council Tax and we had people come out to the house and say it was never paid and they were very understanding that I didn't have no idea about it, but they're taking it off us. I think it's £50 a month taking it off [for] that.*
> **Nell, joint claimant, female, Scotland, no-earner couple, two children**

Harry did not realise that his ex-wife had continued to claim Working Tax Credit for a year after the couple split, until they divorced. When he and his new partner claimed Universal Credit almost a decade later, in addition to repaying a Universal Credit advance, a further £67 per month was deducted from the award to repay half the tax credit debt incurred on the joint claim with his former wife. Though he challenged their liability for the debts and the legitimacy of the deduction, the original decision was upheld:

> *[Former partner got] Working Tax Credit after we've divorced … [Me and my current partner] have just finished paying it off … That's come out of Universal Credit … £67 I think … She claimed when we'd split … when we separated … Apparently it's the law … I was on that claim, so I was liable … even though I was separated. Because I didn't know that you had to inform them when you separated … We rang up and … were arguing with them about it, they says, no you have to pay it.*
> **Harry, joint claimant, male, Cumbria, no-earner couple, two children, joint interview**

The same couple, who had two young children, had a further deduction taken from their Universal Credit award to repay council tax arrears run up by the male partner's flatmate five years before the couple had even met. Deductions for these inherited debts had reduced the family's Universal Credit payment by £91 per month for more than two years after the start of the Universal Credit claim:

> **Harry:** *My sister's ex-husband, we shared a flat … he didn't pay [the council tax] … I had my own tenancy agreement and he had his own tenancy agreement, they says, yeah, but you were both in the same flat, so you're liable to pay … So I had to pay up his council tax arrears.*[30] *So it was affecting us because it was coming off our Universal Credit … that was … £24 [on top of the £67] … [Partner] … said 'oh we have to pay it', and I said … 'I don't want to pay it! Why should I pay it?!' I was angry about it …*
>
> **Lucy:** *… They were leaving the kids short … I think it was about three grand, four grand wasn't it, the Working Tax … and then two grand for [the council tax] but we got that knocked down to a grand … We couldn't do nowt about it … they wouldn't let us not pay it.*
> **Lucy and Harry, joint claimants, Cumbria, no-earner couple, two children, joint interview**

Another couple was having £86 per month deducted from the Universal Credit payment for old Social Fund loans that the husband had taken out nearly two decades before he met his wife. Amelia questioned the legitimacy of benefit rules which made joint claimants liable for overpayments and debts incurred by one (or both) members of the couple during a previous single or joint claim with a former partner:

An additional factor which could financially disadvantage couples was the loss of income some partners experienced as a result of claiming benefits jointly

> *We've been together fifteen years now. Old Social Fund loans … it's £86 a month they take for that … that's before we met! … I don't understand why they've not chased it before now … They class it as joint money, don't they? So what's his is mine, what's mine's his! … But even if you're married and someone dies, the debt dies, you know what I mean?! So I just don't understand how they can legally take the money … I don't know, but they do, and they can.*
> **Amelia, joint claimant, female, Greater Merseyside, single-earner couple, two children**

Multiple deductions, including repayments of council tax arrears incurred by the female partner when she was a lone parent nearly two decades before she met her husband, left one couple with insufficient income to live on. The only way to reduce the level of deductions, she

30. In shared tenancies, Council Tax liability is joint and several.

was advised, would be to take out an Individual Voluntary Arrangement (IVA), which she did, restoring the Universal Credit payment to a more liveable amount:

> *[My wife] went bankrupt, we declared it off our journals … that's what's helped us out as well. Because they were taking that much money off us before we got it … there was nothing left to give us a month, and that's why we were advised to go bankrupt because it was affecting Universal Credit. What we were due … off previous benefits, they were all coming in … and they were taking it off first, before we even got it … Even way back to 2000 … even in the nineties, they were going … way back as far as that … [Wife] had debts years ago for the Council Tax … It wasn't my debt, but I was getting hit for it … It's unfair … it's penalising the two of us but it's the system … we're paying it off and that's it … and they take it off first, so you've no' got a say in it, they just take it off.*
> **John, joint claimant, male, Scotland, no-earner couple, no dependent children**

In fact, seven participants (five women and two men) said that they had taken out an IVA or bankruptcy order since claiming Universal Credit. Eighteen participants (11 women and seven men) also reported that, since claiming Universal Credit, they had got into serious debt or been to court due to rent arrears or non-payment of council tax.

Worse off as a Couple

An additional factor which could financially disadvantage couples, and which sometimes affected relationships and living arrangements, was the loss of income some partners experienced as a result of claiming benefits jointly. Couples who had made a joint claim for Universal Credit having previously claimed benefits, tax credits or Universal Credit as a single person or lone parent, frequently protested about the amount of the standard allowance to which they were now entitled as a couple – much lower than they had expected and significantly less, some said, than the aggregated amounts they had been getting as single claimants or lone parents:[31]

> *I would have expected another person coming into the household for them to increase but that's not really how it happened. So as a single person, I was obviously getting a single person rate … and then once he moved in it obviously went up to the joint person's rate, but it's*

31. Single claimants and lone parents aged 25 or over are entitled to £317.82 per month, while those under 25 are entitled to £251.77 per month. If couples (over 25) were entitled to double the single claimant's allowance, they would receive £635.64. However, the standard Universal Credit allowance for joint claimants aged 25 or over is £498.89 per month, a difference of £136.76. If both are aged under25, the standard allowance is £395.20 per month, a difference of £108.34 per month.

only like an extra £100 … for a grown man to be allocated, so like £25 for eating and washing … It just didn't make any sense. I was then having to use what was … for [me and the children] … I just couldn't financially afford it.
Molly, lone parent, female, Scotland, not earning, four children

Some felt that this differential treatment of joint and sole claimants amounted to a 'couple penalty':

Our money is like for both of us, we get £490 odd a month and now I'm like, well, where's the justification in that? If we were single, you're getting £390 odd, so that's £640 quid say … Because we're a couple … we're being penalised for being married, a couple, and … we're struggling.
Claudia, joint claimant, female, Scotland, no-earner couple, no dependent children

That joint claimants are entitled to a lower rate of benefit than double the amount two single claimants would be entitled to is also a feature of the legacy system and is intended to reflect the economies of scale that are assumed to occur when couples share the same household.[32] However, for unwaged couples in particular, who relied on the Universal Credit payment, a lower couple entitlement than they had been expecting added significantly to their financial insecurity. Eric and his partner, who were subsequently evicted from their flat, later separated under the strain:

When my partner moved in and we started to claim jointly for the Universal Credit … I thought well maybe us both together we'll be able to clear the arrears and … it would help out, but it just didn't work like that, it … went backwards, it got worse and the arrears got worse … Between the two of you, you actually get less money, so it's more of a struggle and it's more hard to actually live … If we were both claiming individually it would have been around £318 each a month, whereas together it was less than £500 for both of us … less than double.
Eric, single claimant, male, Greater Merseyside, not earning, no dependent children

The lower than expected amount for couples was resented all the more when the partners had not chosen to claim jointly, but had been obliged by circumstances to do so. Abigail and Henry had no option but to claim Universal Credit as a couple after being investigated for 'living together' fraud. When notified of their first

32. Although other family members and housemates who share the same dwelling and/or household, and who might also be expected to benefit from economies of scale, remain entitled to claim as individuals.

payment, the monthly allowance they were entitled to as a couple, Abigail said, was hardly more than the fortnightly ESA payment that each had individually been entitled to prior to moving in together:

> *We claimed separately, we were both on ESA and … I thought it would work out maybe about 50 quid less, I knew that we wouldn't get the same, but I didn't think it would be like 250 quid less! … It's a lot! … I suppose they think that a couple's got the same bills as a single person … so they don't need as much money jointly … but … you need double the food … double the toiletries … We've lost like £100 each, like from now that we're on a joint claim … We get like £230 each a month and … you're … getting £317 on a single claim … We get like £460 and obviously that halved is £230 each.*
> **Abigail, joint claimant, female, Greater Merseyside, no-earner couple, no dependent children**

Another aspect of claiming Universal Credit jointly that could affect the amount of money the partners were entitled to was joint means testing, in which the couple's income and earnings (and needs) are aggregated for the purposes of calculating entitlement. Isla questioned why she was able to claim Universal Credit in her own right when pregnant and living with her parents, yet lost her entitlement, and was obliged to become financially dependent on her partner, when they moved in together:

> *[When we first moved in together] I wasn't entitled to Universal Credit at all, but I was when I was living with my parents, so that made no sense to me … I don't get, like, why people who live with their parents are entitled to it, more than … someone who lives with their partner … because when you live with your partner … he shouldn't be, like, fully, like, responsible for me because we're living together.*
> **Isla, joint claimant, female, Cumbria, single-earner couple, two children**

After Molly's partner moved in, not only was their joint allowance less than double that for two single people, but in addition, the Carer's Allowance he received as her carer was deducted pound for pound from what she described as *'my Universal Credit'*, a large part of which was made up of payments for her children:

> *I would have expected another person coming into the household for them to increase, but that's not really how it happened. So as a single person, I was … getting a single person rate … and then once he moved in it … went up to the joint person's rate, but it's only like an extra £100 … I was then having to use what was … allocated for [me and the children] to then kind of take care of somebody else, and I just couldn't financially afford it … He wasn't working at the time, but he was classed as my carer … so then it … started getting deducted off what I was already getting … because he was claiming Carer's Allowance, that was then getting deducted off of what … I had coming in.*
> **Molly, lone parent, female, Scotland, not earning, four children**

The Carer's Allowance received by Lydia's partner as her official carer was similarly treated as unearned income and deducted in its entirely from what their joint Universal Credit payment. Repayments for loans they had each taken out as single claimants were also being deducted. With only one half of the couple's standard allowance being paid (due a sanction incurred by her partner, Neil, before they moved in together)[33], and with their rent paid direct to their landlord, the couple were left with £175 per month to live on:

> *I actually lost my appeal [for ESA] … that's why I got put on to Universal Credit, me and [partner] had to do a joint claim … I've lost like more than double my money … I was on like £376 per fortnight ESA and now £175 we got paid for a couple for a month! It's like a massive drop … we got told when [partner] got put on my claim that we would get an extra £150 carer's element, because he was getting £64 every week to care for me, and they ended up taking that money, the Carer's Allowance … So when I put [partner] on my claim, we only ended up with £175 a month to live on … I've ended up with less money putting [partner] on my claim… £175 … that's for the two of us … It's just such a low amount.*
> **Lydia, joint claimant, female, Scotland, no-earner couple, no dependent children**

To avoid the reduction in household income that claiming as a couple would entail, Celia's partner, who worked full time, did not move in with her until after they had married. Only after marrying did the couple then make a joint claim for Universal Credit. However, they underestimated the financial impact that claiming jointly would have on the household income and had come to regret the decision:

> *[Partner] didn't move in until after we got married … [Claiming Universal Credit jointly] it's made us a lot more worse off. If I knew it was going to do that to me I wouldn't of … as much as I love [partner] … I wouldn't have done this just now because it's … hard, it's deflating and it puts so much pressure on not just you as an individual but you as a couple and then as a family.*
> **Celia, joint claimant, female, Scotland, dual-earner couple, two children**

33. Further details of the circumstances giving rise to the sanction are addressed later in the chapter.

The Cumulative Impact of Wider Welfare Reform and Social Security Cuts

The wider context of welfare reform and social security cuts, including the freeze in most working age benefits[34] and Child Benefit,[35] the two-child limit[36] and the benefit cap,[37] together with a harsher sanctioning regime, could further chip away at household disposable income:

> *My money's been the same since I first started claiming, but bills and everything, they've all increased, prices, everything's increased, so the cost of living's gone up but my Universal Credit's stayed the same.*
> **Chloe, lone parent, female, Somerset, not earning, one child**

At the same time, the under-occupancy charge,[38] Local Housing Allowance freeze[39] and the abolition of Council Tax Benefit[40] (with its replacement by local council tax reduction schemes) increased the amounts which many claimants were required to contribute towards rent and council tax, with the combination of this and the cuts in amounts effectively squeezing disposable income from both ends:

> *The rent goes to the council and then we pay £58 to the council because we don't get the full Housing Benefit award ... We make up the difference.*
> **Phoebe, joint claimant, female, Scotland, no-earner couple, no dependent children**

34. The four-year benefit freeze from 2016–2020 followed on from a three-year period when increases were limited to 1 per cent.

35. Child Benefit rates were not increased for several years after 2010, and were then affected as in footnote 34.

36. A two-child limit applies to Universal Credit (and tax credits) in respect of a third or subsequent child born after April 2017.

37. The benefit cap is a limit on the total amount of benefits for people of working age who are not in paid work or getting certain disability benefits. The benefit cap outside Greater London is £384.62 per week (£20,000 per year) for couples and lone parents; and £257.69 per week (£13,400 per year) for single adults. The benefit cap inside Greater London is £442.31 per week (£23,000 per year) for couples and lone parents and £296.35 per week (£15,410 per year) for single adults.

38. The variously named 'bedroom tax', 'under-occupancy charge' or 'abolition of the spare room subsidy' is a reduction in housing benefit or the housing element of Universal Credit for people who live in council or other social rented sector housing and are classed as having one or more spare bedrooms. It affects how much rent can be covered by housing benefit or the Universal Credit housing element and reduces the maximum rent by 14 per cent for one spare bedroom and 25 per cent for two or more spare bedrooms.

39. The Local Housing Allowance (LHA) is the rate used to calculate housing benefit for tenants renting from private landlords. The LHA was increased by 1 per cent in 2014 and 2015. In April 2016, the LHA was frozen until 2020. The way in which the initial LHA is calculated has also been changed and now relates only to a lower percentage of average private rents in the local area.

40. National Council Tax Benefit was abolished in April 2013 and in England was replaced with local Council Tax Reduction or Support (CTR or CTS) schemes for reducing the council tax payable by people on low incomes. Eligibility criteria and entitlement vary from one local authority area to the next but all councils were asked to protect pensioners, whilst receiving a lower amount of subsidy.

Rent top-ups to bridge the shortfall between the Universal Credit housing element and the full rent payable, together with council tax contributions, both of which had to be paid from the net Universal Credit payment after loan repayments and other debts had been deducted, pushed the finances of some couples to the brink:

Once the rent and important bills had been paid, couples and families with children were sometimes left with such low net household income that they struggled to buy food and essential household items

Our rent is £550, I think they pay £505 … Then that reduces your money then to what you get to live on for the two of you for a month … With the [council tax] … about £70 something a month … it comes out of your money, so that's £70 plus the £45 for the rent is £110, plus your bills, £200 and odd, you're left with about £250 quid … Basically living on about fifty quid a week, to put it bluntly, between you.
Zoe, joint claimant, female, Greater Merseyside, no-earner couple, one child

Once the rent and important bills had been paid, couples and families with children for whom Universal Credit was their only source of income were sometimes left with such low net household income that they struggled to buy food and essential household items:

I want to breastfeed with this one but also I'm going to have to basically because I'm not going to be able to afford to buy baby milk … We get milk tokens [but] that will only buy one tub of milk.
Nell, joint claimant, female, Scotland, no-earner couple, two children

Those unwilling or unable to access family support often resorted to selling household items or pawning personal possessions at high rates of interest. Smart phones and tablets were often the only valuable and re-saleable items owned, but these were needed for accessing the online account, leaving some couples having to share a single mobile phone:

I use my partner's phone! … I did actually have a touch screen, I went and sold it so I could get food in with it, because of obviously Universal Credit and how much we're getting paid, it's made it easier to just sell what I've got to then help bring into the house, so … kids' stuff, phones … bits and bobs like that … just put it online to try and sell it.
Ava, joint claimant, female, Greater Merseyside, no-earner couple, no dependent children

Sanctions

The harsher sanctioning regime also played a part in reducing the amount and distribution of income within affected households. Nine participants said that a sanction had affected them since claiming Universal Credit. Three were in couples with children, three were in couples without children, two were lone parents and one was a single claimant. Five were in non-earning couples and four in a working family.

After missing a Jobcentre appointment, Neil was sanctioned for 120 days. With no means of supporting himself, he moved in with his partner, Lydia, giving rise to the joint Universal Credit claim. The sanction had had a huge knock-on effect in terms of Lydia's financial situation and mental wellbeing. With deductions from the Universal Credit award for historical benefit overpayments and loans incurred by both partners as single claimants, together with a budgeting loan taken out on the joint Universal Credit claim – with only her half of the couple standard allowance being paid due to her partner's sanction – once the rent had been deducted and paid direct to the landlord, the couple were left with £175 per month to live on. At the time of the interview, loan repayments had been deferred for six months, but with her mental health in decline, the female partner was not optimistic about the longer-term prospects for the relationship:

> *[Partner] was getting nothing … told to go to food banks and depend on other people … I had to … ask them to put a hold on all my loans … because [partner] was sanctioned for [120] days … So now we're getting £350 a month for a couple, that is just because loans are on hold … but in six months' time we're going to be back to £175 a month … I've lost like more than double my money … It's like a massive drop … So before … I was getting £220 a month from my Universal Credit after my loans … when I put [partner] on my claim, we only ended up with £175 a month to live on … I'm paying back all [partner's] loans … £175 … that's for the two of us, it's like how can you justify that? … Then take all this money off you for loans, it's … such a high amount to pay back … they're just putting me in a bigger hole … I've never felt so low.*
> **Lydia, joint claimant, female, Scotland, no-earner couple, no dependent children**

One couple with children had been subject to multiple sanctioning. The mother, who was the family's sole wage-earner, failed to meet the conditions set out in her Claimant Commitment requiring her to find additional hours or another job to supplement her minimum wage, part-time earnings.[41] Her employer, a large supermarket chain, was unable to accommodate her request and she was sanctioned. In fact, she had repeatedly requested more hours from her employer over a number of years, including during a previous tax credit claim, but had always been turned down:

41. The phase 2 report will include greater exploration of this couple's, as well as others', experiences of the Universal Credit conditionality regime.

> *It was getting me down, wasn't it? I was in every week at the Jobcentre and they weren't happy … I wasn't doing what they wanted … the commitments … and we got sanctioned four, five times, didn't we? … I was working, but I still had to find another job … I was working fifteen and a half hours … I tried for what, five, six year to get it up and no … when I went back [to work] after having the kids, I tried to and they wouldn't let us. [Employer] wouldn't up them or … give us any more hours.*
> **Lucy, joint claimant, female, Cumbria, no-earner couple, two children, joint interview**

Later made redundant, on another occasion, she was sanctioned for failing to evidence 35 hours of job search during a week when her child was ill. Though her partner was the nominated lead carer, she was still the child's parent, she said. Finding it hard to combine full-time job search with being a mother to small children, she and her partner switched roles; he took on responsibility for full-time job search and she became the nominated lead carer:

> *My work coach wasn't happy that I didn't do the right amount of job search … they wanted us to look for jobs for 35 hours a week … I was applying for jobs online … but she wasn't happy because I was putting the same jobs down. And she … wouldn't accept that my kids were poorly … and they wanted me instead of [partner] … because my kids come first … They wouldn't take that as a reason … with him being the main carer … The fact is that we're both parents but it's like trying to make one individual to do it … I got a letter saying I was sanctioned, one for seven days, and one for 20 odd days … They don't take it out of the children's money, or the housing element, they just take it out of … the money that we get jointly.*
> **Lucy, joint claimant, female, Cumbria, no-earner couple, two children, joint interview**

As Lucy correctly notes, sanctions apply only to the standard allowance, not to any child or housing related elements. However, technically, a sanction is a *reduction* in Universal Credit entitlement, not a deduction from the payment. This means that sanctions are imposed *before* any deductions are applied. Sanctions are also excluded from the 30 per cent maximum rate that can currently be deducted from the Universal Credit Standard Allowance.[42] For this family, sanctions were therefore additional to deductions for historical tax credit overpayments and council tax arrears, as well as rent arrears incurred during the move to Universal Credit. With their Child Benefit used to pay interest instalments on a rolling Credit Union

42. http://data.parliament.uk/DepositedPapers/Files/DEP2019–0465/Deductions_v4.0.pdf

loan they had taken out to buy Christmas and birthday presents for the children, the family of four was left with around £600 per month on which to live.

Though instances of sanctioning such as these were rare, for unemployed couples, in particular, including those with children, the threat of sanctions, and the anxiety this induced, were ever-present. Non-earning or low-earning participants with children who were not lead carers and so were expected to work or look for work full time, felt particularly pressurised:

> *Even now I've got messages on my Universal Credit saying if you don't do this we're going to stop your money ... all the time, threats, threats, threats ... At the end of the day, that's not what people need, people need encouragement and help and support to get into a job, not, 'oh if you don't do this we're going to stop your money' ... The only person that's going to suffer is my child ... So when they say ... if you don't do this, your son's not going to eat, that's basically what they're saying ... They'll send you a message and it'll be like, this has to be done today, if not ... it impacts your money. So it's like pressure, pressure, stress, stress ... it gives you a panic attack.*
> **Ethan, joint claimant, male, Somerset, non-earning couple, one child**

Multiple Impacts

For unemployed couples, in particular, including those with children, the threat of sanctions, and the anxiety this induced, were ever-present

Even some couples with a history of continuous employment found themselves in serious financial difficulty after claiming Universal Credit. Claudia and John, a couple in their late fifties whose teenage granddaughter had lived with them since she was a baby, had both been employed virtually all their working lives. A serious decline in Claudia's health meant that, after 13 years with the same employer, she was forced to give up her job. When her husband was later made redundant, the couple were obliged to claim Universal Credit. With multiple deductions taken from their Universal Credit award to repay an advance, rent arrears acquired during the wait for payment, and historical council tax arrears (incurred three decades before, when Claudia and her three children were abandoned by her first husband), the family struggled to make ends meet. When their granddaughter began absconding and taking drugs, the couple were unable to cope and the child was taken into residential care by social services. Now classed as under-occupying their three-bedroomed council house, they were required to pay a large rent top-up to make up the shortfall between the rent and their Universal Credit housing element. This tipped the couple's finances over the edge and less than a year after claiming Universal Credit, Claudia was obliged to declare herself bankrupt.

Questioning why debts were being recovered from their Universal Credit payment at a time when they were least able to afford it, Claudia was deliberating as to whether the couple could afford to continue living together, or if her husband should move out, allowing them each to claim Universal Credit separately:

> *Universal Credit … was like overpayments for this, loans for that … as far back as the nineties … A lot of them was council tax [from] way back but to get all pouring into you … when suddenly you're not working … it's hard to pay anybody … It just overwhelmed me, that I didn't know how to deal with it … if I had anything to sell it got sold … just to keep us afloat … We were in a place that time when we were working, we were comfortable, life was all right … there wasn't any worrying issues … We didn't think six to eight month down the line we'd be sitting where we're sitting now … to the extent where we've nay income, we've nay security … you cannot predict it … it can happen that quick … It's degrading as well … we were very close to going to the food bank … I says to [husband] to be quite honest, you'd be as well buggering off and being on your own … because we're being penalised for being … a couple … What's the difference to me staying here and you staying with your brother and giving us that bit of space … but we shouldn't have to make that decision because we're being penalised for being a couple.*
> **Claudia, joint claimant, female, Scotland, no-earner couple, no dependent children**

Two Child Limit and Benefit Cap

Families with three or more children, and with high private sector rents above the level of the Local Housing Allowance, generally struggled the most. Charlotte claimed Universal Credit as a lone parent after separating from her partner and moving house. With no money for a deposit on her privately rented flat, she was obliged to pay her landlord an extra £100 per month for six months on top of the £500 rent. The £600 needed to pay the first month's rent in advance was borrowed from her sister. At the time of moving, she had three dependent children but her teenage daughter, who had lived with her grandmother for eight years, moved back home after their relationship broke down. Charlotte then became pregnant with her fifth child after a failed reconciliation with her ex-partner. Giving birth in 2018, her claim was subject to the two child limit and she received no Universal Credit child element for the baby (though she did qualify for Child Benefit). Nor was Charlotte entitled to receive any Universal Credit payment for her eldest daughter. Though initially granted an additional child element, the payment was later withdrawn because her situation did not meet the eligibility criteria for 'an exception'. As the child's parent, the care arrangement was not considered to be a special circumstance, even though her daughter would otherwise have been looked after by the local authority.[43]

With only three of her five children recognised for the purposes of Universal Credit entitlement, once loans from her family were repaid and advance repayments and council tax arrears deducted from her Universal Credit payment, Charlotte found herself spiralling downwards in a cycle of borrowing and debt. By the beginning of the third week of each monthly Universal Credit payment cycle she had run out of money and was obliged to use food banks to feed her children:

> *I had to get an advance off them to help me through and then my family helped me as well ... You get yourself into a rut then, where you're paying people back every month.That's what I've got myself into at the minute because I borrowed money ... to pay a month's rent in advance ... I had to borrow that £600 because I didn't have it and ... I pay it back every month, but by the time you pay that back, you're borrowing again to pay more back, to pay more, to borrow more, to pay more ... I don't know how I manage, I really don't ... I'd say the third week and the last week are my hardest ... I've run out of literally everything.*
> **Charlotte, lone parent, female, Greater Merseyside, not earning, five children**

Another lone parent with four children and £900 rent to pay each month had her monthly Universal Credit payment reduced by £600 due to the benefit cap, plunging her into serious, chronic debt:

> *The benefit cap was massive ... that was me losing over £600 a month ... [and] getting myself in so much debt that I couldn't pay it off! ... I've no' cleared it ... I've just ignored it. In Scotland you cannot get debt collectors, they cannot come in and sell your furniture like they do in England, so I've just ignored it, and ignored it and ignored it.*
> **Molly, lone parent, female, Scotland, not earning, four children**

Another mother, who discovered she was pregnant with her third child around the same time as the couple were moved on to Universal Credit, said that she regretted going ahead with the pregnancy:

> *I was so happy I fell pregnant but I totally regret it now, and I feel really bad because I'm due to have my baby soon and I wished I had never, ever fell pregnant because ... we're really struggling to cope*

43. Children living with family and friends in a non-parental, informal caring arrangement may be exempt from the two child limit where it is likely that the child would otherwise be looked after by a local authority. There are several other exceptions to the two child limit: www.gov.uk/ guidance/universal-credit-and-families-with-more-than-2-children-information-for-claimants#specialcircumstances

right now, we're just scraping by every month and the thought of having another mouth to feed … is just awful … I would never have had the baby had I known I was going to go on to Universal Credit … I'd never, ever really looked into it because … I didn't ever plan on having any more kids, I had my injection … so it was a surprise, but we got moved on to Universal Credit around about the same time I found out I was pregnant, so it was just awful.
Nell, joint claimant, female, Scotland, no-earner couple, two children

Unable to make ends meet, and with mounting borrowings and debts, she worried that the family's difficult financial circumstances would come to the attention of social services, raising the spectre of her children being removed and taken into care. Her distress, and the strain on the couple's relationship, were palpable:

I feel so overwhelmed … It's money, that's all we argue about, all we talk about in this house is money, it's constant. I mean we've got a food parcel coming today … My son was telling the teacher that this man came in a wee black van and gave us lots of food … so the teacher has come up and she's like 'is everything OK at home?' … And I was like, 'oh God!' … It worries you though because … if they're thinking I'm getting food parcels, maybe they're thinking I'm not coping with being a parent and then I'm going to end up with a social worker … Mentally it's destroyed me, I don't feel like myself any more, I constantly worry my kids will be taken away from me, because obviously if I can't feed them, I can't have them … I know someone who's lost their kids because she couldn't feed them anymore and that's … why it scares me so much … But I feel like I'm getting to the position right now where I've no other avenues, I've nowhere else to turn … I think if we continue the way we're going, I will end up losing my kids in the next year.
Nell, joint claimant, female, Scotland, no-earner couple, two children

Such concerns were not misplaced. Obliged to regularly use food banks, and with a sparsely furnished and frequently unheated flat, Charlotte had recently had her five children (only three of whom she received Universal Credit payments for) placed on the child protection register by social services.

5

Getting Paid Monthly

Intended to mimic receipt of a salary, and to facilitate the use of direct debits and standing orders for rent and other monthly bills, Universal Credit integrates allowances for adults together with additional elements for housing, children and caring into a single award paid monthly in arrears into one bank account. The justification for a single monthly payment in arrears – to make claiming benefits 'like work' – was a message that participants clearly 'got' and, in principle, many agreed with:

> *That I get, because when you're working … you're paid monthly in arrears … so it kind of goes along that sort of thing … So yeah, no real issues with that in a way.*
> **Anna, joint claimant, female, Somerset, dual-earner couple, two children**

However, as some observed, not all jobs pay a monthly wage; some employers, and most employment agencies, pay their workers weekly:

> *It's harder having it monthly, absolutely harder having it monthly, and I know it's to help people budget for if they go into work and stuff like that, but some jobs pay weekly too.*
> **Charlotte, lone parent, female, Greater Merseyside, not earning, five children**

For many couples their situation was sometimes rather different from that assumed by the policy, giving rise to a mixed set of views and experiences

There are also other common frequencies of wages payment. Indeed, in this research, of working participants we have data for, only two thirds (16 out of 24 participants) were paid monthly. Five participants (over 20 per cent) were paid weekly and three (12.5 per cent) were paid four-weekly. Virtually all those with current or previous experience of agency or temporary work said that they were paid weekly. For social housing tenants, too, it was not uncommon for rent to be charged four-weekly in advance, rather than calendar monthly. Thus, while the rationale underpinning the monthly payment frequency seems reasonable, for many couples their situation was sometimes rather different from that assumed by the policy, giving rise to a mixed set of views and experiences. On the one hand were those couples who found a monthly payment practical and easy to budget, while on the other were those for whom a longer payment frequency was hard to manage. Non-earning couples who had moved on to Universal Credit from fortnightly out-of-work benefits tended to struggle the most, while single – or dual-earner families generally managed best.

Like and Prefer a Monthly Payment

Couples who segued smoothly into the rhythm of a single monthly payment tended to be working families in which wages were paid monthly. Receiving Universal Credit monthly therefore had had little impact on household budgeting:

Some women managed their partner's bank account as well as their own, transferring money from one account to the other to ensure that sufficient funds were available to pay rent and direct debits

It hasn't had an effect. I would just say we're still budgeting as we always have … just the same. It's … almost seamless.
Angela, joint claimant, female, Somerset, dual-earner couple, two children

Dual-earner families in which the different sources of household income were evenly distributed across the month found that they managed '*quite nicely*':

We don't mind monthly because … by the time you pay everything out in the month, you know whatever's left over … so we don't mind that at all, the monthly payment … I get paid first and then [partner] get paid, then sort of two weeks later Universal Credit and then two weeks later I get paid, so it sort of ticks over quite nicely.
Joshua, joint claimant, male, Somerset, dual-earner couple, two children

For families who received Child Benefit, tax credits or disability benefits four-weekly,[44] a near-monthly payment cycle was also nothing new and required no specific adjustment:

We've always had single monthly payments from Tax Credits … for me, it doesn't make any difference.
Angela, joint claimant, female, Somerset, dual-earner couple, two children

In spite of having some early concerns, even couples used to receiving wages or benefits weekly or fortnightly found that they were able to adapt to monthly budgeting with relative ease, as long as the household also had earnings.

I used to be on Jobseekers and Income Support and they were like fortnightly … When you've not got any other income … it is nice … to know that … every other week, you've got money coming in. But because we've got other jobs, it's … not as difficult, it sort of evens out … We get paid at the end of the month and we get Universal Credit sort of at the middle of the month, so it … evens it out a little bit.
Anna, joint claimant, female, Somerset, dual-earner couple, two children

44. Child Tax Credit claimants can choose whether to have the benefit paid weekly or four-weekly. Child Benefit is paid every four weeks on a Monday or Tuesday and can be paid weekly to claimants who are single parents or if the family is in receipt of out-of-work benefits. Personal Independence Payment (PIP) is normally paid every four weeks in arrears. However, it may be paid weekly in advance if claimants qualify under special rules. Claimants of Carer's Allowance can choose whether to receive payment weekly in advance or every four weeks.

One family had managed the switch from monthly to weekly earnings and from fortnightly benefits to four-weekly tax credits. The next 'jump', to a calendar monthly Universal Credit payment, they said, was simply another adjustment that needed to be made:

> *It was hard at the start … I'm used to being paid monthly … when I came here I [started] being paid weekly and I struggled with that, and then I got used to it! And then when [partner] started working … that's when it start monthly. And just that jump from weekly to monthly, that was difficult. But now we are used to it, I found it all right.*
> **Allison, joint claimant, female, Cumbria, single-earner couple, two children**

Having got used to the change, others actually came to prefer monthly budgeting and a longer payment cycle:

> *This is my first proper monthly paid job. Every other job I've had has been weekly paid or fortnightly paid, so I got used to budgeting with what I had for that week. Now that I have one lump sum coming in on the month, I now have to get my head around trying to budget with that much money in one go, as opposed to a couple of hundred pound a week. But with the Universal Credit payment … it does make it easier having that one payment at one point in the month … It does make it easier to budget.*
> **Nick, joint claimant, male, Somerset, dual-earner couple, two children**

Several mothers who had previously received Child Tax Credit weekly also said they preferred the larger monthly payment:

> *Tax credits was every week, so it's like your money was just … £100 odd was coming in every week and it was gone like that. Where was that going? So now I look at it as monthly payments and … it makes it so much easier for me to budget, instead of weekly payments, so as you then know what you've got to work with … I prefer monthly … I'm finding it better monthly just now, so as that I can budget a wee bit better.*
> **Celia, joint claimant, female, Scotland, dual-earner couple, two children**

Adapting to monthly budgeting from a fortnightly payment regime was sometimes said to be easier if wages had been received monthly when claimants were in employment:

> *To go from [fortnightly] payment and have to make your money stretch for a whole month is probably quite a shock to the system if you've got kids to look after. Luckily I was already used to … monthly pay by the time I had the girls.*
> **Tamsin, joint claimant, female, Greater Merseyside, single-earner couple, two children**

Even some non-earning participants who had always received benefits fortnightly found that they coped with the monthly frequency much better than expected:

> *I think once you get over the initial shock of having your benefits monthly, once you get into that routine … I would say … it's good-ish. I suppose it's like if you were working and having a wage it would just be once a month.*
> **Molly, lone parent, female, Scotland, not earning, four children**

A Good Fit with Monthly Outgoings

For some women, juggling the household finances had to be fitted in around caring for their children and paid employment. One working mother described being on Universal Credit as 'like having two jobs'

Couples and families who said they preferred a monthly payment tended to be those whose rent and bills were also paid monthly. Here, getting Universal Credit monthly made sense, particularly if the housing element of Universal Credit made up a large component of the award:

> *When we went on to Universal Credit … it went to monthly payments and that was a bit of a shock to the system … we had to be really careful on budget. And we did struggle, we did struggle … But obviously when we got into the swing of it it wasn't too bad because … we knew what we had to pay the rent straight away and … that was monthly anyway.*
> **Sophie, lone parent, female, Somerset, not earning, one child**

If monthly standing orders and direct debits to pay rent and utility bills were already set up, a monthly Universal Credit payment also generally fitted in well with the household budgeting:

> *That's how [the rent] and most of the bills are paid, so I prefer monthly, it just sort of gets you in the rhythm of how you would with a job anyway.*
> **Dylan, joint claimant, male, Greater Merseyside, single-earner couple, two children**

Some adjustment was occasionally needed to better align direct debit and standing order payment dates with the date Universal Credit was paid, but it was a mainly straightforward, one-off exercise:

> *We've had to have some direct debits changed from weekly to monthly … not really a problem.*
> **Ryan, joint claimant, male, Cumbria, single-earner couple, two children**

Preference for Weekly or Fortnightly Payments

An equally large group of participants, most of whom had moved to Universal Credit from legacy benefits and tax credits, found the monthly frequency of payment to be much more challenging:

> *I would prefer it if it was … every two weeks, rather than every month, because … it is quite hard to get the money and make it last a full month … I think every fortnight would be ten times easier because then you've only got to survive for fourteen days and you haven't really got to worry about it, because obviously there is going to be a skint week, but it will only be for a week, not, like, three weeks … there is only that one week you've not got money, whereas every month there's going to [be] … two weeks where you haven't got money. So it makes it a lot easier to actually be able to cope and manage and it just lasts a lot longer as well.*
> **Lewis, joint claimant, male, Somerset, no-earner couple, two children**

Those who preferred to budget weekly or fortnightly tended to be couples and families for whom Universal Credit was their main or only source of income:

> *Two week was much easier … IS was every two weeks, and then you got your tax credits every week … because you're getting it dotted around in that many places you were never quite struggling for very long … [Under Universal Credit] by the time you get to the last three or four days, you might as well be eating the lino! … You have to try and make it spread as thinly as you can for the first two weeks, so you know how much you've got to play with for the last two weeks … It makes life significantly more difficult to handle finances from month to month, and the last week's always the worst.*
> **Hayley, lone parent, female, Cumbria, not earning, three children**

For those who had moved to Universal Credit from the legacy system, money paid at different times of the month provided them with a weekly income which helped to stretch the household finances:

> *When we moved in, that's when we joined as a [couple] … when I had to go on to Universal Credit. We were OK with this to start off with, but … we were a bit worried … because we were so used to having … one week I'd have about £90 … and then I'd have like £300 the week after that. So, because it would be like my ESA, Child Benefit and Child Tax Credit, and then the other week it would just be Child Benefit and Child Tax Credit … And then when we went on to Universal Credit … it went to monthly payments, and that was a bit of a shock to the system, that we had to be really careful on budget and we did struggle.*
> **Sophie, lone parent, female, Somerset, not earning, one child**

One of the key issues highlighted was the difficulty of making the Universal Credit payment last a month. Having a larger number of smaller payments spread throughout the month was said to be much easier to budget:

> *Small but frequent … instead of one lump sum … because … you could live better, you could organise more, you could maybe even save … Whereas on month to month, everything's gone because you have to do a full shop … all your bills come out, that's a priority, until all the bills have gone out everything takes a back seat.*
> **Natasha, joint claimant, female, Cumbria, no-earner couple, no dependent children**

A common view among non-earning participants was that budgeting monthly was only really feasible in households with a wage-earner or sources of income other than just Universal Credit:

> *Having my money monthly, I found it was like a massive struggle … I was just kind of under the impression you got paid every two weeks! … It's just a bit rubbish getting paid monthly really. Like I get it if you work, but if you work you earn more, do you know what I mean?*
> **Lilly, joint claimant, female, Somerset, no-earner couple, two children**

However, a preference for shorter budgeting periods was not only restricted to no-earner households. Even some working families who were paid wages monthly said they preferred, and found it easier, to budget weekly:

> *It would be better if it would be weekly because … when … my husband worked through the agency and he had weekly payments which were much better for me to balance, then when he started working for Tesco, he started getting his salary once a month and I get Universal Credit once a month … I don't know why [it's harder … because it's the same amount of money!*
> **Leila, joint claimant, female, Greater Merseyside, single-earner couple, two children**

The timing of the Universal Credit payment in relation to the receipt of wages could also affect the perceived ease or difficulty of budgeting monthly. Single-earner families in which Unversal Credit and the monthly or four-weekly wage were paid close together felt that a more frequent Universal Credit payment would help by reducing the waiting time between the different sources of household income:

> *For me personally, if it was paid weekly it would help … because … with me being paid four weekly … you're waiting all that time, so if you had bits of help in between … more frequent, that would probably help.*
> **Liam, joint claimant, male, Cumbria, single-earner couple, three children**

Other working families who struggled with the monthly payment included those whose move to Universal Credit from tax credits had resulted in a large drop in benefit income. Here, their budgeting difficulties may have had less to do with the frequency with which the benefit was paid than with the household's reduced entitlement or lower payment under Universal Credit:

The worst thing I ever did was go to the Jobcentre and they said we'd have to apply for Universal Credit ... because with the Child Tax Credit, we got paid weekly ... so we were managing to pay everything, but then it went to monthly, so that's when it went pear-shaped ... I think it was less money because we were getting quite a lot of money from the Child Tax Credits but it kind of dropped quite a bit.
Melissa, joint claimant, female, Greater Merseyside, dual-earner couple, three children

Payment Timing

Universal Credit was sometimes paid as late as 8 o'clock in the evening, which could result in bank penalty charges

For couples and families who were reliant on Universal Credit as their main or only source of income, not just the frequency but also the timing of the Universal Credit payment could make budgeting more difficult. Payment timing for Universal Credit was said to compare unfavourably with legacy benefits, which, for some, were available from their bank account in the early hours of payment day. Universal Credit, on the other hand, was sometimes paid as late as 8 o'clock in the evening,[45] which could result in bank penalty charges if insufficient funds were available to pay direct debits and standing orders:

It's not guaranteed to hit your account ... like old benefits, you knew past midnight they were going to be in your account, whereas now it can be paid up till eight o'clock ... on the day that it's supposed to be paid.... If that doesn't go into my account till half four in the afternoon ... it's then me having ... bank charges that day because all my direct debits have failed ... We do know eight days in advance ... but it still doesn't mean it's going to be in at the stroke of midnight, like how a wage would be or Child Benefits goes in ... which buggers you at times.
Molly, lone parent, female, Scotland, not earning, four children

45. This may be due to differences in the payment processing procedures of different banks and building societies.

The earlier the Universal Credit payment reached the payee's bank account, the sooner a food shop could be done or a pre-payment meter card topped up. Payment at midnight meant that shopping could be carried out in the early hours, whereas having to wait until the evening could potentially mean another day without food or heating:

We were going like with nothing in, no food or anything, so when we got paid at midnight, I'd go to the bank and then we'd be able to go to like to the twenty four hour shop ... especially now with it being monthly, you can go like three weeks without any payment, so then when you get paid you want to go and get your food.
Henry, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children

The fact that Universal Credit is paid calendar monthly, rather than four-weekly, could also contribute to budgeting difficulties. Although the Universal Credit payment date remained the same, the day of the week on which it fell changed every month:

I would like to see it being paid the same day every month, like the last Friday of the month, so you know where you are.
Owen, joint claimant, male, Cumbria, no-earner couple, no dependent children

For families reliant on Universal Credit, it was easier to budget, many said, when the day of the week they were paid was consistent from one payment period to the next, as it was for tax credits and Child Benefit:

Child Benefit, I don't think I've ever had a problem with it! I know exactly when it's going in, it's always in at midnight or ... whenever your bank updates it's, you know it's straight in, never late and they don't mess you around. They can run Universal Credit! That would be nice!
Tamsin, joint claimant, female, Greater Merseyside, single-earner couple, two children

Control over the household budget by one of the partners (more usually the female) was sometimes so tight that it caused relationship conflict

Calendar monthly, rather than four-weekly, also meant that the Universal Credit payment had to stretch to 30 or 31 days, rather than 28. Other benefits paid at different intervals during the month helped to tide some couples over:

So the PIP [personal independence payment] does help a lot ... especially with January being a five-week month ... After Christmas we get our PIP... so that will tide us over until the Universal Credit comes in ... It's just helping us keep our heads above water, otherwise we'd be sitting here in the dark, not using electricity, not using water, just to try and save money.
Natasha, joint claimant, female, Cumbria, no-earner couple, no dependent children

However, couples with no other sources of income found themselves more exposed:

> *We're living on next to nothing … It's enough to help people survive, that's all it is, it's survival, it's not a life … Don't get me wrong … you shouldn't be able to build a lifestyle on this, but … it's not a safety net … and the longer you're on it, the worse it gets.*
> **Robert, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children, joint interview**

Budgeting Strategies

For those living on the lowest incomes, monthly budgeting frequently made less practical sense too. Few owned cars and some did not have a large enough fridge or freezer to take advantage of bulk food purchases in the way the policy intended:

> *I don't have a big fridge and freezer, I don't have the room for another fridge or freezer, so I'm actually having to depend on my friend … allowing us to use his freezer, so that we've got plenty of food, that we don't run out.*
> **Ruby, joint claimant, female, Scotland, no-earner couple, two children, joint interview**

A large monthly food shop in households with older children also ran the risk that the family would run out of food before the next Universal Credit payment arrived:

> *The biggest thing for me is a monthly shop, like I've got four kids, one's fifteen. He goes into the fridge on a night and can rustle up a midnight feast and eat it all! I haven't got a big enough fridge to be able to make stuff last! Things go out of date … I do have an issue in making Universal Credit last a month … on the food side … then I'm definitely relying on Child Benefit to top up the fridge … You think you've done a month's shop but with teenagers in the house it doesn't always go like that … You cannot buy stuff and make it last a month for the fridge … You're lucky if you can [get] stuff to last for a week.*
> **Molly, lone parent, female, Scotland, not earning, four children**

The assumption that a monthly payment would allow claimants to benefit from cheaper tarrifs and discounts offered by utility providers also proved to be mistaken in many cases. Those on the lowest incomes and reliant on Universal Credit were often wary of setting up fixed dirrect debit payments over which they had little control. Though more expensive, once installed, prepayment meters prevented the build-up of (and helped to repay) arrears and offered greater control and flexibility over the timing and amount of payment – unlike standard meters, 'pay as you go' meters could be topped up as and when funds allowed and could not be disconnected:

> *They're coming out to put key meters in, which is fantastic, because that will be a lot better for us … I feel like it's a lot more money every month, but it's security, we're never going to run out of gas and electricity and … that's why I don't want to change because even if I didn't have the money to be able to pay it … I didn't want to be in constant debt for the rest of my life.*
> **Nell, joint claimant, female, Scotland, no-earner couple, two children**

Cancelled standing orders and missed direct debit payments due to lack of funds, on the other hand, could incur costly bank charges, overdraft fees and penalties considerably in excess of any theroetical savings from cheaper energy tariffs:

> *If you get paid all that money that time in the month, you try and keep money in the bank … it doesn't work that way, you have to use it, and by the time the direct debit's gone you're getting charges for different things, and again you've got no money as it is, so you're being charged for things that you cannot pay because you've got no money in the bank … penalty charges of £12 if you miss it … it's happened quite a bit.*
> **John, joint claimant, male, Scotland, no-earner couple, no dependent children**

Because it granted them a weekly income, given the choice, many participants who had moved on to Universal Credit from the legacy system said that they would prefer to revert to weekly or fortnigtly payment cycles:

> *We'd cope a lot better with weekly payments … We were getting … our tax credits on a Friday, our JSA on a Wednesday … that was one week, and then the following week we'd get our Child Benefit on Monday and then our [other] money on the Friday … That just worked out so much easier for us.*
> **Nell, joint claimant, female, Scotland, no-earner couple, two children**

Even some familes in which one of the parents had moved into paid work since claiming Universal Credit said that, given the choice, they would prefer to receive Universal Credit more frequently:

> *I get that it's easier … for Universal Credit … It's just … that we were getting paid every two weeks from JSA and then we were told that we were going to monthly and it was … ooh, OK, that's going to be a bit of a shock to the system. But we've made it work … because I write everything down, what needs to come in, come out … that we've*

managed to stay afloat … you do have to keep on top of it … If we had the opportunity to go back to fortnightly payments, I think that would be an easier way to go … but we just get paid monthly now and we've just had to sort of take it on the chin.
Maya, joint claimant, female, Cumbria, single-earner couple, one child

With the exception of cases of financial abuse, there was little evidence of poor budgeting skills, spendthrift behaviour or financial mismanagement

Indeed, having the option to receive the payment more frequently than once a month was the most common improvement to Universal Credit suggested by participants:

I've no issue with Universal Credit as such, apart from the monthly payments. I think they should offer weekly … because if you've come from having weekly for like nine years and budgeting weekly for nine years and then all of a sudden you get a shock to the system … [it's] monthly. I have no issue with Universal Credit, I think it's a good idea, everything in one and that, but they need to re-evaluate how they work everything.
Jeremy, joint claimant, male, Scotland, no-earner couple, two children

Under the 'Scottish Choices' initiative, Universal Credit claimants in Scotland can choose to receive payment twice monthly, while in Northern Ireland, twice monthly is the default payment arrangement (although claimants can switch to a monthly payment if they prefer). However, in England and Wales, payment monthly is by default; more frequent payment than once a month is discretionary and decided on a case by case basis. The circumstances and experiences of research participants who had requested or successfully switched to receiving their Universal Credit payment more frequently than once a month are covered separately in chapter 9.

Budgeting Skills

With the exception of cases of financial abuse (covered later, in chapter 8), there was little evidence of poor budgeting skills, spendthrift behaviour or financial mismanagement. On the contrary, driven by the imperative to maintain a roof over their head, virtually all couples prioritised payment of the rent:

That's the first thing I done, as soon as I woke up to see that we'd been paid, I'd go straight on the app and pay that … the rent was the first thing we paid … Because obviously that was such a big … chunk out of our Universal Credit, the last thing I want to do is overspend and … we haven't got enough for rent. So our rent was our main one … [to] keep a roof over our head, because obviously we've got [child] as well.
Sophie, lone parent, female, Somerset, not earning, one child

Indeed, greater skill and spending discipline were said to be needed to budget monthly compared with managing finances weekly or fortnightly:

It pushes you to get very, very much organised about payments, about like dealing with what's coming in and what's going out. Sometimes it gets really challenging … on that monthly basis.
Mia, joint claimant, female, Somerset, dual-earner couple, no dependent children

In the face of serious financial constraints, some couples demonstrated considerable resourcefulness, closely monitoring expenditure and adjusting their spending patterns to better manage and benefit from a monthly payment:

Having been screwed over by a couple of five to six week months and having to live on pasta … all of a sudden you're like, ah, no, there's another week and I've not been paid yet, oh God, what have I got in the cupboards? And that's how the overdraft has gradually crept further … So I think because of a few rough months, we sort of sat down and was like, no, we need to be on top of this … we've started doing online shops rather than going to the supermarket … You write your list in your house, you're doing it on the computer at home … so you can't over-buy. And this month … I convinced [partner] that it would be a good idea … to do a massive shop … so it's a month's worth of chopped tomatoes … kidney beans … you buy it all at once … so we're only buying consumables which brings the cost down massively.
Tom, joint claimant, male, Somerset, dual-earner couple, two children

However, keeping such close tabs on the household budget came at a cost in terms of the amount of time and mental effort required to keep on top of the finances:

It makes life significantly more difficult to handle finances from month to month, and the last week's always the worst. You find yourself sitting up at night, tapping away on a calculator and writing everything down on a bit of paper … then I'm planning ahead for the next month. And … I know how much money I've got left now for next month, and I haven't even been paid yet! … It's significantly more problematic, just because of … how much more of a bigger time period you've got to make it last over … Even though I'm good with money, and I am really good with money, I can still struggle some months … you can only make it go so far … It was just so much easier to keep on top of when it was two weekly.
Hayley, lone parent, female, Cumbria, not earning, three children

Impacts on Women

Female partners were less likely to be in paid work, more likely to be the nominated lead carer for the child/ren and, in addition, more likely than men to be responsible for managing the household finances. Among participants (including the lone parents and single participants in their previous couple relationships), 26 of the couples had a female money manager, ten had a male money manager and 14 said they shared the management of household finances (for three households, this was not clear from the interviews). Regardless of whether or not she was working, it was also typically the female partner in a couple who shouldered the additional burden which often accompanied monthly budgeting:

> *Because [partner's] always at work, so obviously I'm the one at home managing the bills. He works unsociable hours, so he might be out at six in the morning and he might … not get home till seven o'clock or eight o'clock at night, so all of the things like paying the rent, you know, Council Tax, I have to manage all of that … However, it is a juggling act financially and it is incredibly challenging.*
> **Tessa, joint claimant, female, Somerset, single-earner couple, one child**

Some women managed their partner's bank account as well as their own, transferring money from one account to the other to ensure that sufficient funds were available to pay rent and direct debits as they fell due at different times of the month:

> *You've got to be really on the ball with your money, like you can't really step off the mark for anything … I sit down every week and I recky up what needs to go, what's going into my bank and what's going out, and I also do the same for [partner's] bank … I just basically write down what we should get for Universal Credit or the week before we get Universal Credit it's put up on the system what we should get, and I'll write down what bills will be coming out of his bank in that month and then if there's anything left over, then that's good … I'm the money person, yeah.*
> **Maya, joint claimant, female, Cumbria, single-earner couple, one child**

Mobile banking apps enabled sometimes complex banking and bill payment arrangements in couples to be handled adroitly. However, not all couples had smart phones or bank accounts which offered these services:

> *We've probably, between us we've got about six different bank accounts … We … both have an account and we both have got a joint account … It's online only and it's really good! They notify you if you've got a payment coming out, like, the next day … so you know*

> *you need to put money into that account … But also it will tell you when money's going into your account, so if you're due to get a payment the next day … and it tells you the time and everything it's going to clear.*
> **Tamsin, joint claimant, female, Greater Merseyside, single-earner couple, two children**

For some women, juggling the household finances had to be fitted in around caring for their children and paid employment. Indeed, one working mother described being on Universal Credit as *'like having two jobs'*. Male partners were generally aware of and sympathetic to the extra workload, but for the most part, offered little in the way of practical support either due to working full time or because their partner was *'much better with money'* than they were, an assessment with which female partners generally agreed. In one couple where, unusually, the husband was the nominated lead carer, though his wife worked part-time while also studying part-time for a degree, he sheepishly admitted to having no role in managing the household finances; indeed, he did not even have a bank account:

> **Tim:** *[Wife] takes care of all the bills … I don't have a bank account, I've not had one for, I can't remember the last time I had a bank account.*
>
> **Researcher:** *So, do you know how much money you've got to manage on?*
>
> **Tim:** *No, [wife] takes care of all that!*
>
> **Researcher:** *Do you know how much you get for your Universal Credit payment?*
>
> **Tim:** *No, I don't I'm afraid! I'm sorry … [Wife] gets the money and she pays the bills, bills, bills and I don't see any of it …*
>
> **Researcher:** *You don't have anything to do with that at all?*
>
> **Tim:** *No, I don't, no.*
>
> **Researcher:** *And are you happy with that arrangement?*
>
> **Tim:** *Yeah!*
>
> **Researcher:** *Does she make the spending decisions as well, so what the money needs to be spent on?*
>
> **Tim:** *Well yeah, but you know I have my say and that … I can have my say in what's what.*
> **Tim, joint claimant, male, Greater Merseyside, single-earner couple, two children**

Though female partners often appeared willing to assume a much greater share of responsibility, some disclosed that the extra workload and stress since claiming Universal Credit had resulted in a decline in their mental health:

> *My depression's got hundred times worse since I've been put on this Universal Credit, my mood's just dipped … I take control of the money and everything because … he's quite forgetful with numbers … The two of us have … hit rock bottom just now, it's been hard … He doesn't bother because he's no good with money … I try and budget the money … what little we do have. He's quite happy with that because he's quite forgetful and that with numbers.*
> **Lydia, joint claimant, female, Scotland, no-earner couple, no dependent children**

Some women micro-managed the household finances in a constant state of anxiety and deliberation with their partner about how to balance income against outgoings, to the extent of texting them even while they were at work:

> **Anna:** *We're always, we're always discussing it … Finances is always, always there in the conversation, we'll discuss it just about every day, but we're telling each other when we got paid, what we got paid, what we've got coming out when and where, what we need for the house, what we don't need for the house, what we need for the kids, what we can get away without … Just about every day, a couple of times a day, I'm regularly texting him about what's going on … We're forever sitting down and working out the maths, aren't we?*
>
> **Nick:** *Yeah, although it's getting to the point where your texts are starting to bug my bosses at work!*
>
> **Anna:** *Yeah, I'm getting him in trouble!*
> **Anna and Nick, joint claimants, Somerset, dual-earner couple, two children, joint interview**

Budgeting down to the last penny was the only way some women managed to keep the household finances in balance, but this sometimes gave rise to disagreements:

> *[Husband] will quite often give in to the children and, like, oh yeah get some sweets … whereas I budget every single penny, so I know what we've got … Every penny counts … I have become a bit obsessive with it … I'm sure a pound on sweets wouldn't make a massive difference, but to me it's going to make a massive difference! … Yeah, a pound to me is a loaf of bread!*
> **Amelia, joint claimant, female, Greater Merseyside, single-earner couple, two children**

Managing the household finances also tended to go hand in hand with responsibility for managing the Universal Credit online journal and account,[46] adding further to women's typically greater administrative burden:

> **Tamsin:** *I think I took the brunt of it because … I was sort of dealing with all of the claim stuff and all the bills and … you didn't really see a lot of it did you?*
>
> **Dylan:** *Yeah, because obviously I'd be at work and Tamsin's at home …*
>
> **Tamsin:** *And … whenever there's something with the [Universal Credit] account, they usually put it on mine, I think that's probably because I was like the main claimant first and then [partner] was added on, so they e-mail or text me if there was something on the account …*
>
> **Dylan:** *It's had a massive impact on you, hasn't it? It's been a couple of times when you would come home or you've rang me and you've been upset about it and it's just heart-breaking … to be in work and to get a call from your girlfriend to say actually it's affecting her that much that she's breaking down in tears. Yeah, it's heart-breaking sometimes.'*
> **Tamsin and Dylan, joint claimants, Greater Merseyside, single-earner couple, two children, joint interview**

The partners' different attitudes towards money and debt could also have an impact on relationships:

> *I'm always like, 'oh don't worry about it', and she's like, 'oh why am I the only one taking it seriously?' … It can put a strain on a relationship … because … money is everything at the minute … We haven't had a massive bust-up over it, but there is times where she's really worried … I've always been laid back … so I'm just like, you know, stop stressing … And she's like … we've got this and this to pay and we've got this amount … The last month was a real struggle because we had a fraction of what we would normally have … We know each other, we've been together for a long time, so we've sort of worked around each other's strengths and weaknesses … but … I think the money aspect, because it's all about money, it's a massive problem.*
> **David, joint claimant, male, Somerset, single-earner couple, one child**

46. The conditionality requirements of Universal Credit, including use of the online journal, will be covered in greater detail during phase 2 of the research.

Control over the household budget by one of the partners (more usually the female) was sometimes so tight that it caused relationship conflict. Though the male partner in one couple worked a regular 60-hour weekly shift, he had agreed to transfer all his monthly earnings into his partner's bank account the day he was paid. He had a history of problem gambling, the mother of two explained, but the £20 weekly allowance she granted him caused resentment and arguments:

> **Vanessa:** *If he [says] … 'I want to go out on Friday', [I say] 'I can't give you extra money to go out on Friday because I haven't budgeted it to give you any extra and I just can't do it', and then we argue because he doesn't get to do anything … If [he'd] come to me like two weeks ahead and say, 'can I have an extra £20 next Friday to go out?', yeah, fine, I can budget that into the weekly structure and … just spend a little bit less on this and a little bit less on that … I can work it around it. But if he comes two minutes before and says, 'I want to go out on Friday', well no. And then we argue.*
>
> **Liam:** *Because like you manage the money and like I get an allowance.*
> **Vanessa and Liam, joint claimants, Cumbria, single-earner couple, two children, joint interview**

Though not especially happy with the arrangement, in his individual interview, the male partner accepted that the avoidance of debt was behind his partner's strict spending discipline:

> **Liam:** *She's better with financial things … It is better that way, I wouldn't say I'm totally happy with it, but it is better that way. She's more organised than I am.*
>
> **Researcher:** *Why are you not happy?*
>
> **Liam:** *I get an allowance each week … She just transfers so much in each week … it's my personal spending …*
>
> **Researcher:** *And is that a source of tension sometimes?*
>
> **Liam:** *It can be, yes, yeah … It's more the amount [of the allowance] to be honest … Sometimes it can leave me struggling … But bills and the children come first … At times I can feel a bit low to be honest with you, because I don't get to do anything I want but … that's life isn't it? … I would love for my hourly rate to go up … but I don't think it will.'*
> **Liam, joint claimant, male, Cumbria, single-earner couple, two children**

Several lone parents said financial worries and arguments about money with their partner during the joint Universal Credit claim were a key factor contributing to the relationship breakdown. Faye said that she had greater financial security as a lone parent because the payment was fixed and did not fluctuate monthly, as it had done due to her ex-partner's variable earnings:

Couples and families who struggled most with monthly budgeting tended to be those in which Universal Credit was the main or only source of income

> *It caused a lot of arguments because I would be constantly stressed out and not sleeping … worrying about money and debts … bills you have to pay, keeping the family afloat … I used to say to my partner … you get to go out to work and your worries are left there at the door and my worries are still here because I'm in the home and having to worry about … what needs to be paid and what doesn't! … I had to ring people and say … I can't pay this month because my son needs food to eat … It caused a huge rift between me and my partner … We're better friends than we were partners … maybe because we don't have that financial pressure … Benefits drives families apart – because I'm more secure and I know what I'm getting [claiming as a lone parent].*
> **Faye, lone parent, female, Greater Merseyside, not earning, one child**

Insufficient Monthly Income

What the testimonies here clearly show is that the ability to budget and manage household finances was only partially shaped by the frequency of the Universal Credit payment. An important part of the picture was also the presence or absence of household earnings and other benefits. Couples and families who struggled most with monthly budgeting tended to be those in which Universal Credit was the main or only source of income. In this context, as one participant observed, very little 'budgeting' or financial decision-making was actually required; once deductions for arrears had been taken and the rent and bills had been paid, there was practically nothing left to budget:

> *There isn't really any budget … it's gone as soon as we've got it really … And I'd heard the phrase before but I'd never thought of it, but it is living hand to mouth, that's literally what we're doing. You get the payment and it's out straight away because we've got bills, we're in arrears.*
> **Henry, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children**

Even working families, and couples in receipt of other benefits in addition to Universal Credit, could struggle to make the household income stretch for a full calendar month:

Sometimes, like that end week, like this last week gone, we're struggling, until next week when we get paid, because we get our Carer's Allowance, we get DLA and we get his wage next week, so that week is a big week and we get paid and we maybe have a treat, maybe we'll have takeaway night … or take the kids to the pictures. But the week before, we do struggle. And [partner] will come to me and he'll say, can I just have £10? I haven't got £10 to give you. I just haven't.
Vanessa, joint claimant, female, Cumbria, single-earner couple, three children

In such instances, though the monthly frequency of the Universal Credit payment could add to budgeting difficulties, income inadequacy – rather than the inability or failure to budget or manage the household finances effectively – was the key underlying issue:

The pure fact [is] that you're just not getting enough money every month.
Ethan, joint claimant, male, Somerset, no-earner couple, one child

6

Managing an Integrated Single Payment

Alongside the monthly frequency of payment, Universal Credit differs from the legacy system by integrating elements for adults, children, housing, child care and caring,[47] into a single award. Prior to the introduction of Universal Credit, the six benefits and tax credits being replaced by Universal Credit – Income Support (IS), income-based Jobseekers Allowance (JSA), income-related Employment and Support Allowance (ESA), Housing Benefit (HB), Child Tax Credit (CTC) and Working Tax Credit (WTC) – were not only assessed, administered and paid separately but, depending on the benefit, claimants received (or could choose to have them paid) weekly, fortnightly or four weekly, and to the different members of a couple.[48] Under Universal Credit, these different benefits, payment frequencies and recipients have been replaced with a single monthly payment into one bank account.

Among participants in this research, opinions were split regarding the desirability and effects of a consolidated *'lump sum'* payment. Most enthusiastic were working families in which the payment dates for Universal Credit and the earnings of one or both partners complemented one another, enabling the receipt of household income to be evenly spread across the month:

Among participants in this research, opinions were split regarding the desirability and effects of a consolidated 'lump sum' payment

Angela: *I'd rather we got it in one lump sum every month.*

Researcher: *And what about your wages, do they come at a different time or similar time to [Universal Credit]?*

Angela: *My wages come about two weeks before. Yeah. So it works out ... It's spaced out ... but that is only because of when we applied. So when you apply, on whatever day you start your application ... the payment is going to be from ...*

Researcher: *What about the fact that the payments for housing, children and child care are no longer separately paid and labelled, how do you find this?*

Angela: *That doesn't bother me at all.*
Angela, joint claimant, female, Somerset, dual-earner couple, two children

47. People caring for a severely disabled adult or child for 35 hours per week or more, who are eligible for Universal Credit, may qualify for the carer element. Those in receipt of the carer element can combine caring with paid work, but any earnings are included in the taper. Carer's Allowance is a separate non-means-tested, non-contributory benefit for eligible working age carers not in receipt of other non-means-tested income replacement benefits. Recipients can combine caring with paid work but there is an upper limit of £123 per week (from 1 April 2019) (£128 per week from April 2020) before eligibility is lost. Carer's Allowance is deducted pound for pound from any Universal Credit award.

48. IS, JSA and ESA are paid fortnightly into a nominated joint or individual bank account. Housing Benefit, paid weekly, fortnightly or four-weekly depending on the tenancy agreement, is paid direct to the council or other social landlord or, for private renters, usually to the tenant (or to one member of a couple with a joint tenancy). Couples with children can choose to have Child Tax Credit and the childcare element of WTC paid to the nominated main carer which, in a large majority of cases, was the female partner. HMRC (2012) indicated that 83 per cent of couple households receiving CTC had a female payee. CTC and WTC can be paid weekly or four-weekly.

The male partner, who also preferred the simplicity of a single award, acknowledged that his weekly wage was a key factor in their ability to budget with a single monthly payment:

One payment is always going to be easier than little bits here and there … For four years we would have been on … many different things … Housing Benefit … Family Tax Credits or Working Tax Credits … Child Tax Credit … we might have got a bit of Council Tax discount as well … And it was always coming at different times … This is way easier. But then again … I'm in a situation where I've also got a job that pays me weekly.
Mike, joint claimant, female, Somerset, dual-earner couple, two children

For the small minority of couples in this sample who pooled the entirety of their household income into a joint account, receiving Universal Credit as a single, integrated payment made no practical difference:

Mike: *We used to get like three different things …*

Angela: *Yeah, I suppose we got Housing Benefit and then we got Tax Credits, didn't we? So, for me, it doesn't make any difference because it just all goes into the same pot.*
Angela and Mike, joint claimants, Somerset, dual-earner couple, two children, joint interview

Some had no strong feelings either way, as long as the amount was accurate and paid on time:

It doesn't really bother me too much … As long as the payment's correct, I'm happy with it!
Luke, joint claimant, male, Cumbria, single-earner couple, two children

Many others, however, preferred the legacy system of multiple payments distributed throughout the month. Smaller amounts paid more frequently were said to be easier to budget than a single payment, particularly in non-waged households:

Small but frequent … instead of one lump sum, it would help because … you could live better, you could organise more, you could maybe even save … Whereas on month to month, everything's gone because you have to do a full shop … until all the bills have gone out everything takes a back seat … So I think small and frequent would be better because you don't have so long to wait and you could … plan better.
Natasha, joint claimant, female, Cumbria, no-earner couple, no dependent children

Different sources and amounts of benefit paid to the different members of a couple also enabled non-earning or lower-earning partners, who were more likely to be female, to personally receive an income and thus a personal share of the household money, a topic covered in greater detail in chapter 8:

> *[I got] JSA, my wife got paid every week with the Child Tax Credit, so … that was perfect.*
> **Jake, joint claimant, male, Cumbria, single-earner couple, one child**

The Housing Element of Universal Credit

Smaller amounts paid more frequently were said to be easier to budget than a single payment, particularly in non-waged households. Different sources and amounts of benefit paid to the different members of a couple also enabled non-earning or lower-earning partners, who were more likely to be female, to personally receive an income and thus a personal share of the household money

A large part of the rationale for including payments for housing within a single Universal Credit award is to make claimants responsible for paying their rent, as most people in employment are.[49] Among research participants, the notion that claimants should assume responsibility for rent was generally accepted as right and fair:

> *It gives you a responsibility … Before Universal Credit, when you had like any Housing Benefits … they've been automatically paid, so you didn't need to really take care of it. Well, now … you have to care. And I think that's good. It's not good for everybody … because there is people who got different needs, but when … you know what you're doing, I think … that little bit of responsibility should be still on you because it's your house, your rent … It works for me and I think it's a good thing.*
> **Allison, joint claimant, female, Cumbria, single-earner couple, two children**

Even those used to the security of having Housing Benefit paid direct to their landlord accepted that it was their responsibility to pay rent or suffer the consequences:

> *I thought, well, what if a bill goes out early and … I haven't got enough for the rent? I was really nervous with it, because I was so used to Housing Benefit going straight to the landlord, and I was OK with that … I wouldn't see it … and it would be a weight off my chest. But then I also … did like the aspect that it's giving people the responsibility to pay it themselves, for when they are in full-time employment, they do have to pay everything themselves, that if they don't pay it then they face the consequences, like eviction. So, I do like that it's … a responsibility, it does get you ready for full-time employment.*
> **Sophie, lone parent, female, Somerset, not earning, one child**

49. In fact social housing tenants who are in paid work can have their Housing Benefit paid direct to their landlord.

In fact, many said they preferred to pay their own rent. Having proof of payment gave them the reassurance that it had been paid on time and in full every month, which was especially important for those with private landlords. On the other hand, having the rent paid direct to the landlord could take the worry and hassle away:

> *I like it when it's all lumped together, then when your rents get taken out, at least you've got proof that your rent's been taken out on your bank statement. But on the other hand, when it's getting paid directly to … [landlord] at least you don't have to worry about it.*
> **Jake, joint claimant, male, Cumbria, single-earner couple, one child**

However, as with other aspects of Universal Credit's design, the absorption of housing costs into a single payment in arrears sometimes gave rise to unintended effects and impacts. As covered in chapter 3, some claimants who moved to Universal Credit from the legacy system were not initially informed that they needed to claim and evidence housing costs anew when completing their online Universal Credit application. The resulting delay, combined with the initial five-week wait for payment, meant that several participants in this research accrued serious rent arrears at the beginning of their Universal Credit claim. One couple was evicted and several had repossession orders taken out. Third-party deductions for rent arrears and ongoing rent payments protected others who were at risk of losing their homes, but such claimants were sometimes left with very little money to live on.

Participants with no rent arrears, or whose arrears were more manageable, generally fared much better. Email and text reminders sent by some social landlords encouraged tenants to check their Universal Credit account and prompted them to pay their rent on time:

> *[The rent] is weekly but I pay it monthly out my Universal Credit. The Housing Association are brilliant because they obviously understand Universal Credits a lot more than the private landlord did … You get e-mails regularly, it's Christmas, don't forget your Universal Credit payment … there might be two wages this month, don't forget your Universal Credit … they're really good … They send you a lot of information by e-mail … a lot more than Universal Credit.*
> **Amelia, joint claimant, female, Greater Merseyside, single-earner couple, two children**

Other social landlords had developed rent payment cards and apps, or allowed rent to be paid using debit and credit cards, which encouraged their tenants to transfer funds as soon as the Universal Credit was paid:

> *We have a rent card and … you can use your contactless as well, so you can pay through your credit card … which is fantastic … so when the monthly [Universal Credit] comes in on the 7th, we're like, right, transfer that over for that …*
> **Emily, joint claimant, female, Greater Merseyside, no-earner couple, two children**

As noted previously, paying the rent was a priority across all claimant and family types and most aimed to pay their rent in full each month. Indeed, some participants earmarked the entirety of the Universal Credit award for this purpose:

> *We ended up [with] about £700 a month … I always think of that as just rent money … so it comes into our account like a week before the rent, so then I just … put it towards the rent.*
> **Angela, joint claimant, female, Somerset, dual-earner couple, two children**

However, because Universal Credit is paid in arrears but rent is generally due in advance, those reliant on Universal Credit, or whose Universal Credit payment date fell after the date their rent was due, sometimes found it impossible ever to catch up.[50] Some participants who had managed to clear rent arrears were irked to still be receiving automated texts and letters each month from social landlords informing them that their rent account remained in deficit:

> *Obviously Universal Credit pays us in arrears, so I have to pay my rent in arrears. Now the landlord, they're not always happy about that and they're often giving me a ring: 'oh you're getting behind there', but I've explained to them, because I'm paid in arrears, I can only pay you in arrears and I can't afford to pay you two months out of one month's money … They keep trying to push us into sort of building up to … four weeks in advance … but [that never happens].*
> **Ryan, joint claimant, male, Cumbria, single-earner couple, two children**

50. Chapter 9 includes further discussion of this form of rent arrears.

Because Universal Credit is paid in arrears but rent is generally due in advance, those reliant on Universal Credit, or whose Universal Credit payment date fell after the date their rent was due, sometimes found it impossible ever to catch up

These never-cleared rent arrears were yet another financial worry couples and families had to contend with:

> *I've just paid [the rent] today now, so from today it will go into arrears again … because Universal Credit only pay you then in arrears … The housing association accepted that because they understand Universal Credit, but you're always in arrears … like the day you pay, like today I was four weeks in arrears … unless I get some magic money from somewhere … It's horrible, horrible and absolutely a nightmare because you don't want to be in arrears … One day a month it says nought on my rent statement!*
> **Amelia, joint claimant, female, Greater Merseyside, single-earner couple, two children**

While housing associations were cognisant of and often sympathetic to this predicament, a serious implication of unremitting rent arrears was the inability to move house until the debt was cleared in full:

> *Everything appears in arrears because you get paid [Universal Credit] in arrears … You can't move because you're in rent arrears. No, no, I'm actually not in rent arrears, I'm just waiting to get paid … They want it all paid in advance, like I can't pay it in advance … Even with his wage now, because I've got to get this money to pay off the last four weeks' rent … but it's still going to appear as in some arrears all the time.*
> **Hayley, lone parent, female, Cumbria, not earning, three children**

For peace of mind, and to limit the build-up of any future rent arrears, several participants had requested to have their rent paid direct to a landlord. However, while claimants in Scotland can choose to have their rent paid direct, and in Northern Ireland rent is paid direct to landlords by default, in England and Wales the decision is discretionary and made on a case by case basis. The different experiences of research participants in Scotland and England who had requested or switched to have the housing element of Universal Credit paid direct to their landlord are covered separately in chapter 9.

The Carer Element of Universal Credit

Two participants in our research received the carer element of Universal Credit. In both cases, they were lone parents caring for a child in receipt of Disability Living Allowance (DLA). Both knew that they could claim Carer's Allowance instead if they chose to, but felt that it was easier for the carer element to be included in the Universal Credit award. The fact that the Carer's Allowance is treated as unearned income for the purposes of Universal Credit entitlement, and deducted pound for pound from the Universal Credit payment, was a key reason why:

I get the carer's element through Universal Credit, I've never applied for actual Carer's Allowance because I didn't see the point because it just gets deducted straight back off me.
Molly, lone parent, female, Scotland, not earning, four children

Receiving Carer's Allowance, though, meant being credited with Class 1 National Insurance contributions, which were needed to qualify for a state retirement pension, the other lone parent commented, and for this reason she was reconsidering her decision:

I get a caring element … I have a choice to go on Carer's Allowance … but it's a taxable benefit, so they'll take back whatever I get … off my Universal Credit … bar the fact that you get Class 1 National Insurance stamps put on for Carer's Allowance, there really isn't much difference. By the time they've stripped back whatever they want to take off you for what you're getting in Carer's Allowance, it makes such little difference … I'm considering applying for it … for the benefit of Class 1 National Insurance stamps.
Hayley, lone parent, female, Cumbria, not earning, three children

Another key difference is that the carer element of Universal Credit places no upper limit on earnings as Carer's Allowance does. However, neither participant was working or mentioned this as a relevant factor in their decision.

The Child Element of Universal Credit

Including payments for children within the single Universal Credit payment caused some initial confusion for both existing and new claimants. Families who had previously claimed tax credits were sometimes unaware that payments for children were included within the Universal Credit award:

No one explained to us … When I phoned up to get the Child Tax Credit up and running, they said I need to apply for Universal Credit … and then when I got back in touch, they said, oh yeah if you're claiming Universal Credit, it's in amongst that, and I thought, how does that work? And then I got the form through, a text message through, explaining everything, I went right OK, I get it now. But I just don't like how you had to find out that way. If somebody explained it properly then I'd be quite happy, but they didn't.
Ruby, joint claimant, female, Scotland, no-earner couple, two children

On the other hand, new parents who had not claimed benefits or tax credits before sometimes mistakenly thought that *all* payments for children were subsumed within Universal Credit. As noted in chapter 3, one young couple was not aware that Child Benefit was a separate benefit to which the family was entitled *in addition* to Universal Credit.

During the 18 months that they had been claiming Universal Credit, none of the DWP staff they had come into contact with at the Jobcentre or Service Centre had mentioned this. Indeed, it was not until the birth of their second child that a family member flagged up their unclaimed entitlement. Though now getting Child Benefit for both children, the couple had only been able to backdate the award by three months:

> *My sister found out because she works down at the Jobcentre. So [partner] had gone in to give [second child's] birth certificate in and my sister just happened to mention that it flagged up that we hadn't been claiming it for [first child]. So we filled it all in last week and sent it off … We just thought it was part of the Universal Credit payment, because nobody explained that it was any different. I thought it was just … the one payment now, because it did sound like everything just went in together. So we were just like, well if it all goes into one, then they'll obviously calculate it and put it into that one payment.*
> **Luke, joint claimant, male, Cumbria, single-earner couple, two children**

Separate Labelling

Separate labelling of the benefit under the legacy system helped to ensure that money allocated for children was ring-fenced and spent for their benefit as the policy intended

The fact that the child element of Universal Credit was no longer separately labelled was highlighted by some parents who had previously claimed Child Tax Credit. Separate labelling of the benefit under the legacy system helped to ensure that money allocated for children was ring-fenced and spent for their benefit as the policy intended, they said:

> *Child Tax Credit … obviously it's for your child because … that money was sort of safeguarded for [my son] and what he needed, so we knew that we had that. I don't … if we were getting Universal Credit at the time when he was born, I don't know how we'd have coped, to be honest, because it … it was all sort of just up in the air, the payments that you were getting and … it obviously comes in one payment doesn't it, Universal Credit?*
> **Faye, lone parent, female, Greater Merseyside, not earning, one child**

Under Universal Credit, although child elements were separately identified on the online statement, once the payment entered the payee's bank account it was hard to differentiate '*the kids' money*' from allowances awarded for adults and housing:

> *I struggle with it because I can't determine what's mine and what's the children's. I do not like to take my children's money. It's the kids' money … and now when it's all kind of together, I try and bulk buy for the children … I think it's about £500 that the kids are supposed to get … which leaves [husband] and I short to make ends meet, because I want to make sure the kids have got clothes on their back.*
> **Ruby, joint claimant, female, Scotland, no-earner couple, two children**

The absorption of '*the children's money*' into the single monthly payment thus ran the risk that it would be swallowed up by general household expenditure:

> *I think having the children's money weekly did help a bit as well because like if they needed something, I could just go out and get it, whereas if it's monthly it's, like, well I don't know if I'm going to have that much left that month.*
> **Emily, joint claimant, female, Greater Merseyside, no-earner couple, two children, joint interview**

Several participants suggested that paying the child element of Universal Credit to the lead carer would help parents to ring-fence the money and ensure that child-related payments were not inadvertently spent in other ways:

> *What might be helpful is the child part of the money goes to whoever looks after the child the most, so I know I can take the children out … buy them food and drink or … suddenly you need this for your school, I can go and get it, I know that money's coming in … rather than trying to … work out, OK, we've got this money but that money's supposed to be allocated for that, which doesn't always then happen and it's a struggle … trying to … fit everything into, like, one budget.*
> **Anna, joint claimant, female, Somerset, dual-earner couple, two children, joint interview**

Others were less concerned about separate labelling than they were about the payee. As noted previously, Child Tax Credit was paid into the nominated 'main carer's' bank account. In couples with children, this helped to ensure that both partners had a source of income:

> *[We] always had some money and then we went to this thing, it's paid every month, plus the money she used to get for the kids weekly was all stopped and put into one lump sum … whereas going way back when I wasn't working … [JSA] was paid every fortnight … and with the kids' money, she was paid every week … But then all of a sudden … it was all chopped into one lump sum which … [is] not very good.*
> **Dennis, joint claimant, male, Scotland, no-earner couple, two children**

Many lead carers in this research, 90 per cent of whom were female, were of the strong opinion that the same principle should apply under Universal Credit:[51]

51. How couples decide whose bank account the Universal Credit award should be paid into, how the single payment was distributed between the partners, and other issues associated with one Universal Credit payment per couple, are covered separately in chapter 8.

I would want mine and my kids' money put in my account, like, nothing against him, that's just because I'm their main carer, if you get what I mean, their money shouldn't go in his account.
Lilly, joint claimant, female, Somerset, no-earner couple, two children, joint interview

Others said that paying the child element of Universal Credit to the nominated lead carer would reduce the potential for misappropriation or mismanagement of the Universal Credit payment:

I think they should pay the childcare elements to the person … who has the main responsibilities for the kids. Because again like if it was [partner] who was getting our money and he'd left and took it, we'd be screwed!
Tamsin, joint claimant, female, Greater Merseyside, single-earner couple, two children

In a similar vein, paying the child element to the recipient of Child Benefit could help to ensure that lead carers received at least some of the Universal Credit payment – particularly important, some said, if relationships were abusive or controlling, or in step-families in which the mother's partner was not the children's biological father:

It doesn't matter what it's labelled [as], it's still the same amount of money … but … within relationships where it's maybe … not, like, equal … like, violent, abusive relationships, where it's all going into the one [account] … Whoever is the one receiving the Child Benefit I think it should be … Whether you're a single person or you're a couple … The child element … it should go to whoever the main carer of that child is … because it's for the kids … it's not for Mrs Murphy's boyfriend that's now on the claim and can dip his hand into whatever he wants.
Molly, lone parent, female, Scotland, not earning, four children

However, while the principle of paying the child element to the mother or lead carer was generally well-supported, some participants pointed out that if one or both parents were in employment, monthly assessment and joint means testing of earnings could taper away the value of the single award, making it impossible to break down the Universal Credit payment into its separate elements. Child Tax Credit, by contrast, was not only separately labelled, but the amount paid normally remained constant for a year (unless HMRC had been notified that household earnings had increased by more than the annual disregard during the year) – unlike Universal Credit, which could fluctuate from month to month, depending on household income and earnings:

It obviously comes in one payment, doesn't it, Universal Credit? So you don't know if that is the child element or if that's the housing element, you don't really know … It gives you a breakdown of the elements, but once the deduction for wages is then taken off, it just gives you an amount that you are getting.
Faye, lone parent, female, Greater Merseyside, not earning, one child

Moreover, as covered in greater detail in chapter 8, for many couples the choice of Universal Credit payee was often determined pragmatically – from which bank account rent, bills and direct debits were paid, for example.

The Childcare Element of Universal Credit

Having to pay their childcare costs upfront and then reclaim them in arrears was highlighted as a particular problem, and cited as one of the reasons why parents who knew about the help available had chosen not to take it up

There was very low awareness of the childcare element of Universal Credit among our sample and many confused it with the childcare offer as part of Working Tax Credit, or the 15 or 30 hours of free child care provided to all three- and four-year-olds (and some two-year-olds).[52] Take-up was correspondingly low. Only five couples had accessed help with childcare costs and another couple was in the process of applying at the time of their interview. All but one couple reported budgeting, administrative and financial difficulties due to the retrospective nature of reimbursement and the monthly assessment of entitlement. Having to pay their childcare costs upfront and then reclaim them in arrears was highlighted as a particular problem, and cited as one of the reasons why parents who knew about the help available had chosen not to take it up:

Childcare fees are astronomical … I can get a job tomorrow but I've got no way to work around the child care … I've been told about the 80 per cent … but I haven't got the money to pay up front for them! … Because you pay up front and then you get the money back.
Hayley, lone parent, female, Cumbria, not earning, three children

52. All three – and four-year-olds in England are entitled to 570 free hours of child care per year, which is usually taken as 15 hours over 38 weeks of the year. Some three – and four-year-olds are also eligible for an additional 15 hours of free child care per week, and some two-year-olds are eligible for 30 hours of free child care per term-time week if their parents are in receipt of certain benefits or in employment with income below a certain threshold. Different schemes operate in Scotland and Northern Ireland: www.gov.uk/30-hours-free-childcare

Parents moving into work are entitled to help from the Flexible Support Fund, a non-repayable grant, to help them pay upfront childcare costs.[53] However, none of the parents in this research had been offered or knew about this help.

Among the couples who had taken up the childcare element, having to evidence childcare costs and spending each month in the form of validated invoices, receipts and bank statements was a significant administrative burden on the working parent with responsibility for organising and paying for child care – who was typically the female partner. Gathering and uploading evidence by the due date using the online journal was said to be a time-consuming and frustrating experience. Claims submitted late could automatically be rejected:[54]

> *You try to go online and it doesn't let you enter payments or it's taken it but then at their end ... because it's all computerised as well, their computer system at their end isn't verifying. So they can see I've reported my childcare costs, but because the computer's not verifying it in their end, it doesn't add it into your payment.*
> **Celia, joint claimant, female, Scotland, dual-earner couple, two children**

Gathering and uploading evidence by the due date using the online journal was said to be a time-consuming and frustrating experience

The digital and 'virtual' nature of recovering childcare costs meant that claimants did not know whether the uploaded information had been received or was being acted on. Calls to the service centre often failed to resolve issues:

> *It's all this online journal thing and you can't actually get through to anyone, and you ring someone and they say, I'm not your case worker, I can't deal with that, I'll write a note on the system.*
> **Leah, joint claimant, female, Somerset, single-earner couple, one child**

This mother grew weary of endlessly chasing late repayments and questioned whether the effort involved in reclaiming the relatively low contribution she managed to recoup each month was actually worth it:

> *I upload it online and then ... it's not what evidence they need. They ask for ... a written invoice and then they say, oh no it doesn't show this, it doesn't show that ... I just do, like, a standing order from my online banking, but ... you can't just do a screenshot, you then have to go into the bank to order paper statements ... and sometimes*

53. The Flexible Support Fund (FSF) is a discretionary fund introduced to give Jobcentre Plus advisers more flexibility to support claimants back to work. On 11 January 2019, the then Secretary of State for Work and Pensions reminded parents and others in a speech that the FSF could be used to pay for upfront childcare costs until a claimant receives their first wage.

54. Before 16 October 2019, claimants were required to upload evidence of childcare costs before the end of the assessment period in which the costs were incurred. The DWP would then decide whether the costs were attributable to that assessment period. From 16 October 2019, the time limit was extended by a month. This means that claimants need to notify the DWP about their childcare costs by the end of the assessment period following the assessment period in which they were paid.

you get charged for that … I actually thought, do you know what, it would be less stressful not working – and that shouldn't be the case, you should be supported to work … I kind of got to the point where … it's more hassle than it's worth … I've put the receipts in for this month, but they've not looked at it yet … If I don't get paid for the child care, I'll just keep paying it [myself], it's just easier … I'd rather pay the money now than go down the Jobcentre and keep going in and out, on hold, it's just not worth it.
Leah, joint claimant, female, Somerset, single-earner couple, one child

The inclusion of childcare costs within the integrated payment also made it hard for couples to work out the financial contribution towards childcare provision that they were actually getting paid. Those with experience of claiming childcare costs under tax credits contrasted Universal Credit's lack of transparency with the simplicity of the legacy system, which did not require the monthly evidencing of fees and payment:

I just phoned them up and told them that I was working … and gave them the childcare registration number and that was it … very straightforward, very straightforward.
Ellen, joint claimant, female, Scotland, no-earner couple, two children

That contributions from Universal Credit to childcare costs are subject to the 63 per cent taper was another aspect of Universal Credit that seemed incomprehensible, not to say misleading, some said, given that it reduced the actual amount paid towards child care, in many cases, to significantly less than 85 per cent:[55]

I pay my childminder on a weekly basis, I had to report on a weekly basis, and you had to put in evidence … I was paying £120 a week, so they tally 85 per cent of that, which is £102 a week, so four weeks of that should have been £408. So to me, if they're willing to give you childcare money for you to go to work … you should just be given that. That should be added into what your entitlement is. And they take 63 pence of every £ you earn … So they add my salary and [partner's] salary up and that's your home pay total and then they take that off … what you're entitled to, and then that's what you get … Apparently with Universal Credit you should get 85 per cent of your child care paid for, but … the total amount of what you're actually entitled to … gets deducted off your home pay so … even though they tally it up as 85 per cent, you're not actually then getting that.
Celia, joint claimant, female, Scotland, dual-earner couple, two children

55. Further discussion of monthly assessment and joint means testing is included in chapter 7.

Aggregating the earnings of both partners resulted in reductions in the amount of Universal Credit paid that seemed arbitrary and some couples got into debt with their childcare provider. Budgeting loans were sometimes offered to help parents pay outstanding nursery fees;[56] but this could serve to compound rather than ameliorate couples' financial difficulties:

> *We got told ... we would get help back with, like, 85 per cent ... The first ... payment we had was good and then it was, like, dropped to like £330 and then ... we had nothing then the following month ... but it's so confusing ... The Jobcentre ... they said it would never change ... the same amount every month ... We went down the Jobcentre when this issue happened and one of the guys there said ... 'do you want to take a loan out, because you've got to pay at least something back?' ... So they wanted for us to at least pay something for the nursery, even though they haven't paid us.*
> **Jessica, joint claimant, female, Somerset, dual-earner couple, two children**

The inclusion of childcare costs within the integrated payment made it hard for couples to work out the financial contribution towards childcare provision that they were actually getting paid

Not only could childcare contributions fluctuate in unpredictable ways but, because women were more likely to be the Universal Credit payee and the parent with responsibility for paying childcare fees, it tended to be women's incomes that fell when (their partner's) earnings rose. Returning to work from maternity leave after having her second child, after struggling to pay her upfront childcare costs from small savings, and having waited eight weeks before receiving the first Universal Credit payment, one mother found that the late reimbursement of childcare costs left her in debt and unable to pay her nursery fees. With no one available at that time to look after her children, she was obliged to give up her job. Once unemployed, she found that the Universal Credit payment stabilised:

> *When I first went back to work ... they just kept messing up my childcare payments and I paid, like, the first month and then claimed it back from Universal Credit, but then they'd pay it late and I'd have to pay another month of child care and ... I was just getting, like, so far behind with bills ... because when I first went on them, the wait was about eight weeks before they paid me ... and that put me in arrears with, like, my rent and Council Tax. So then I went back to work ... as arranged ... she was in nursery and ... everything was building up because they were paying the childcare fees late ... and I couldn't afford to pay the nursery, so I was getting into sort of debt ... trying to pay nursery so I could go to work. So I left that job and so I was unemployed for a little bit and Universal Credit seemed to, like, even out.*
> **Tamsin, Joint claimant, female, Greater Merseyside, single-earner couple, two children**

56. See chapter 9 for a discussion of budgeting loans.

Though she later went back to work, the couple had given up on claiming the Universal Credit childcare contribution altogether, preferring instead to juggle informal care with taking leave days from work:

> *[Partner's] mum looks after the kids when, if we're both in work, but that's not always the case, so we have to sort of struggle and rush to find someone who can look after them, whether it's next door or one of my family … but they're not really reliable or dependable upon, so it can be a bit challenging at times … The cost and having to pay for [child care] up front is a big issue, plus it's so expensive as well, sometimes it's just not worth doing it … We have to try and book days off if we can … We've always had issues with that in the past and the Universal Credit not paying us on time or the correct amount, so then we've always been, like, a month down, and then … because we're always struggling because of that, it's just like a snowball effect, so we had to then take them out of child care because we just can't afford to pay the nursery fees.*
> **Dylan, joint claimant, male, Greater Merseyside, single-earner couple, two children**

Contributions towards childcare costs under Universal Credit should be ring-fenced and excluded from the earnings taper, some suggested, or else removed from Universal Credit altogether:

> *I feel if they're going to offer to help pay with child care, I feel that should be a separate allowance to everything else.*
> **Celia, joint claimant, female, Scotland, dual-earner couple, two children**

The maximum contribution of 85 per cent was also considered to be insufficient in some cases, given that 15 per cent still needed to be paid from net earnings, a not inconsiderable sum given the high cost of child care:

> *They only give you 85 per cent of it back, so what about that 15 per cent? Where does that come from?*
> **Tessa, joint claimant, female, Somerset, single-earner couple, one child**

The upper limit on the amount of childcare costs that could be reclaimed per month would also need to be lifted or increased, others said, if second earners on the minimum wage were realistically expected to work full time:

> *Up to 85 per cent they'll pay. I think there's a maximum of about £1,000 [per month] … if you're claiming for two children, but it's nowhere near enough … I only went back to work part-time, but*

if she was in nursery, like, five days a week, every week, the £1,000 sort of cap wouldn't really even touch the sides.
Tamsin, Joint claimant, female, Greater Merseyside, single-earner couple, two children

Other mothers said that, rather than having to pay for child care upfront and be refunded for a proportion of cost, their preference was to use the government-funded scheme offering 15 or 30 hours of free childcare provision during term-time weeks. This had very low compliance costs compared with Universal Credit, and enabled them to return to work at a time when most were happy and ready to do so – typically when their child reached the age of two or three.

Stopped Payments

Administrative problems or errors with one part of the Universal Credit award could affect the whole of the payment

Another aspect of having a single, consolidated payment was that administrative problems or errors with one part of the Universal Credit award could affect the whole of the payment. If earnings data were incorrect, or claimants failed to respond to a message on their journal, or had been overpaid, for example, regardless of whether this was due to a DWP, employer or claimant error, the Universal Credit payment could stop abruptly, leaving affected claimants high and dry:

I think the way they can just stop payment as well is quite harsh and worrisome for anyone that claims it … If they do discover a problem, or they think they may have overpaid you, they should continue to at least make even a half payment, just so you've got something, and then until it's rectified and then you'll either arrange to pay it back, like, monthly, or if they owe you money, they can pay you back the money … There's got to be something in place for things that go wrong because … it just stops … Sometimes we thought everything's been fine and normal and then we've checked the statement and it's been zero and we're, like, why is it zero? It could be like four days before a payment's due we find out there's something wrong and it takes longer than that to sort anything out.
Tamsin, Joint claimant, female, Greater Merseyside, single-earner couple, two children, joint interview

By the time mistakes were discovered and rectified, the payment could be many weeks overdue, leaving claimants with unpaid bills and debts:

I had, like, a period where I didn't have anything, sort of six to eight weeks, and then I spent … like ten hours on … the phone to them … saying I've still not been paid, I've still not been paid … and they didn't add a housing element on to it and a child element on to it … So it meant I didn't, like, get anything … That's kind of been resolved now, but … I didn't get payment last month … so I don't really know … what's going on.
Leah, joint claimant, female, Somerset, single-earner couple, one child

Algorithmic decision-making, automated assessment and payment, and call-centre based telephone support under Universal Credit, were also contrasted with the face-to-face methods which claimants had formerly used to resolve administrative and payment errors at local Jobcentres, local authority 'one stop shops' and HMRC offices:

> *I'd definitely go back to the old system … if something went wrong … I could go to a one stop shop and speak to somebody face to face about it, or here we have the HMRC office here, so I could go in and ask somebody questions, if I needed to ask somebody about it, whereas it's all faceless contact with Universal Credit … I can't go and actually speak to somebody.*
> **Faye, lone parent, female, Greater Merseyside, not earning, one child**

Until errors were corrected, couples who relied on the Universal Credit payment were sometimes left with no household income. Under the legacy system, if things went wrong with one benefit, claimants generally had another source of income to fall back on. No amount of financial discipline or clever juggling could compensate for a stopped payment which could leave couples with no money for the coming month. Indeed, for the couples in this research who were experiencing budgeting difficulties, the integrated, 'all in one' nature of Universal Credit was sometimes more problematic than the monthly frequency of payment.

7

Monthly Assessment and Means Testing

While payment in arrears and the monthly frequency of Universal Credit payments have been the subject of much discussion and debate, an equally important but – to date – somewhat neglected aspect of Universal Credit's design, which in our research particularly affected working families, was monthly *assessment*. Monthly assessment is intended to make more visible the financial impact of working and of earning more, smoothing the transition from benefits to work, while incentivising additional hours and employment. The aim is also to reduce the likelihood of fraud and overpayment by ensuring that, at the end of each assessment period, claimants are paid an amount that reflects their circumstances for the coming month.[57] This means that, unlike the legacy tax credits system, Universal Credit is calculated separately each month.

Monthly assessment is intended to make more visible the financial impact of working and of earning more

Known as the 'assessment period', the fixed monthly assessment window begins on the first day on which a sole or joint claimant becomes eligible for Universal Credit and ends a calendar month later. Payment is made seven days later on the same date each month,[58] but the day of the week it is paid varies from one month to the next and from one claimant to the next, depending on the date the claim becomes 'eligible'. Once an eligible claim has been made, assessment dates are fixed; consecutive assessment periods begin on the same day each month and cannot be changed. Even if a claim is closed and re-opened, the same assessment period applies unless more than six months have elapsed.

Entitlement to Universal Credit is calculated on the basis of claimants' needs (the number of adults, their housing costs, the number of dependent children and any disability related needs) and according to net monthly income, including earnings (after tax, national insurance and pension contributions have been paid) based on how much people are recorded as being paid on the days that fall within the claimant's fixed assessment period. For joint claimants, the net monthly wages and other incomes of both partners are aggregated to give a joint figure against which the Universal Credit payment is assessed. For working claimants, a single taper (currently set at 63 per cent) reduces entitlement for Universal Credit as earnings rise. For families with children (and for some people with limited capacity for work), a 'work allowance' disregards the first

57. www.gov.uk/government/publications/universal-credit-different-earning-patterns-and-your-payments/universal-credit-different-earning-patterns-and-your-payments-payment-cycles#assessment-period

58. If the payment date is on a bank holiday or weekend, Universal Credit is paid on the last working day before the bank holiday or weekend.

£287 of net (aggregated) monthly earnings if a housing element is included in the payment, and £503 if no housing costs are included, before the benefit starts to be reduced.[59]

Working lone parents and dual-earner couples with children are also entitled to a financial contribution of 85 per cent towards childcare costs up to a monthly limit of £646 for one child or £1,108 for two or more children. However, as covered in the previous chapter, childcare costs must be paid upfront by the claimant, then claimed and reimbursed monthly in arrears. Childcare contributions are also tapered off with the rest of the Universal Credit award against (aggregated) earnings. For claimants on PAYE, there is monthly automatic calculation and adjustment of the Universal Credit award, as earnings rise or fall, using the HMRC's real time information system (RTI). Self-employed claimants, and others whose wages fall below the PAYE or National Insurance threshold, must self-report their earnings at the same time each month, around ten days or so before the Universal Credit payment due date.[60]

Understanding Monthly Assessment

All the dual-earner couples and more than three-quarters of single-earner couples said that their Universal Credit payment fluctuated each month, sometimes significantly

Before claiming Universal Credit, very few participants were aware that Universal Credit was calculated and means-tested monthly and that, if household income rose or fell within their fixed monthly assessment period, the Universal Credit payment would automatically change. Several couples were therefore surprised, but pleased, to discover that their payment was adjusted monthly in line with earnings. Some said that this made the impact of earning more, or of working extra hours, more transparent, as the policy intended:

> *So if obviously we work more, we get less, so ... we can visibly see it in the money you get.*
> **Angela, joint claimant, female, Somerset, dual-earner couple, two children**

Angela's partner, who had a part-time job and earnings from self-employment, agreed:

> *I think it works great for people like me who earn a different amount every month, it's great.*
> **Mike, joint claimant, female, Somerset, dual-earner couple, two children**

59. From April 2019, working claimants are eligible for a work allowance if they (and/or their partner) either have responsibility for a child or limited capability for work. At the time couples were interviewed, the work allowance was worth £198 per month for those who received help with housing costs and £409 per month for those who did not receive such help.

60. Monthly income less monthly expenditure for those with earnings from self-employment.

Couples such as these, who responded positively to monthly assessment, were diverse in terms of their employment circumstances. Some worked in salaried jobs with a fixed monthly wage, while others had earnings and income that sometimes fluctuated. In the main, they were families with one or more earners who did not have to rely heavily on the Universal Credit payment. There was a general acceptance that if earnings rose, Universal Credit entitlement would fall:

> *We know when he's asked to work overtime ... on those weeks he's paid more and ... we know that Universal Credit will be less ... If he works more, we are getting paid less and we expect that, we know that's going to happen.*
> **Jackie, joint claimant, female, Scotland, dual-earner couple, two children**

The aspect of monthly assessment that many particularly liked was the fact that, whether wages went up or down, the overall amount of household income stayed roughly the same:

> *It always balances out at the same level ... if [partner's] earnings are up [Universal Credit] is down ... it always balances out at the same average.*
> **Ryan, joint claimant, male, Cumbria, single-earner couple, two children**

Others appreciated the automated nature of monthly assessment because it reduced the risk of overpayment if earnings increased and was said to be less administratively burdensome – no need to produce wage slips or notify the DWP if hours of work or earnings changed, for example:

> *I thought, oh OK, so they must be tracking what we're earning and paying it that way, which is actually a relief because, you know, our income is so variable that the last thing you want is to get to April and be told, right, you've been overpaid, we'll have £900 now please! ... The fact that they're, they are sort of tracking our income is quite helpful ... creepy, but quite helpful.*
> **Olivia, joint claimant, female, Somerset, dual-earner couple, two children**

Indeed, for the minority of couples who said that they preferred Universal Credit to tax credits, the perception that there was less likelihood of being overpaid under Universal Credit was frequently the key reason why:

> *I was over the moon actually, because of the previous over-payment issue. I thought to myself, well, if this works then it's ideal ... it's great because it means you're not going to be overpaid ... or underpaid, I guess.*
> **Mike, joint claimant, female, Somerset, dual-earner couple, two children**

The female partner in this couple agreed, saying that the online service and the automated nature of monthly assessment under Universal Credit were preferable to the paper-based legacy system:

> *I personally do like [the responsiveness] … I would hope that means we would never owe them anything, and they would never accidentally over-pay us … I think it's better. So Tax Credits, you have to fill in a massive form, trying to ring them's a nightmare and … they don't really have an online presence … This is all online, it is easy once you get past a certain point and … it takes it from [HMRC], so I just think that's a lot easier.*
> **Angela, joint claimant, female, Somerset, dual-earner couple, two children**

Not everyone liked or was incentivised by Universal Credit's increased responsiveness to changes in earnings

However, many couples were more equivocal. Not everyone liked or was incentivised by Universal Credit's increased responsiveness to changes in earnings. Far from serving to reward additional hours worked, an immediate reduction in the Universal Credit payment was said by some to feel more like '*a slap in the face*':

> *It's almost a slap in the face, it's almost as if I'm being taxed twice, I'm getting … my wages coming in and then I see on my payslip all my tax coming out, my NI contributions coming out, great, and then I see this statement for the Universal Credits and I think, oh great, so we've got this much, OK, and then they're going to deduct that much and then deduct that much … it feels like I'm being taxed twice.*
> **Nick, joint claimant, male, Somerset, dual-earner couple, two children**

When bonuses, holiday pay and wage rises paid on top of regular wages were factored into the monthly assessment, some found the corresponding reduction in the Universal Credit payment unfair and demotivating:[61]

> *I got, like, a really nice generous Christmas bonus, so it was the first time I'd seen, like, £1,000 in my bank, but … when Universal Credit seen that I had that much money … they gave us a considerably a lot less … It's such a shame, because it's a bonus … and then when you realise actually you can't go spending it … And … last month was … some backdated money … they gave [us] all a pay rise from April, but they didn't pay it until … July, so … for that four months we*

61. The treatment of lump sum payments received extensive media coverage when Greggs, the national bakery chain, awarded its employees a one-off £300 bonus. Analysts pointed out that, depending on their circumstances, those in receipt of Universal Credit would be subject to the 63 per cent taper, which could reduce the value of the bonus in some cases to around £75, returning the largest chunk of the payment to the Treasury: www.theguardian.com/society/2020/jan/13/bonus-blow-for-greggs-staff-prompts-call-for-benefit-and-tax-rethink

got that money backdated, so that was like a nice £300, £400 extra, and again, because of that, they took that in consideration … It was nearly [child's] birthday, OK, we can go out and treat him, it was near [partner's] birthday, you know, we can go out and have a nice meal, and … then you hit the realisation that actually … we're going to be getting less money this month.
David, joint claimant, male, Somerset, single-earner couple, one child

Fluctuating Earnings

Another significant trade-off of greater responsiveness to changes in earnings was the sometimes large monthly variability in the size of the Universal Credit payment. All the dual-earner couples and more than three-quarters of single-earner couples said that their Universal Credit payment fluctuated each month, sometimes significantly. Some viewed month to month fluctuations in Universal Credit due to changes in earnings as a question of swings and roundabouts:

For example, [husband] makes loads of money that month and then nothing this month, then we're a bit screwed. So that's where it can be a bit dodgy. But what I do like about it is that I can never be technically in debt with them, so it's like a sort of catch 22 I suppose. That's the only difference. Whereas tax credits, at the end of the year, they'd say, oh we've messed up, you owe us a grand … So it is good and it's bad … it all depends … Last month I got a bonus and [husband] … did loads of freelance work and it all came in at once, so we got nothing. But the month before that … we got about £700.
Angela, joint claimant, female, Somerset, dual-earner couple, two children

Those able to calculate future dips in the Universal Credit payment, and with surplus income, were able to set aside money to make up for the shortfall; but this demanded a high degree of foresight, close monitoring of the household finances and unbending spending discipline. One male participant, who had earnings from a part-time job and self-employment, and whose partner worked part-time, kept close tabs on the household income and expenditure using a series of complex spreadsheets which allowed him to manage peaks and troughs in cash flow. Monitoring the family finances in this way, he explained, was not something he found onerous; being self-employed, he was obliged to do it in any case, both to run his business and to claim Universal Credit:

[The Universal Credit has] been as high as £700 and it's been as low as zero … Last month I was putting these numbers in, thinking, Christ, I've made like 1100 quid … You look at your spreadsheet at

the end of the month and you go, blimey, done all right this month, for self-employed … So it's not a shock and I know it's going to be different every month.
Mike, joint claimant, female, Somerset, dual-earner couple, two children

Other couples found the month to month variability in the Universal Credit payment hard to predict and understand, which made budgeting more difficult:

When we've needed to rely upon it, it's very frustrating because even when we really needed it, we did have months where there was nothing at all, and then we'd have a big one the following month and then we'd have nothing again … then we might get two small ones … It was quite hard to understand the breakdowns to be honest and the rationale behind it.
James, joint claimant, male, Somerset, single-earner couple, one child

If the Universal Credit amount was significantly less than couples had themselves calculated or expected, there was insufficient time to make up for the loss

Especially difficult to cope with were large, unanticipated drops in the Universal Credit payment:

[It's affected us] negatively, massively negatively. It's been an utter struggle because … there'll be some months where we'll get a reasonable payment, so we'll get about £500 and then the following month … we'll be left with £80. It varies month on month and we never know.
Nick, joint claimant, male, Somerset, dual-earner couple, two children

Being expected to manage your money as you would in a job was one thing, this participant commented, but not knowing what your budget was going to be from one month to next was something else:

It's one thing budgeting on your pay at the end of the month, everyone's got to do that, that's the standard what happens in working life. We get that. But then when … you add in money that you may or may not get, and extra money that you've got to pay out, and never knowing whether one's going to counteract the other good or bad, is really difficult.
Anna, joint claimant, female, Somerset, dual-earner couple, two children, joint interview

If the Universal Credit amount was significantly less than couples had themselves calculated or expected, even if working additional hours at short notice was a realistic possibility (which for most participants, it was not), there was insufficient time to make up for the loss. Compounding matters, because Universal Credit is calculated in arrears, claimants did not receive notification of how much they were due to be paid until a week or so before payment – again too late, many said, to adjust spending or take steps to make up the shortfall. Compared with 'better off' calculations under the legacy system, variable earnings could also make it difficult for welfare rights advisers and DWP staff to accurately predict Universal Credit entitlement with any degree of certainty. One female participant with a working partner had been advised that the she would be entitled to receive a fixed amount of Universal Credit, but the actual payment the couple received fluctuated from month to month, depending on her partner's highly variable earnings:

> *Universal Credit is means tested and because [partner's] on a zero hours contract [his wages are sometimes] above the threshold of what you're allowed to earn … so we're entitled to no Universal Credit … However, when I signed up to Universal Credit, Citizens Advice told me that I would receive a standard amount.*
> **Tessa, joint claimant, female, Somerset, single-earner couple, one child**

Another single-earner couple, in which the male partner had a zero hours contract, regularly lost their entitlement, obliging them to reclaim Universal Credit the following month:

> *[Partner] was on a zero hours contract … and [his wage] would fluctuate quite a lot … Some weeks he would work 40 hours and then some weeks he would get three … It would go from, like, one extreme to the other … One month he had something like 16 hours across the whole month! … That was particularly hard – and then the next month he was having 40 hours a week work. So it was literally from one extreme to the other … I can remember thinking, I don't know how this Universal Credit's going to work out … and I was worried … because they gave us nothing that month. He'd earned … up to what he could without them taking any money and then way, way over that, so … [we] completely lost [entitlement].*
> **Faye, lone parent, female, Greater Merseyside, not earning, one child**

Time Lags

Understanding precisely why the Universal Credit payment rose or fell by the amount it did was often hard for couples to fathom. One key reason for the unpredictability, some believed, was the fact that Universal Credit and wages are *both* paid in arrears. This meant that there was often a longer time lag than a month between working more or fewer hours and a downward or upward adjustment of the Universal Credit payment:

I might be working but I'm not getting that money until the following month, so essentially you work, you get paid a month later. Universal Credit is technically two months later, so it's not a month in arrears, it's two months in arrears!
Anna, joint claimant, female, Somerset, dual-earner couple, two children

Working more or fewer hours in any one week or month, receiving more or less pay in any one wage packet or pay cycle, and getting more or less Universal Credit, could therefore be significantly out of kilter. As one participant explained:

The Universal Credit that we'll get for this month was for the overtime that I got paid last month, which is for the overtime I did the month before, because it's all in arrears … Actually the Universal Credit is great when overtime isn't available, it sort of props it up … and actually if the Universal Credit goes down to zero, that's fine … but … I've come to realise that it's in arrears of my arrears … I know that the timesheet that I've just put in had the equivalent of an extra week's pay on it in overtime, which means that we will get no Universal Credit when that's paid, so … at the end of October, I'll get paid for my masses of September overtime, but then I'm guessing that … November Universal Credit will be zilch.
Tom, joint claimant, male, Somerset, dual-earner couple, two children

Some accepted this lag as an unavoidable aspect of claiming means-tested benefits:

Whether it's a month or a year, it's always that lag and … I can't really see how it could be any different, though, so we just sort of accept it … For example … in August I'm not going to earn anything but last month I earned much more and we got zero … June's good, July I've got a bit coming as well, but we know that actually we're going to have to keep some of that for the August month because I'm not earning any … self-employed income. That's just life … whether I was on benefits or not, that's how it would be.
Mike, joint claimant, female, Somerset, dual-earner couple, two children

Others were less sanguine. Working overtime or irregular hours could make it fiendishly difficult for couples to figure out how much benefit they might get from one payment cycle to the next:

I need to be thinking two months ahead about overtime that I haven't even done yet, or not done yet. So you almost need an emergency Universal Credit pot of money, outside of everything else, you know, outside of savings … just in case there is no overtime and there's no Universal Credit either.
Tom, joint claimant, male, Somerset, dual-earner couple, two children

There was often a longer time lag than a month between working more or fewer hours and a downward or upward adjustment of the Universal Credit payment

A delay of sometimes up to two months between an increase or reduction in earnings and a fall or rise in Universal Credit also meant that some couples were obliged to borrow money to cover the period during which earnings dropped but Universal Credit had yet to rise. Sue was a self-employed cleaner who received no pay during the Christmas closure and was forced to borrow money from family to tide her over:

> **Sue:** *Like, I finish on … [21st December] and I don't go back to work till the 2nd of January because the business is closed … I don't get a penny.*
>
> **Researcher:** *Doesn't your Universal Credit top up then?*
>
> **Sue:** *…It does, but it will be … the February payment, though … so you've got to struggle a whole month before you get [paid] … Then when you get your Universal Credit payment, you've got to pay back people that you've borrowed money off.*
>
> **Researcher:** *So do you find that budgeting … is more difficult?*
>
> **Sue:** *Yeah, I would say so. It was better when it was Child Tax Credits weekly because you knew where you were.*
> **Sue, joint claimant, female, Greater Merseyside, dual-earner couple, three children**

By obscuring the relationship between household earnings and benefit entitlement, time lags also reduced the transparency between working more hours and the monthly payment, contrary to the policy intent. Lack of visibility thus made some participants wary of working overtime due to concerns about how their Universal Credit payment would be affected. With limited control over how much overtime was offered, a particular worry was how they would cope with a large drop in income if regular overtime was unexpectedly withdrawn:

> *As long as the overtime is consistent, we shouldn't get stung, but … if I do loads of overtime and then the next month I get none, at some point, when there's no overtime in the pot, there will also be no Universal Credit … because you're dealing with two sets of arrears! … As long as I can do enough on-call in October that will then be paid in arrears in November, it should [be OK] … but now that I've picked up on-call, I can't afford to drop it … because if I stop doing on-call, at some point Universal Credit, there will be a time where Universal Credit doesn't exist and the on-call doesn't exist because they're out of synch with each other.*
> **Tom, joint claimant, male, Somerset, dual-earner couple, two children**

Moreover, although total household income was generally higher when earnings rose, the person in receipt of Universal Credit could find they were worse off. Since they were less likely to be earning and more likely to be the nominated Universal Credit payee, it tended to be female partners whose income dropped when male partners worked extra hours. Some males transferred earnings or increased their share of the household finances to make up for the shortfall, but this did not always happen:

> *I've only been [working variable shifts] for a couple of weeks and the first pay cheque I got was a bit higher … I didn't think much of it and then Universal Credit came as like 80p … which obviously was money that [partner] was expecting about the same as she'd been receiving every month up to that point … The money that I've earned extra, I'd put away, but if I had been a bit … over-zealous with Christmas present buying or you know we'd gone and treated the boys to a cinema night … then that £100 would not be there.*
> **Tom, joint claimant, male, Somerset, dual-earner couple, two children**

Knowing that their partner's Universal Credit payment would drop if they worked extra hours or earned more could also act as a disincentive to working overtime or additional shifts:

> *You can do … [extra] shifts but actually if you do shifts, then [partner's] not going to get a payment.*
> **Leah, joint claimant, female, Somerset, single-earner couple, one child**

Two or More Wage Packets Counted in One Assessment Period

By obscuring the relationship between household earnings and benefit entitlement, time lags also reduced the transparency between working more hours and the monthly payment, contrary to the policy intent

Another aspect of monthly assessment that could create income volatility and budgeting difficulties for working couples was the interaction of weekly or four weekly pay cycles with the fixed assessment period. During certain months of the year, this could give rise to two wage payments being counted in one assessment period, resulting in a reduction or loss of Universal Credit entitlement for that month. As explained by the DWP: *If you're paid every four weeks … you will usually get two payments of earnings within a Universal Credit assessment period once a year … Your income may be too high to qualify for Universal Credit in that month … and you will no longer get Universal Credit.* A similar issue can arise for claimants who are paid weekly: *If you're paid weekly by your employer, you will get either* *four or five payments of earnings within a Universal Credit assessment period ... Your income may be too high to qualify for Universal Credit in that month.*[62]

Claimants with a reduced or nil award are entitled to a higher Universal Credit award the following month (due to having no earnings counted in this assessment period), but some or all of the work allowance for this month will be lost. Claimants who lose entitlement for Universal Credit altogether can re-apply the following month, but the Universal Credit and the work allowance for this month are lost.

The DWP advice is that claimants paid four-weekly or weekly should plan ahead and '*be prepared*' by setting aside funds to cover the months when two or five wages paid in one assessment period reduce or eliminate the Universal Credit payment. However, saving money from the previous month's earnings to offset a reduction in the next Universal Credit payment was '*easier said than done*'. Wages were generally spent or allocated to expenditure during the month in which they were received, making it difficult to put money aside. Repaying debts and rent arrears also took priority over saving. Not knowing how much Universal Credit they would be paid from one month to the next also made this 'future-proof' predictive budgeting difficult to operate in practice:

> *They say 'oh, keep on top of your money' ... but how can you when you don't know what you're getting? You only know, like, [a few] days before, and they keep chopping and changing the amount, so it's hard to save and it's hard to keep on top of how much you're getting in.*
> **Sharon, joint claimant, female, Somerset, single-earner couple, one child**

For claimants paid calendar monthly, the DWP guidance states: *If you're paid monthly by your employer on the same date each month, you will get one payment of earnings within a Universal Credit assessment period. As long as your earnings and personal circumstances stay the same, then your Universal Credit payments should stay the same.*[63] However, in our research, a reduction in or loss of Universal Credit entitlement due to the counting of two wage packets in one assessment period could also affect those paid a regular monthly salary. If wages were paid close to the start or end date of their Universal Credit assessment period,

62. www.gov.uk/government/publications/universal-credit-different-earning-patterns-and-your-payments/universal-credit-different-earning-patterns-and-your-payments-payment-cycles#if-youre-paid-every-4-weeks

63. www.gov.uk/government/publications/universal-credit-different-earning-patterns-and-your-payments/universal-credit-different-earning-patterns-and-your-payments-payment-cycles#if-youre-paid-every-calendar-month

or if wages were paid early – due to the pay date falling on a week-end, bank holiday or in February, for example – then the same issue could arise:[64]

> *They got us in debt … because that payment we didn't receive because … I got paid early that time, the 28th … because it was a shorter month … and then it messes everything up … it sort of interferes … If you get paid early, Universal Credit don't pay you at all.*
> **Jessica, joint claimant, female, Somerset, dual-earner couple, two children**

In dual-earner couples in which each partner had different wage frequencies and pay days, these effects could be multiplied. For a person paid monthly, there may be one, two or no paydays included in the monthly assessment, while for a person paid weekly it could either be four or five, giving rise to different amounts of earnings used in the Universal Credit calculation for that month. Couples in which one or both partners worked variable shift patterns or overtime, or were employed under zero hours contracts, similarly struggled to manage the complexity. One couple, who were employed by the same organisation which paid wages on the same day, but a different date, each month, said that the interaction of wages with their monthly assessment period made it impossible to predict when, or by how much, the Universal Credit payment would rise or fall:

> *Because we get paid on the last Thursday of every month, that isn't a consistent period … so … if the last day of the month is a Wednesday, we'll get paid on like the twenty first, twenty second of the month and then if the following month, the last Thursday is the thirty first, you've got to get almost forty days out of a pay cheque that is always the same amount … On those longer months, we're both screwed … [We have had] to live on pasta because we have nothing [from Universal Credit] … when you aren't expecting it.*
> **Tom, joint claimant, male, Somerset, dual-earner couple, two children**

The aggregation of the wages of both partners within a couple to create a single monthly earnings figure against which Universal Credit entitlement was tapered also made it hard to tell how many sets of wages had been used in the assessment, and if the Universal Credit payment was therefore correct:

64. This issue has been the subject of a legal challenge, although the four claimants were all lone parents: https://www.judiciary.uk/wp-content/uploads/2019/01/johnson-and-others-judgment-final.pdf

The thing is, when it shows our earnings, it puts them as joint. So it shows your take-home as a couple ... rather than the two amounts ... so it's hard to differentiate whether they've over-estimated ... or taken my earnings three times, like they have.
Anna, joint claimant, female, Somerset, dual-earner couple, two children

Because of the complexity and automated nature of the calculation, service centre staff were sometimes said to be as much in the dark as claimants, and so were frequently unable to help:

Because I do shift work, my pay is different each month ... and [I get paid on] the last Thursday [of the month], so sometimes it falls outside the thirty day [assessment] period ... I'm still not sure how it even works ... I find it all very stressful, I actually don't know what I'm getting, when I'm getting, it's really hard to sort of like plan ... I think fair enough if I don't get anything, that's fine because I do work, but ... it is really hard not knowing what to expect ... And then I ring up and they don't even know what's going on.
Leah, joint claimant, female, Somerset, single-earner couple, one child

One couple, in which both the partners worked shifts and had pay dates which both fell close to the end date of their assessment period, were sometimes assessed on the basis of four salary payments. When this happened, they not only lost their monthly Universal Credit entitlement but, because the calculation took them over the benefit eligibility threshold, their claim was automatically ended. When they both worked extra shifts, the couple managed well, but in the months when they needed an income top-up (due to a reduction in one partner's working hours, for example), they could find themselves with only one wage to manage on:

The multiple counting of earnings in a single assessment period sometimes eliminated the Universal Credit contribution towards a couple's childcare costs

Payments were sporadic because we were earning quite well, so ... we didn't get [Universal Credit] ... that often, nor did we particularly rely upon the payments either ... Sometimes when perhaps [my partner] hasn't picked up as many ... shifts, we might get £100 or £200 ... that we weren't expecting, which would ... be a nice surprise ... but then ... sometimes it would look like we'd earned, like, £5,000 in one month, but ... that was two long months ... So sometimes we did find it quite difficult because we were expecting to have something in and didn't and then we had nothing! ... When there was months when ... it was just basically my income ... things were difficult ... I got myself into some financial problems.
James, joint claimant, male, Somerset, single-earner couple, one child

Enquiring as to whether they could change their assessment period to better fit with their wage payment dates, they were advised to re-start their claim on a different day, something that current policy does not in fact allow for:[65]

I think our claiming period wasn't fantastic ... some months it meant that there was no pay days, sometimes there would be four pay days ... The [assessment] windows ... needs to be addressed ... Luckily, when we are both well and working ... we do have a reasonable income and we can manage without [Universal Credit] ... but.there should be a way that they're able to ... resolve that in a better or more sensible way. The only advice we ever had at one point was, well, why don't you cancel your claim altogether and re-start it from another date, that's going to work better.
James, joint claimant, male, Somerset, single-earner couple, one child

Monthly assessment, and the possible loss of entitlement to Universal Credit, could also have knock-on effects in terms of couples' eligibility for and entitlement to other forms of means-tested help

The multiple counting of earnings in a single assessment period sometimes eliminated the Universal Credit contribution towards a couple's childcare costs. When the female partner in one couple received her wages a few days earlier than usual, three sets of earnings were counted in their assessment period and they lost their monthly entitlement:

Sometimes, right, I get paid on the 28th because if the weekend's the first, so they wouldn't pay me on the weekend ... My partner gets paid on the 25th, it don't affect him, but it affected me ... I just couldn't believe we didn't get a pay ... so that made us in debt with nursery.
Jessica, joint claimant, female, Somerset, dual-earner couple, two children

Using their earnings to pay the nursery fees, with a nil Universal Credit payment, the couple were obliged to take out a budgeting loan to cover their basic living expenses:

When we had our first payment, we thought, oh wow, OK, and then second payment went down a little, and then third payment, we had a £500 drop, and then last month we didn't get a payment at all because my partner got paid on a Friday. Usually she gets paid last working day [of the month] but because she got paid on Friday, they took that into consideration that it was two payments ... and they combined my partner's and mine, they said you're over £2,500 you've brought home. I thought ... we definitely didn't get that! I can prove it ... my wage slip, my partner's wage slip. And they said but because

65. A claimant's assessment period is currently fixed. Even if a claim for Universal Credit is ended and restarted, the same monthly assessment period applies unless more than six months have elapsed.

she got paid early, they'd took that in consideration ... So we're not really keen on Universal Credit ... because we don't know if we'll get a payment next month ... They just said unfortunately because you was over that barrier line, we're not giving you nothing this month ... Unfortunately we had to get a loan out to cover ourselves, other bills, and we had to pay the nursery out of our own money, so it left us very short last month. Really bad, really bad it was!
Joshua, joint claimant, male, Somerset, dual-earner couple, two children

The mother, who was the Universal Credit payee and responsible for paying the childcare costs, worried that she and her partner would be unable to afford the nursery fees next time her wages were paid early:

When you see the money, you think, ooh that's better than what I was on child tax. So when I was on child tax I didn't have that much, but I know that I would have got a pay. But with Universal Credit ... I'm worried, like, I wouldn't get a payment ... I'm just so worried, like when [my wages] fall again on the 28th, when I get paid, I'm worried ... Do me and my partner go half with paying nursery out of our own money ... or do you just wait on the Universal Credit to pay us and then we pay the nursery?
Jessica, joint claimant, female, Somerset, dual-earner couple, two children

The couple agreed that monthly assessment and the reimbursement of childcare costs in arrears under Universal Credit compared unfavourably to childcare help under Working Tax Credit. Though this couple was seemingly entitled to a lower contribution towards childcare costs under the legacy system, the payment was fixed and could be relied on, and so was preferable to the unpredictability and uncertainty of the monthly means-tested childcare contribution under Universal Credit:

We preferred Child[care element of Working] Tax Credit. I know it was a little bit less, but it was guaranteed, you knew what you were getting each month, so there was no problems at all ... it would go straight into [partner's] account, pay the nursery, fine, there was no arguments, nothing. But with Universal Credit, you don't know what you're getting, you don't know when you'll get paid. You don't know when it is. And sometimes we've even got to put money back just in case we've got to pay nursery out of our [wages] because it leaves us short.
Joshua, joint claimant, male, Somerset, dual-earner couple, two children

HMRC and Employer Errors

A cancelled, reduced, nil or underpaid Universal Credit award could also happen due to technical and administrative errors and the way in which Real Time Information on earnings was reported by employers and shared between HMRC and the DWP. With a narrow window each month for earnings data to be submitted, late returns to HMRC by employers, and sometimes claimants, was another reason. Although underpayments could be challenged and had sometimes been successfully over-turned, couples had to fit such 'earnings disputes' around paid work. Resolving matters sometimes necessitated taking time off work to visit the local Jobcentre:

> *The Universal Credit … doubled what he had earned and then we had to do an earnings dispute and that takes ten days, so then you're waiting from ten days from when you should have had a payment … The figures from HMRC doubled … and it wiped out our payment for the month … So he had to take a day off work and go to the Jobcentre to show all the, like, payslips online … In all it took about two weeks and it was at Christmas time.*
> **Faye, lone parent, female, Greater Merseyside, not earning, one child**

Although underpayments could be challenged and had sometimes been successfully over-turned, couples had to fit such 'earnings disputes' around paid work

Because she only worked seven hours per week, one female participant was required to self-report her earnings by a specified date each month; but, for reasons unknown, these were sometimes duplicated by the RTI system, giving rise to an underpayment. The time it took to get through to the service centre to self-report her earnings, and the inconsistent advice she was often given, added to her sense of frustration:

> *It can take over an hour to get through on the phone to self-report my earnings. So I have to spend over an hour on the phone … with a one year old running around … And … you get these automated systems and you've got to verbalise the answer … just trying to work out what department you do and don't need … It's really difficult … And I have to ring by a very specific date … in case HMRC give them my earnings and therefore they take my earnings twice … I've been told, depending who I speak to depends whether I have to ring up by the seventh or the eighth of the month to give my earnings … and I've rung on the eighth, well that's a late payment, that's late information.*
> **Anna, joint claimant, female, Somerset, dual-earner couple, two children**

When the dilatory employer of another female participant reported six months' earnings in a single assessment period, the couple fell foul of Universal Credit surplus earnings rules[66] and their claim was automatically ended. Even though bank statements proved that she had been paid her wages monthly, the couple were informed they were ineligible to reclaim Universal Credit for three months until these alleged 'surplus earnings' had been expended. Although they raised an earnings dispute to challenge the loss of entitlement, the original decision was inexplicably upheld:

> *I wasn't paid anything [on Universal Credit] for three months … My old employer did six months' worth of earnings in one go … that's just how they reported it, the company wasn't very good, they got rid of me because I asked them if I could have a workplace pension! … They wasn't, sort of, very by the book … So they reported six months' earnings … and it looked as though you're getting that in a single month as far as Universal Credit were concerned … They reported nearly £6,000 … all in one go, so it looked like I had about £6,000 in one month … But the complaint I put in was ignored and I was writing on my journal asking for updates and if there was any help I could apply for, because it was, like, three months, we didn't get anything.*
> **Tamsin, joint claimant, female, Greater Merseyside, single-earner couple, two children**

Interaction with other Means-Tested Benefits

Monthly assessment, and the possible loss of entitlement to Universal Credit, could also have knock-on effects in terms of couples' eligibility for and entitlement to other forms of means-tested help, including council tax support and what were previously known as 'passported' benefits. Under the legacy system, benefit claimants were automatically entitled to free NHS prescriptions, dental treatment and sight tests, for example, whereas under Universal Credit, eligibility is assessed according to net monthly earnings.[67] As of April 2018, entitlement to free school meals for Universal Credit claimants is

66. If earnings within the assessment period reduce the Universal Credit award to zero, any 'surplus earnings' in that month are carried over and counted as earnings in the following month. Claimants are only currently treated as having surplus earnings if earnings are at least £2,500 above the income level at which the Universal Credit would drop to zero. However, this temporary *de minimis* rule will change at some point in the future. If claimants are part of a couple that has surplus earnings and they separate, the surplus earnings will be divided equally and each half will usually be taken into account if the partners make individual Universal Credit claims.

67. Universal Credit claimants are only eligible for free prescriptions if they had no monthly earnings or net earnings up to £435 during the most recent assessment period, or had no earnings or net earnings up to £935 during the most recent assessment period if the payment includes an element for a child and/or limited capability for work. Those who fail to meet these criteria during the assessment period in which an exemption is claimed may receive a penalty charge.

now also subject to a net earnings threshold of £7,400 per annum (although families already receiving free school meals when they claim Universal Credit retain entitlement for a transitional period).

Eligibility for this extra help could fluctuate monthly as entitlement for Universal Credit rose or fell with recorded monthly earnings. Several participants also mentioned that their liability for Council Tax changed monthly, making it impossible to know how much was actually owed and should be paid:

> *The more we get from Universal Credit, the less the Council Tax bill is … I don't know how they work it out but over the last … four months, five months, I've had I think about seven or eight different Council Tax statements and they're all charging me different amounts. So one month it'll be I have to pay them £107 a month for the next ten months, and then the following month it will be I've got to pay £16 a month for the next seven months or whatever … It's an utter annoyance when I'm trying to budget … I've given up now, completely given up.*
> **Nick, joint claimant, male, Somerset, dual-earner couple, two children**

Other working couples said that the family was no longer entitled to free school meals or eligible for help with prescription charges:

> *You were entitled to a lot more things … If you got Child Tax, you were entitled to free school meals, which meant then that your children were entitled to have some money, help towards trips that they will have at school, which means we didn't have to pay for medications, we didn't have to pay for eye tests on the adults, we didn't have to pay for the dentist, you know, you were entitled to a lot more things … When we went on to Universal Credit, we didn't get them, so we had to pay for our full prescriptions.*
> **Megan, lone parent, female, Somerset, not earning, three children**

Income Volatility and Uncertainty

Income volatility and the inability to reliably predict how much Universal Credit they were entitled to and would be paid each month caused financial distress and upset for the couples concerned, particularly for Universal Credit payees, most of whom were women:

> *From that time when we didn't get a payment … I was, like, really upset, sort of angry … thinking, like, how do we live with our two girls what we've got to feed … It was horrible, really horrible … On the other benefit you knew where you were … I get better money on Universal Credit, but you don't know if you're going to get a payment. And … it don't affect my partner but it affects me.*
> **Jessica, joint claimant, female, Somerset, dual-earner couple, two children**

Uncertainty over the amount of Universal Credit they might get, in combination with late notification of entitlement, was contrasted with the dependability of other social security benefits whose amounts were fixed and consistent

Uncertainty over the amount of Universal Credit they might get, in combination with late notification of entitlement, was contrasted with the dependability of other social security benefits whose amounts were fixed and consistent over longer periods, and so could be relied on:

> *You don't [know] until you go on your journal a few days before you get paid, and it will tell you how much they're paying you … Luckily I get PIP or I wouldn't be able to live … you can't.*
> **Nicola, single claimant, female, Cumbria, not earning, no dependent children**

Vanessa spoke for many participants, a majority of them female, when she said that annual assessment under the legacy system of tax credits was preferable to Universal Credit, even if it meant having to repay an overpayment, because, unlike Universal Credit, the amount received each payment cycle was fixed and dependable, allowing them to budget and manage the household finances more effectively:

> *I can't depend on [Universal Credit] so I try and work my finances so I don't rely on it. I rely on his wage … it pays the bills. The DLA, Carer's Allowance and Child Benefit gets us by week by week. I don't rely on Universal Credits at all because … I don't know what I'm going to get, so I can't … it's not set in stone … it's totally unreliable … You can see on your statement what it covers but … you don't know how they work out that amount at the bottom … Tax Credits have a number set in stone … At the end of the year we'll pay you what we owe you if you've paid us too much … As long as I know what I'm getting each month, that I can rely on that money to pay for bills or food … we know what we're getting, not a week before get a statement, oh you're getting nothing this month … Just go back to tax credits because it's consistent … you've got a bit of paper that says … this is what you're getting Child Tax Credit, this is what you're getting Working Tax Credit, and this is what you're getting every month … and that was so much better than knowing a week before that you're getting £50 or £150.*
> **Vanessa, joint claimant, female, Cumbria, single-earner couple, three children**

Indeed, even though as a family they may have been entitled to a higher payment under Universal Credit, some working couples who had previously been in receipt of WTC said they preferred the greater stability of income they enjoyed under the legacy system. Asked if they would change one thing about Universal Credit, among working couples, the system of monthly assessment figured high on the list:

It's not based on a general earnings that you could get throughout the year, but it's mainly based on the previous month and … it may vary quite a lot month to month, so … if there's something that they could change, that would be that one.
Mia, joint claimant, female, Somerset, dual-earner couple, no dependent children

8

Who Gets Paid Universal Credit?

The default arrangement of one Universal Credit payment per couple (whether with or without dependent children), paid into an individual or joint bank or building society account nominated by the couple, is an aspect of Universal Credit's design that has been widely debated, despite the still relatively low number of joint Universal Credit claimants – only about 357,000 in November 2019, compared with almost two million single Universal Credit claimants.[68]

With the potential to concentrate a household's entire income in the hands of one partner, this payment arrangement has given rise to concerns among women's groups and others that one Universal Credit payment in couples could facilitate domestic or economic abuse; by narrowing 'women's space for action', a single monthly payment could make it easier for men to establish or retain financial control, while making it harder for women and their children to leave an abusive relationship.[69] Any purse to wallet income transfers as a result of Universal Credit could also compromise women's access to income more generally, it was argued, and, by appearing to lend official sanction to a traditional male breadwinner model, undermine gender equality.[70] Individuals should each be able to access income, and couples should be able to choose which arrangement suited them best.

This payment arrangement has given rise to concerns that one Universal Credit payment in couples could facilitate domestic or economic abuse

Paying a single benefit to both members of a couple into one nominated account is not unique to Universal Credit. One payment per couple was the default arrangement under the legacy benefits system for some benefits. Jointly claimed income-based JSA is paid into one nominated bank account per couple, as Universal Credit is, while income-related ESA and IS are claimed by and paid to the eligible claimant on behalf of the couple. However, the way in which Universal Credit does deviate significantly from the legacy benefits system is through the inclusion of housing, child and childcare elements as well as the standard allowance all within one single monthly household payment. For couples with children, the inclusion of child and childcare elements reverses reforms which enabled Child Tax Credit and the childcare element of Working Tax Credit to be paid to the nominated 'main carer'. Working Tax Credit is normally paid to the earner in a couple, but recipients can nominate the bank account it is paid into if both partners are earning. Housing Benefit was paid to the person or persons responsible for paying the rent.

The point here is that the variety of different payment arrangements under the legacy system allowed couples to select different recipients for different benefits and tax credits, thereby enabling both partners to receive a separate income, if they so wished; indeed, this was indicated as desirable. Under Universal Credit, other than

68. StatXplore, date of access 1.4.2020.

69. Engender http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/universal-credit-rollout/written/82178.pdf

70. https://wbg.org.uk/wp-content/uploads/2018/09/FINAL-full-report-financial-abuse-and-uc.pdf

in exceptional circumstances,[71] the only choice available to joint claimants is to nominate the bank account into which the Universal Credit payment is transferred. If the partners cannot agree on the choice of bank account, a government decision-maker will make the choice for them, usually giving Universal Credit to the main carer if there are children, and the person who pays the main household bills if not. Policy measures recently adopted have now resulted in work coaches being advised to 'nudge' couples with children towards having the Universal Credit payment paid into the bank account of the main carer. The online application for Universal Credit also suggests that the nominated lead carer should be the recipient of the Universal Credit payment.

Exploring how couples decided which bank account or partner Universal Credit was paid into, this chapter examines whether or not the concerns raised by women's groups and others were borne out in our research. It also addresses whether any intra-household income transfers occurred from men to women (or indeed from women to men) and if any economic abuse or financial mismanagement, or other unintended effects, occurred.

Deciding on the Recipient: Bank Account or Payee?

In this research, in 59 per cent of couples (24), the female partner was the Universal Credit payee; in 27 per cent of couples, it was the male partner (11) and in 12 per cent of couples (5), payment was made into a joint account. For one couple, the payment was split between two separate accounts. This broadly reflects national statistics, which indicate that in 2018, of 120,000 couples in receipt of Universal Credit, in the 60 per cent of cases in which the gender of the nominated person could be identified,[72] 59 per cent were female and 41 per cent male.[73] In approximately 6 per cent of cases, the nominated account was assumed to be a joint account, because two names were attached – although it was not clear how many of the other accounts nominated were joint, as it is possible to put forward one name only for this purpose. However, although in this research women's bank accounts were more likely to be used than men's, decisions about which partner or account should be nominated to receive

71. Alternative Payment Arrangements, including splitting the Universal Credit payment between the members of a couple, are discussed separately in chapter 9.

72. DWP (2019) *Gender of bank account holders on Universal Credit:* https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774240/universal-credit-gender-of-bank-account-holders-august-2018.pdf

73. In the other 40 per cent of cases, the gender of the account holder could not be determined, either because initials were used to signify the given name, or the given name was gender neutral. (These statistics date from before the 'nudge' towards payment to the main carer in couples with children.)

the Universal Credit payment, and how and why the decision was made, were many and various, and the effects wide-ranging. Little can therefore be inferred about access to the Universal Credit payment, or the intra-household distribution of money, simply on the basis of the gender of the bank account holder.

No Decision to be Made

For the three couples in this research who only had a joint bank account (two with children and one without), there was effectively no decision to be made; the Universal Credit payment, together with any other income or earnings, were pooled in their entirety into the one, shared bank account. For the couples concerned, a joint account was said to work well, and so the single Universal Credit payment posed no particular problems for them:

> *We've always just had a joint account, we started that years ago and it just works well for us, we're not bothered about, you know, having our own because it's everyone's. So we can take whatever we want out of it, there's no, like, it's all ours, it's all mine or it's all yours, we just shared it all equally.*
> **Angela, joint claimant, female, Somerset, dual-earner couple, two children**

Here, as for the other two couples with only a joint bank account, both in individual and joint interviews, the partners agreed that it was the best arrangement.

While a joint account was said by these couples to be the most practical arrangement for household budgeting, having no individual bank account strongly reflected a high degree of trust and commitment to the relationship:

> *From my part it's mainly because I trust in our relationship … When I used to live with my ex-husband, I had my own … account but … now it's joint.*
> **Allison, joint claimant, female, Cumbria, single-earner couple, two children**

For the two couples with children, becoming parents was also said to have diminished the need for separate accounts and money:

> *We've had a joint account since probably a year into our relationship, just because we lived together and we thought it was better for rent and stuff … Funny thing is that … since we've become parents … it's never contentious, it's never like … well if you're taking that, then where's mine and … it's just not like that.*
> **Mike, joint claimant, female, Somerset, dual-earner couple, two children**

A further two couples had only one individual bank account between them. In one case, with her husband's full acquiescence, the female partner, who was the family's sole breadwinner, was entirely responsible for managing the household finances using her own bank account. In the other, although the female partner had no bank account of her own, she was able to access the Universal Credit payment using her partner's bank card:

[Female partner] didn't have an account … So she never bothered, we just used my account … It's all right, I don't mind, she's got my card more than I do!
Kai, joint claimant, male, Scotland, no-earner couple, two children

In several other couples, the choice of bank account had already been made because one of the partners (usually the female) was already claiming Universal Credit as a lone parent or single person:

The decision was already made because it was already going into [partner's] account.
Tom, joint claimant, male, Somerset, dual-earner couple, two children

In these cases, the joint Universal Credit claim was generated simply by adding the details of the second partner to the single claim, leaving the pre-existing payment arrangement in place.

We didn't really, like, decide … I was the one with, like, the Universal Credit account to begin with and then he just got added on, so that's how we just said we would just keep it in mine.
Isla, joint claimant, female, Cumbria, single-earner couple, two children

Second partners joining the claim, many of whom were working men, generally seemed happy for this arrangement to continue:

I don't think there was [a rationale] … It was her claim and I was just the second person coming on to it, so we just left it … It makes no difference really … we move money over into my bank account for bills anyway.
Luke, joint claimant, male, Cumbria, single-earner couple, two children

Impulsive or One-Sided Decisions

For the majority of couples in which each partner had their own bank account, often the decision to choose one over another was made pragmatically or impulsively, with little prior discussion or deliberation – whoever filled in the online claim or had their bank account details to hand, for example:

When we applied for it, because I was the one just doing it, I just put my details in, because I just knew mine by heart.
Ella, joint claimant, female, Scotland, single-earner couple, no dependent children

Sometimes, this was the woman:

I think it was just whoever had the card with them at the time ... Me!
Zoe, joint claimant, female, Greater Merseyside, no-earner couple, one child

But at other times, it was the man:

I think it was just based on the fact that I had my bank details on me ... So I could easily access my account number and sort code.
Nick, joint claimant, male, Somerset, dual-earner couple, two children

With some notable exceptions in cases of financial abuse (covered in chapter 9), even though they had had no input to the decision, non-recipient partners mostly said that they had concurred with the choice of bank account at the time the claim was made. This was the case whether non-recipients were male or female:

Because he's made the claim, so he just automatically put his bank details in, which I was fine with anyway ... The big bills I suppose were coming from his account anyway, so it just made more sense to do that.
Faye, lone parent, female, Greater Merseyside, not earning, one child

From Which or Whose Account(s) are the Household Finances Managed?

Other couples were more considered in their choice, selecting the bank account of the person who had main responsibility for managing the household finances. Because in most couples this was the female partner,[74] so it generally followed that in a majority of cases, the Universal Credit payment was paid into her bank account. In such instances, male partners, in their individual interviews, said that they were happy with this arrangement:

74. 52 per cent of couples (for whom arrangements were clear) said that the female had the main responsibility for managing the household finances, 20 per cent said it was the male partner and 28 per cent of couples said that they managed the household finances jointly.

It goes into my partner's account, so I don't mind it goes into my partner's account … You see with me, like, each month I'm always overdrawn … So at least with my partner, it goes into her account and she deals with all that, see, like she'll pay the nursery out of the money and then she'll get … food, if we're short of nappies or wet wipes or cream. So … I don't mind it going into my partner's account at all, I don't mind it at all.
Joshua, joint claimant, male, Somerset, dual-earner couple, two children

Male partners were generally perceived as being less reliable when it came to money, and this often underlay the decision to select the female partner as the Universal Credit payee:

It is easier because if he had all his money in his account, he'd probably just spend it on shit … It only says about one person's bank details, so … we just agreed to put mine in.
Grace, joint claimant, female, Somerset, no-earner couple, one child

Seen as having superior budgeting capability, female partners were frequently said to be the more obvious choice of payee. Men were often unabashed to admit that they were less competent and disciplined when it came to household budgeting and spending, and more than happy to leave their partners in charge of the purse strings:

We knew it was going to go into one bank account and I always said it should go in [female partner's] just because she's the one who's a lot smarter with money … Knowing me, I'd just end up forgetting something, and it's just better because [partner] … is more sensible when it comes to money … OK, this is coming out, this needs to be paid, this, this, this.
David, joint claimant, male, Somerset, single-earner couple, one child

The perception that female partners were less impulsive, and could generally be trusted more with money, was thus something with which both members of the couple generally cuncurred:

I'd rather do it, I like being in control of it! (laughs) Because [husband] can be rash! 'I need this now'!
Angela, joint claimant, female, Somerset, dual-earner couple, two children

Her partner agreed:

I think [partner's] better at [managing money]. Because … if I have £1 in my pocket, then everyone gets an ice lolly! If [partner] has £1 in her pocket, she probably buys, like, a bag of potatoes!
Mike, joint claimant, female, Somerset, dual-earner couple, two children

However, for the women concerned, as noted in chapter 6, responsibility for managing the single monthly Universal Credit payment could be a heavy burden, particularly in households that were reliant on Universal Credit as their main or only source of income. The added worry of trying to make ends meet since claiming Universal Credit had made one couple re-evaluate their respective roles:

> *Up until probably a couple of months ago, he couldn't tell you when the phone was due, couldn't tell you how much it was, couldn't tell you when the car tax was due. Whereas now he does, I mean I've got it written on a list but he knows.*
> **Claudia, joint claimant, female, Scotland, no-earner couple, no dependent children**

To relieve his wife of some of the stress she was under, the husband was now shouldering a greater share of responsibility for managing the household budget:

> **Claudia:** *Financially, it's been a burden that normally I would always take on and sort out … cannot let it worry [partner], I would just get it done. Whereas the past six months and how it's ended up, we've had to sit down together … and I've had to actually say to myself, I can't do it any more, you've got to take responsibility … because I was so low … So although financially it's still much the same … we're working at it together, so there's a wee bit more sharing …*
>
> **John:** *Aye … I check the bank and I always check with you first before I take any out … I don't take any money without asking you first.*
>
> **Claudia:** *Aye, you've got a wee bit better, as I say, if you went to the bank today and see that money today, you wouldn't think, you'd ken there's money to come off …*
>
> **John:** *Aye, so I'd phone you first …*
>
> **Researcher:** *So you're kind of sharing the worry?*
>
> **John:** *Aye.*
>
> **Claudia:** *Yeah, a bit more than we have over the years, and that's only probably in the last six months.*
> **Claudia and John, joint claimants, Scotland, no-earner couple, no dependent children, joint interview**

When the responsibility was perceived as being particularly burdensome or inequitable, resentment sometimes spilled over into couples' relationships. One lone parent even said it had contributed to the couple separating:

He had no idea. He has no idea even making a phone call … it was just one of those things that I was in control of everything, which I think put a strain on our relationship as well, having to manage everything.
Megan, lone parent, female, Somerset, not earning, three children

In other cases, regardless of who had the main responsibility for managing the household finances, for practical reasons some couples chose the bank account from which direct debits, standing orders and larger items of household expenditure, such as rent and utility bills, were paid. Sometimes this was the male partner's account:

Researcher: *OK, so why does Universal Credit go into your partner's account?*

Ellen: *That's where all the direct debits come out of.*
Ellen, joint claimant, female, Scotland, no-earner couple, two children

In other cases, it was the female's:

It's my bank account, yeah, so mine, because it all comes out of mine!
Sharon, joint claimant, female, Somerset, single-earner couple, one child

In cases in which both members of the couples had standing orders and direct debits set up, one partner tended to assume responsibility for monitoring both bank accounts and for ensuring that there were sufficient funds to pay rent and bills as they fell due. More usually this was the female partner.

Electronic and Mobile Banking

The sharing of bank log-in details and passwords could facilitate such financial juggling, enabling money to be transferred between the partners' individual bank accounts as required. Many couples, both with and without children, said that they exchanged PIN numbers and bank cards, for example, enabling cash to be withdrawn irrespective of whose account the Universal Credit was paid into:

So I know her PIN number and … she knows my PIN number, so it's no, like, hush hush.
Dennis, joint claimant, male, Scotland, no-earner couple, two children

For partners in couples who trusted each other, it therefore made little difference, many said, whose account the Universal Credit (or indeed other sources of income) was actually paid into:

We live in an age where we don't have to walk down to the bank to transfer money, you know, we've both got apps on our phone … as soon as we get paid, pretty much the next day we're transferring each other, here's my share of the car insurance, here's my share of all the bills, you know, here's this, here's that, and then it's done. And usually, the Universal Credit goes into [partner's] account and it is swallowed up by bills and all the rest of it.
Tom, joint claimant, male, Somerset, dual-earner couple, two children

Online and mobile banking enabled benefit money and earnings to be instantly transferred seamlessly from one account to another to top up balances, pay bills and avoid bank charges, regardless of which partner received the Universal Credit payment:

It's really easy to transfer between because [partner] and I have both got a Monzo account plus a joint account, they're all sort of linked.
Tamsin, Joint claimant, female, Greater Merseyside, single-earner couple, two children

Again, female partners were more likely to be engaged in such tasks:

Researcher: *So does he pay for the rent … so who pays for what? Out of which account?*

Leila: … *Well, it depends on whose account has more in that moment. So … but usually I'm paying rent from his account, so if he doesn't have money on his account, I send from my account to his account and then I pay rent.*

Researcher: *OK, so you have access to his account?*

Leila: *Yeah, yeah!*
Leila, joint claimant, female, Greater Merseyside, single-earner couple, two children

Different Types of Bank Accounts

The particular features of different bank accounts also influenced couples' choices. One unemployed couple with children selected the account which processed benefit payments fastest, enabling them to food shop as soon as the Universal Credit payment was received:

I was getting paid at like twelve o'clock at night … because I got paid … earlier than [partner] gets paid on her bank account, we said, oh we'll put it into my bank … and especially now with it being monthly … When you get paid you want to go and get your food.
Henry, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children

In another couple with children, the decision to choose the female partner's account was influenced by the need to demonstrate financial discipline in support of a forthcoming mortgage application:

> *I make the decisions, [partner's] a nightmare! He's a typical man … But all the bills were coming out of my account, so it was just easier for it to go straight in and then it covered bills and then obviously the childminder … instead of doing transfer and transfer, and because we had been looking at getting our own house as well, we were then thinking for the mortgage … because … they'll want to see three months of bank statements … you need to show the proof. So that's why we made the decision, just do it through me and it just keeps everything as simple as possible.*
> **Celia, joint claimant, female, Scotland, dual-earner couple, two children**

For participants with direct debits set up but no other source of income, receipt of a monthly Universal Credit payment helped prevent bank accounts from being overdrawn or closed:

> *It was just to put money in my bank, because if I didn't have money in bank, my bank account would have got closed down for not having any money going into it … I did have direct debits, I had, like, water … Council Tax … rent … and my partner would be getting her wage into her bank and my bank would be getting nothing, so we decided to get Universal Credit into it.*
> **Jake, joint claimant, male, Cumbria, single-earner couple, one child**

Keen to avoid bank and interest charges, another couple chose the female partner's account, which had no overdraft facility:

> *It only says about one person's bank details, so I just, we just agreed to put mine in. Because [partner] sometimes goes overdrawn but I can't go overdrawn on my account.*
> **Grace, joint claimant, female, Somerset, no-earner couple, one child**

Bank accounts that were already overdrawn were to be avoided at all costs. One couple was obliged to switch the Universal Credit payment from the female partner's account because, with a £1,000 overdraft on her own account, the first Universal Credit they received was entirely swallowed up:

> *I had to take out an overdraft. My dad died, and then I couldn't pay the overdraft back because we went on to Universal Credit. So my dad died the week before we got moved on to Universal Credit … because it was going into my account, but the overdraft was £1,000 and we put that towards my dad's [funeral] … and then that was it, we couldn't use my account any more. We're still paying off the charges through my partner's account.'*
> **Nell, joint claimant, female, Scotland, no-earner couple, two children**

She had no alternative but to agree to switch the Universal Credit payment to her partner, but it was a decision with which she was less than comfortable. Though in a committed relationship with her current partner (they were expecting their first baby together), lack of control over household money in the past, when living with her children's father, made her wary of entrusting the entire Universal Credit award to him:

> *In my head that seems like a great idea, it all goes into [partner's] account so we all know where it is. But I think for security for myself and my kids ... that I should have an account for myself and I think that's probably what bothers me the most is that it should be in my own account, but due to overdrafts ... I [can't] ... It's because my ex-partner, I was with him for ten years, everything went into his account ... I had zero control over money, and although [current partner is] not controlling my money ... I didn't ever want to put myself in the position where I could have that issue like with somebody, like I did with my ex-partner, he was [in] full control, I had no control over money.*
> **Nell, joint claimant, female, Scotland, no-earner couple, two children**

Importance of a Having a Personal Income

Regardless of gender, not having a personal income and being obliged to ask a partner for money was sometimes described as infantilising

Which bank account the Universal Credit payment was paid into mattered a great deal more when one or both partners in the couple had no earnings or other benefit income. Although the Universal Credit claim was in joint names, if the non-recipient member of the couple had no other source of income, often they would be obliged to ask their partner for money. Being financially dependent on the Universal Credit payee or a waged partner could change the couple dynamic and undermine the sense of equality in a relationship. Indeed, regardless of gender, not having a personal income and being obliged to ask a partner for money was sometimes described as infantilising. Isla had previously claimed Universal Credit as a single person but lost her entitlement when the couple moved in together, ahead of the birth of their first child. Because the baby was not yet born, the couple were not initially entitled to Universal Credit and she found herself financially dependent on her working partner. Though he never refused her requests, having previously been financially independent when living with her parents she felt demeaned by having to ask him for money:

> **Isla:** *He's not my dad, you know what I mean, he should not be, like, fully, like, responsible for me because we're living together ... Basically if I wanted ... to go and see my friends or something, he'd just, like, give me money, like, when I needed it, it wasn't, like, a set ... amount a month, it was just kind of, like, if I needed it, then he would pay for stuff.*

Researcher: *So you had to ask for it?*

Isla: *Yeah.*

Researcher: *How did you … feel about that?*

Isla: *A bit crap! I don't like asking other people for money, it doesn't make me feel good!*
Isla, joint claimant, female, Cumbria, single-earner couple, two children

She later reiterated the point In the joint interview:

If I needed anything, I'd ask for it, but it kind of takes, like, your independence, like, away … it makes you feel a bit more like a child again, asking, like, your mam for money if you need something.
Isla, joint claimant, female, Cumbria, single-earner couple, two children, joint interview

Her partner, though, seemed unaware of how she felt about the loss of financial independence when they first began living together:

Luke: *She [now] has £100 a month to use for what she wants … Because [before] … if she wanted to do something, I'd just give her the money to do it, because obviously it was just my wage, but now with [Universal Credit] she has £100.*

Researcher: *And before you were getting Universal Credit, when you were [both] basically living on your money, how did she and you feel about that?*

Luke: *I don't really know how she felt about it! (laughs) …*

Researcher: *How did you feel about it?*

Luke: *Well, I just got on with paying whatever bills, doing all the house stuff, paying whatever I needed to for the house first and then … if she needed anything, it was there …*

Researcher: *So she had to ask you if she needed money?*

Luke: *Well yeah, I mean because it was in my bank. I mean, I would have give it … I'd always give it anyway, so it was just a case of if she needed anything, just ask.*
Luke, joint claimant, male, Cumbria, single-earner couple, two children

Though Abigail's partner was more attuned to her discomfort, he was twelve years her junior, and she felt belittled by having to ask him for money:

The money went into my bank when I was on a single claim, but since we've all been on a joint claim, the money goes into [partner's] bank account, but … my money used to go into my bank account …if I need owt, I'll ask him for money, but it's like, I suppose, asking your dad for pocket money … And he's twelve years younger than me, so … it's like, oh can I have 20 quid? … We're quite fair with each other … but it is a bit like asking your dad, but he don't like begrudge me it.
Abigail, joint claimant, female, Greater Merseyside, no-earner couple, no dependent children

Though happy to share his bank card and PIN number, her partner sympathised with her situation:

I feel bad because [partner] will say to me, can I get some foundation or whatever, I'm, like, course you can, you don't have to ask me and I'm, like, just get it because you need it … I'll give her my bank card and I'll tell her my PIN number … it's both of our money so I've got no problems with that … I say … it's your money as well … if it was halved, I'd be more than happy … She keeps hold of the bank card more than I do, to be honest with you!
Henry, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children

But it wasn't just women who found having to ask for money as demeaning. Non-earning men who were financially dependent on a female partner also found the lack of financial independence and autonomy humiliating, which sometimes created tensions and instability in relationships:

When I was getting the [Universal Credit] … he hated … having to ask, 'can I have money for a haircut?' … and I was, like, 'you don't need to ask', and he was, like, 'but I do because it's your money … it goes into your bank account'. So even though it had mine and his name on the claim, going into my bank account he still felt that it was my money and that he was asking for it

… We never really discussed it before when he moved in, it was kind of, like, you're moving in, the money's still going into my account … we knew that … it was happening but we never really foreseen it … so him feeling like he had to ask for money wasn't something that we had discussed, which is why we've discussed it this time.
Molly, lone parent, female, Scotland, not earning, four children

To help resolve ongoing arguments about money, one unemployed couple, for whom Universal Credit was their only source of income, decided to switch the Universal Credit payment from the male partner's to the female partner's account. Now financially dependent on his partner, the male admitted to feeling the same sense of inferiority and loss of independence that the female partner had experienced when she was dependent on him. To give both partners an income and an equal say over how the money was allocated and spent, because their circumstances met the criteria for an alternative payment arrangement, they requested and were granted the right to have the Universal Credit payment split equally between them:[75]

> *We argue over money … at one stage I've had it come into my bank account and [partner] felt that she wasn't having more of a say, so we changed it over to hers and I started feeling that way myself … And so we got it split … That way we can mutually agree on what we can put the money towards … It helps us with our relationship. It gives us that little bit of independence … we've not really argued that much since having the money split!*
> **Robert, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children**

Regardless of how their finances were managed and organised between them, in most couples, ensuring that each partner had their own source of income was seen as being key

Regardless of how their finances were managed and organised between them, in most couples, ensuring that each partner had their own source of income was seen as being key. In one single-earner couple, the non-working female partner received the Universal Credit payment, allowing both her and her working partner to have an income and enabling then to share responsibility for paying bills:

> *Doesn't bother me, I'd rather have that anyway because then we've both got our own sort of sources of income and we both have responsibility, so it's a bit more shared that way.*
> **Dylan, joint claimant, male, Greater Merseyside, single-earner couple, two children**

In other single-earner couples with children, the non-earning partner and previous recipient of Child Tax Credits, who tended mainly to be female, lost their entitlement and income after moving on to Universal Credit. Paying Universal Credit to the female partner (frequently the nominated lead carer) served to replace the lost income, enabling both members of the couple to have a source of income again, and giving each a degree of financial independence and autonomy:

> *I think [paying Universal Credit to my partner] does provide us with a little bit of independence from each other, so we don't have to turn round to the other one and say, oh I need this for, to buy, to pay for this bill, or I need this much to go food shopping; it's usually a case of if my partner's got it, she'll go to the shop and pick it up … we work it out that way.*
> **Nick, joint claimant, male, Somerset, dual-earner couple, two children**

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75. This is one of only 86 couples in Great Britain who had a split Universal Credit payment as of November 2019 (StatXplore, accessed 1.4.2020, https://stat-xplore.dwp.gov.uk) which is granted only in exceptional circumstances. Indeed, this couple's rent was also paid direct to their landlord and they received Universal Credit weekly, which is rarer still. Their case is discussed in greater detail in chapter 9.

Another couple with children who had applied for Universal Credit at a Jobcentre said they had been 'nudged' by a work coach to input the bank account details of the female partner because she had previously been the recipient of tax credits. By the time the first Universal Credit payment came through, she had in fact started a new job, but the Universal Credit was a welcome additional source of income:

> *They just said at the Jobcentre they'd put it into my account because that's where my tax credits went … then the next day, well as soon as I walked out the Jobcentre, I had a job interview come through on my phone and I got the job!*
> **Sue, joint claimant, female, Greater Merseyside, dual-earner couple, three children**

Less commonly, in couples with children the female partner was the sole earner. One such couple made a conscious decision to have the Universal Credit payment paid to the non-earning male partner. Seen by the female partner as the male partner's 'wage', the Universal Credit payment helped to rectify what she saw as an unfair and destabilising unequal distribution of income in the household:

> *It wasn't fair for him to have no money, so obviously he was the one that needed the money, so it went into his account [because I had earnings], it sort of evened it out … It felt like he was still getting a wage … able to sort of get on with his life and pay the half … So it didn't feel like much changed actually … It's took the stress away because I knew that he was getting something, so yeah, it did feel like it was his wage.*
> **Leah, joint claimant, female, Somerset, single-earner couple, one child**

Another couple with children who had previously claimed Jobseekers Allowance jointly similarly selected the male partner's bank account because, while he remained unemployed, the female partner had since moved into work:

> *When we were on JSA it was his bank that the JSA went into … so we just thought just keep it the same like that and my wages would go into my account.*
> **Maya, joint claimant, female, Cumbria, single-earner couple, one child**

One couple without children, in which the male partner was the female partner's carer, decided that because she received Personal Independence Payment (PIP), and since he was responsible for managing the household finances, the Universal Credit should be paid to him:

[Partner] gets PIP as well, which goes into her bank account … because what we sort of said was that with the benefits going into my account and the PIP going into hers, I said, like, as long as … like, the Universal Credit payments cover the bills and, like, the food shopping and stuff like that, then she can do whatever she wants with the PIP.
Max, joint claimant, male, Cumbria, no-earner couple, no dependent children

Not having a personal income meant that some partners were unable to contribute to the household finances or learn budgeting skills

Conversely, not having a personal income meant that some partners were unable to contribute to the household finances or learn budgeting skills. One lone parent, who had recently separated from her unemployed partner, believed that his lack of income and inability to contribute towards paying bills when they had been claiming Universal Credit jointly had contributed to the breakdown of the relationship:

[Partner should have had] his own entitlement into his own account because then … it's teaching him … about budgeting himself and … he could be like,'look, here's £50 to go towards food or … I'll pay the gas and electric this month', instead of me having to be, like, here you go, have £20 this week, because that made him feel … patronised … I think that partly was [why] the relationship did break down … because I felt that … I was constantly … having to … tell [ex-partner] what to do … It was hard … I'd have to be, like, well no, we've got the TV licence this month, so you're only having this … I shouldn't be having to give a twenty five year old pocket money … it's his money, it's his life … he's old enough and ugly enough to have his own money.
Sophie, lone parent, female, Somerset, not earning, one child

Joint Accounts

To help rebalance a perceived inequality of money and power, or simply for practical reasons, since claiming Universal Credit a few couples had opened, or planned to open, a joint account. In all cases, this was additional to, rather than a replacement for, their individual bank accounts:

Recent[ly] we've been using a joint account, but since we've had the joint account it has been working much better … Because every month when [partner] got paid, I felt like I was begging him for money, because I needed him to send me money so I could pay … the bills, but I'd have to, like, ask him, can you please send me some money? And I just felt like I was … asking for a handout and it was his sort of share of the bills, but I didn't really like doing that, plus I was always asking him for what he'd spent money on, so I could keep a record of it, of how much we'd spent and where. So it's just easier if it's in the joint account, I don't need to pester him.
Tamsin, joint claimant, female, Greater Merseyside, single-earner couple, two children

A lone parent, who had previously been part of a single-earner couple, had opened a joint account with her former partner to enable her to access the Universal Credit payment in her own right. Her ex-partner had initially been nominated as the payee because the rent and utility bills were paid from his bank account. Though she could access money using his bank card, with Child Tax Credit having previously been paid into her own bank account, she resented the loss of personal income since moving on to Universal Credit:

> **Faye:** *Before we went on to Universal Credit … my ex-partner … would get Working Tax Credits and … I was getting the CTC and the Child Benefit was going into my account because … I don't want to be going to my partner and saying, oh can I have this?, sort of thing! Because obviously I'm an adult, I'm not a child … If you don't work, you're more than likely to be at home with your child … and as a grown-up you don't want to be having to go to another adult, your partner, and saying, oh would you just mind if I had this … could you go to the cashpoint and take this amount out for me … You're an adult, you want to be treated as an adult! … The Child Tax Credit went to me, yeah, that was a decision that we made … because he had bills coming from his bank and I had bills coming from my bank …*
>
> **Researcher:** *And whose account did the [Universal Credit] payment go into?*
>
> **Faye:** *My ex-partner's account …*
>
> **Researcher:** *So what sort of impact did that have on you?*
>
> **Faye:** *It wasn't very nice, although he never stopped me from … using money … it felt like I was sort of going a bit cap in hand … I didn't have access to [his account] unless he … said, OK, take my card, and it wasn't something that I wanted to be doing … and obviously the bank say to you, don't let anybody use your card … know your PIN … So that was when we went and we opened a joint account together … once we'd gone to Universal Credit we opened a joint account … Once we'd been claiming for about six months, we switched the payment into a joint account, so that we both had full access to it, we both were happy to do that.*
> **Faye, lone parent, female, Greater Merseyside, not earning, one child**

Switching the Universal Credit payment to a joint account gave her back a degree of financial autonomy. However, her request to change the account that the Universal Credit was paid into was initially met with resistance:

> *Even that was a nightmare to do with Universal Credit because they didn't want to swap it going into … a joint account … They asked was there anything wrong with the account that it was already going into,*

and we said no, we'd opened a joint account because it was more practical for us to both have access to the money and she said, 'well, if there isn't anything wrong with the account, why can't you just keep it like that?' So I stressed that we've got a young child, my partner's sometimes at work and he has a wallet and takes his bank card with him, so if I need to top up the electric or the gas because it suddenly goes, I haven't got access to do that. So she said, 'OK, we'll process that for you'. And then I rang back a couple of days later to just check it had been done and it hadn't … she hadn't put it through. So I had to go through it all again … but luckily the person I spoke to the second time was nice … a bit more understanding of the situation.
Faye, lone parent, female, Greater Merseyside, not earning, one child

Importance of Having an Individual Bank Account

But it was not just having a source of personal income that was important for each partner's financial autonomy; having their own bank account mattered too, even when couples treated household income and expenses as joint:

We treat the money as shared, but it's kept separate, so if [partner's] running low … I transfer money over, we sort of balance each other out.
Tom, joint claimant, male, Somerset, dual-earner couple, two children

Separate bank accounts granted each partner a personal financial identity or financial 'footprint', said to be crucial if either partner wanted to apply for a credit card or loan, or claim benefits in their own right

Individual bank accounts were said, more especially among female participants, to afford each partner a separate stake in household financial management and decision-making. Separate bank accounts also granted each partner a personal financial identity or financial 'footprint', said to be crucial if either partner wanted to apply for a credit card or loan, for example, or indeed claim benefits in their own right:

If you're in the position where you want to get a loan … if they see there's nothing coming into your account, they think … she's not working … you know, if it's going to your partner … I think the system's a bit flawed in that way, where one person holds the purse strings … I dread to think what would happen if I was in a controlling relationship because then they could say, well no, you're not having anything, and the Jobcentre aren't going to help, are they?
Faye, lone parent, female, Greater Merseyside, not earning, one child

Another participant, who was not born in the UK, pointed out that a bank account in her own name was crucial to evidencing residency, itself a key requirement of claiming Universal Credit:

Because I'm from [European country] I need … to have everything … in my own name, yeah. Just to prove that I'm here.
Leila, joint claimant, female, Greater Merseyside, single-earner couple, two children

As well as ensuring that each partner had their own money, having an individual bank account helped both partners to develop financial capability and money management skills:

It helped me I suppose learn to manage the money that was going into my account and what was going out … There was never sort of, any, oh that is yours and this is mine, but it just sort of helped because we have independent bills … as well as the household bills.
Faye, lone parent, female, Greater Merseyside, not earning, one child

The different partners also sometimes had what they considered to be personal financial liabilities – for student debt, loans and credit cards, for example – typically incurred before they met or lived with their current partner, and which they expected to pay themselves from their own bank account:

Whoever's got their debt, they pay off their own debt … [Husband] gets a student loan … But yeah, it's each to their sort of own, you know, their own debt! But we all share the money that comes in every month.
Angela, joint claimant, female, Somerset, dual-earner couple, two children

In two couples, serious debts attaching to the female partner had obliged them to set up an Individual Voluntary Arrangement (IVA),[76] which added to the importance of keeping the couples' finances separate:

At the moment because I'm doing an IVA, that's the reason [the bank accounts] are separated.
Olivia, joint claimant, female, Somerset, dual-earner couple, two children

Several women also mentioned the importance of having their own bank account in the event that the couple were to separate at a later date:

76. An individual voluntary arrangement (IVA) is a legally binding agreement between an individual and their creditors to pay back debts over an agreed period of time.

Many women were wary of joint accounts unless each partner also had their own individual bank account

It's just because he had a salary, I decided to take Universal Credit and you never know what's going to happen and I had to have something. I mean if it comes to separation … of course we don't want it to come, but you never know … I will at least have something on my account if I don't start working by that point, but it won't happen because I'm hopefully starting working soon.
Leila, joint claimant, female, Greater Merseyside, single-earner couple, two children

In fact, many women were wary of joint accounts unless each partner also had their own individual bank account:

We might break up … I don't want all my money being in, like, a joint account with him, because, like, you never know, he might end up being, like, this really horrible person and think, you know what, I'll have all the money … It's not really, like, often that people share bank accounts either, like I've never heard of, like, anyone my age on a joint claim being, like, oh yeah we share a bank account. I would never share a bank account with anyone!
Lilly, joint claimant, female, Somerset, no-earner couple, two children, joint interview

Even though Universal Credit had been paid into their joint account, one participant, who had since separated from her partner, felt that he had had more control over the money than she did:

Although it was our joint account … he was by default the one who would check it, I could take money out but … it's not particularly that he'd stopped me from doing it but somehow I didn't end up being the person who checked the statements … And that's one of the things I would remark about in terms of joint claims, that they go into one, they go into one person's account, and if it happens to be a slightly controlling male, then that's not a good thing … It started to feel more like that.
Alice, single claimant, female, Somerset, not earning, no dependent children

Paying the Universal Credit into a joint account had also caused problems for another female participant now claiming Universal Credit as a lone parent. When her relationship broke down, her partner withdrew half the money for himself, even though the largest part of the Universal Credit payment was the child element:

When he left, he took my bank card with him because it was his account before we were together, even though it was turned into a joint account … and then he took … what he says was half the money in the account … So I had nothing to live off.
Hayley, lone parent, female, Cumbria, not earning, three children

Realising that she needed a bank account to claim benefits in her own right, another female participant, who only previously had a joint account when claiming Universal Credit with her husband, secretly opened her own account before separating. Having since repartnered, she was keen to retain the financial independence she had come to enjoy as a lone parent:

> *I was very, very sneaky and I technically set up my account a month before we split up!*
>
> *… I knew I needed an account there to put money into or I'd have been stuck … I prefer it. I can manage money much better … My new partner's actually really good, but he's lived independently for a long time … but … I prefer managing money on my own because I know where it needs to go and when it needs to go and what the priority [is] for the next three weeks after the first week … which makes it just easier for me, when I haven't got someone breathing down my neck!*
> **Hayley, lone parent, female, Cumbria, not earning, three children**

Financial Mismanagement and Abuse

Perhaps unsurprisingly, for the couples in this research – most of whom described their relationship as 'stable', 'happy' or 'equal', and who had satisfactory arrangements in place allowing each partner to access household money – a single Universal Credit payment caused no particular issues, so was not generally seen to be problematic. However, while this payment arrangement worked for them, there was concern among these couples about the impact that a single Universal Credit payment might have on claimants with less stable or equitable relationships:

> *I think for me it's fine, you know, I think we have a very stable, happy relationship … Obviously with my work I see a lot of safeguarding and … that could be quite difficult, you know, if you're in a sort of an abusive, financially controlling relationship, obviously that would be very different. But for me, in my situation, it's absolutely fine.*
> **Olivia, joint claimant, female, Somerset, dual-earner couple, two children**

There was general acknowledgement that for women (or indeed men) in unequal or abusive relationships, a single payment could be highly problematic:

> *It's a difficult one to call, really. I think if you're a couple you should work as a partnership, so it shouldn't really matter whose bank account it's going into if you're working together financially … However, in real terms, it can make someone incredibly vulnerable financially if one person's got more power over the money than others.*
> **Tessa, joint claimant, female, Somerset, single-earner couple, one child**

Benefit money concentrated in the hand of the Universal Credit payee was seen as having the potential to trap partners with no other source of income in a controlling or financially abusive relationship:

I understand, like, a joint claim, I do understand … but I do think … they haven't really thought about it that well. Because that's a way of really trapping someone in a relationship with you, being, like,'well I've got your money, I'm in control of your income, well what can you do about it?
Lilly, joint claimant, female, Somerset, no-earner couple, two children, joint interview

Receiving one payment per couple was also perceived to be much less clear-cut where a lone parent had re-partnered and the new partner was not the biological father of the children on the Universal Credit claim:

I think that's important for a lot of relationships, even though you're together, you still have your own, like, pocket money … rather than it being together, especially when there's so many different elements, especially for families like myself, where the kids are yours and then somebody else comes in that isn't [the father] … They're seen as half their money is theirs because technically it's the two of yous that's claiming it! So … that can be an issue for … couples … Part of me still has that fear of somebody else having the control over … or half the control of that money. And then the fact that so much of that money is built up because of the kids. So although it seems like there's a lot coming in, it's not right down the middle … especially when there's so much domestic abuse cases that isn't always reported … Yet they've kind of put all this money together and it goes into one person's bank account.
Molly, lone parent, female, Scotland, not earning, four children

Benefit money concentrated in the hand of the Universal Credit payee was seen as having the potential to trap partners with no other source of income in a controlling or financially abusive relationship

Some of these concerns were in fact borne out. Around one in five participants (17 individuals) mentioned that they had experienced domestic violence, including controlling behaviour or financial abuse. This represents about a third of the women in our sample. Fifteen said the experience of abuse had occurred in a previous relationship, while for two, it was in their current relationship. In three cases, the abuse included mismanagement of the Universal Credit payment when they had been claiming Universal Credit jointly. Seven (of nine) lone parents interviewed, and one single claimant, said that controlling behaviour or intimate partner violence during a previous joint claim for Universal Credit or legacy benefits had been a key reason for separating.

One participant, who had a history of mental health problems, suffered serious financial abuse when claiming Universal Credit jointly with her then partner. When he moved into her flat after losing his entitlement to ESA, she was obliged to end her own Jobseekers Allowance claim. Because she struggles to read and cannot use a computer, she entrusted him to complete the online claim.

Unbeknown to her, he arranged to have the benefit paid into his own bank account, spending a succession of their monthly Universal Credit payments on drugs. With her rent previously paid direct to the landlord, she was initially unaware that the Universal Credit payment also included a housing element, intended for the rent on her flat:

> *We were claiming together for about … eight month … All the money went into his bank account … because it was him who was claiming … He claimed it because I didn't know what to do, I'm not very good or clever … I'm £1,200 rent arrears, well because he wasn't paying the rent on my flat and was going spending all the money … I didn't even know that your rent went directly to you with Universal Credit, I was none the wiser until I was getting these letters saying I'm in this much rent arrears and I was saying why? Well I didn't know, I wouldn't have had a clue because my rent's always been directly paid. I'm not a very good reader … I can't read … The tenancy's in my name … I didn't know, I thought it automatically just went to them … He was bad on drugs, that's what all the money went on … So he wasn't telling me nowt, he just wasn't coming home … when the money was going into the bank.*
> **Nicola, single claimant, female, Cumbria, not earning, no dependent children**

Finding herself with £1,200 of rent arrears, she alterted the service centre to her partner's mismanagement of the Universal Credit claim, but her request to have the payment transferred to her bank account was declined. It was only by re-claiming Universal Credit as a single person, after her partner was arrested and later jailed for drugs offences, that she was able to re-establish control over the claim and the household finances. Only then did she discover that her ex-partner had also taken out a large advance, of which she was liable to repay half. Now living alone, with her half of the advance to repay and deductions for rent and council tax arrears, she was left with £158 per month to live on and forced to use food banks:

> *Oh it's … a ball ache from start to finish with it. I'm £1,200 rent arrears, well because he wasn't paying the rent on my flat … So when I was phoning … I didn't want my money, the money going into his bank, to put half into my bank, they wouldn't even do that … Now when I'm getting paid, I'm only getting £158 a month on a single claim … When I go on my journal, it says his advance is getting took off.*
> **Nicola, single claimant, female, Cumbria, not earning, no dependent children**

Adamant that never again would she claim benefits jointly, or trust a partner to live with her, she was equally forthright that, in couples, the Universal Credit payment should be split:

I think it should be if you're a couple as well, I think half should go in one bank account and half should go in another … because, like, partners … doing that, spending all the rent money and everything, it shouldn't be fair. What [would have] happened if my children were here? And I couldn't have fed them? … I struggled … I had to go to a food bank … That's why now if I ever get another partner, they won't be moving in and I will certainly not be claiming with them … I wouldn't have anybody live with you ever again, apart from … one of my children … never again.
Nicola, single claimant, female, Cumbria, not earning, no dependent children

In another case, although the woman was the Universal Credit payee, her controlling partner was able to access the money by using her bank PIN card, spending it on drugs, alcohol and going out with friends. Her only way of resolving the situation was to end the relationship. At the time of the interview, she was claiming Universal Credit as a lone parent and said she was financially better off and more secure than she ever had been when claiming Universal Credit jointly:

My ex-partner would spend money as soon as it would come in … leaving us short for a month … scratch cards … luxuries … I had the control … [but] he had my bank card. He'd go out on the piss, he'd go out with his mates … he wouldn't think about … getting food or anything like that, it would be going out with the lads, having a drink … He had full access to [my account], he knew my PIN number, he knew my online banking … He used to do drugs, so a lot of the money used to go on that … So I'm better off financially … supporting my little one, because I can now afford food to put in his mouth.
Chloe, lone parent, female, Somerset, not earning, one child

Another female participant said that her ex-partner had used the Universal Credit payment to repay debts incurred before the couple started living together. The sole breadwinner, and pregnant at the time, she had allowed him to make the claim. Having arranged for the Universal Credit to be paid into his bank account, he failed to tell her when and how much the couple were being paid:

He got made redundant when I was pregnant and I was quite annoyed at him, so he was the one that set up the whole Universal Credit and I just go, here you go, here's my documents, I'll come with you but actually you're going to have to set this up because I've got too much going on, which is probably a bad thing, because he obviously had all my sort of log-in details … but I let him have, like, the control over it because he was the one who wasn't working.
Leah, joint claimant, female, Somerset, single-earner couple, one child

Not only did her ex-partner mismanage the money, but without her knowledge or consent, he also applied for an advance of which she was now liable to repay half. Having since re-partnered, she was adamant that this time around, *she* would be the Universal Credit payee:

> *It was [partner's] before, but this time it's going to be mine … So last time we was on a joint claim, [partner] was in charge of it, because … I was in work, I was dealing with … the household stuff. And then there was one or two months where we got a payment and [partner] didn't tell me … I didn't know, like, the true extent of [his debts] … he was hiding it from me … And then also he was able to go into the Jobcentre and get a[n] advance payment for both of us … but I've still got to pay half of that back.*
> **Leah, joint claimant, female, Somerset, single-earner couple, one child**

Not only should both partners be notified when an advance has been requested, she suggested, but both claimants should routinely be notified by text or email each time a monthly Universal Credit payment is made:

> *Maybe if you got like an e-mail, like [an] alert … I didn't get any alert saying you've had a payment … Before you get paid, maybe having to, like, log in and say I accept payment, or something like that, and both partners have got to do it. At least that way you both know that you're getting a payment … because I'm sure that this might happen to other people.*
> **Leah, joint claimant, female, Somerset, single-earner couple, one child**

In another instance, a female participant who had previously been claiming Universal Credit as a single person allowed her partner to move into her flat after his assessment for ESA resulted in the loss of both his benefit entitlement and his tenancy. Having experienced physical and financial abuse in her previous marriage, she was wary of claiming benefits jointly again, but as they were now classed as a 'living together' couple, she had no option but to add her partner's name to the claim:

> *I never had access [to money], he kept it all hisself, [ex-husband] was a control freak … he controlled everything … It took me fifteen years to realise what a person he really was. He's a monster … I don't really talk to people because I've just not got the confidence to talk to people … He controlled everything, he even controlled who I spoke to, where I went, what I dress[ed] like, everything … That had a really … big impact … because I didn't have the help, let alone the money … That was one of the reasons why I stayed.*
> **Phoebe, joint claimant, female, Scotland, no-earner couple, no dependent children**

Some participants believed that paying a separate amount of Universal Credit to each partner would be a safer and fairer way of distributing the benefit

Although her new partner was aware of the previous financial abuse, and even though the tenancy was in his partner's name, he persuaded her that the Universal Credit payment should be paid into his bank account:

> *It goes into … my bank account, but … it's actually my partner's claim but the money goes into my bank … it's not just my money, it's ours … Her ex-husband never let her see a penny when they were living together … He controlled all the money … he more, like, pissed it away … For her and her kids, there was hardly any money … So I gave her a chance to trust me.*
> **Finley, single claimant, male, Somerset, not earning, no dependent children**

Having agreed, she was now beginning to regret the decision and, at the time of the interview, was considering whether she should request that the Universal Credit payment be switched back to her account:

> *[New partner] doesn't like women being in charge of the purse strings, [partner's] a spender, he likes to spend money! … I've been saying that to him for a while that because it's my claim it should have gone into mine … I did say to them, I am going to actually ask to see if I can get it put in my account.*
> **Phoebe, joint claimant, female, Scotland, no-earner couple, no dependent children**

Views on and Experiences of Splitting or Separating the Universal Credit Payment

For reasons of gender equality, and to minimise opportunities for financial abuse and mismanagement of the benefit, some participants believed that paying a separate amount of Universal Credit to each partner would be a safer and fairer way of distributing the benefit:

> *I think it depends on what sort of relationship you are [in]. I have no problem with [the single payment] … I got a good relationship … So the relationship and the arrangements that you bring to Universal Credit are obviously really important in that sense … but I think if it's couples who have got distressed relationships … it's going to be … quite hard … So it would be maybe better if every person is paid into their own account … but in my case I'm all right with it.*
> **Allison, joint claimant, female, Cumbria, single-earner couple, two children**

To reduce the possibility of one partner appropriating all the benefit money, another suggestion was that joint claimants should automatically be notified by text or email when payment has been made. One female participant explained that she initially had no knowledge that her (now ex) partner had re-opened their joint

Universal Credit claim, claimed an advance (that she is now liable to repay half of) and received several Universal Credit payments into his bank account before she became aware of the deception. To compound matters, although the couple was no longer living together, as a joint tenant she was only entitled to receive half the Universal Credit housing element:

> *When I tried to explain it at the Jobcentre, they just didn't even have any sympathy for me, they were, like, well you've got a joint claim together, what did you expect?*
>
> *Maybe if you got … an alert … like log in and say I accept payment … and both partners have got to do it. At least that way you both know that you're getting a payment … [Ex partner] refused …to sign off the tenancy agreement because that would make him intentionally homeless, so … I was only eligible for half the amount of the rent … because he was still on the tenancy.*
> **Leah, joint claimant, female, Somerset, single-earner couple, one child**

For equality reasons too, a separate payment for each partner in couples was felt to be more in tune with modern relationships in which the vast majority of women engage in paid work, earn their own income and manage their own bank accounts:

> *I think it should be done differently for couples … A lot of women are working now, we're kind of independent, so it would be nice to have it separated into two accounts … for me, I would like that, if it was my sort of money that I was eligible for.*
> **Leah, joint claimant, female, Somerset, single-earner couple, one child**

In contrast, a single Universal Credit payment for couples was seen by some to reinforce if not an actual, then certainly a symbolic, dependence of one partner (usually the woman) on the other (usually the man), even though, in a majority of couples, the female partner was employed and some were even the family's main breadwinner:

> *I think if they could find a way to split it, I think it would be better, just because … you know this isn't the olden days, you know, it's not always the man going to work and the woman staying at home … in a lot of cases it's the other way round.*
> **David, joint claimant, male, Somerset, single-earner couple, one child**

Another suggestion was that the default payment arrangement for couples should be a proportional 50:50 split into two separate acounts, while retaining the flexibility to request payment into a joint bank account:

I think it should be automatically split so then there isn't questions on,'well, why do you want it split from the other partner?' … but then you could request to say, like now, we'll just have all of it in one account in this person's name. I think there should be more flexibility on how you're paid and … without them quizzing you.
Tamsin, Joint claimant, female, Greater Merseyside, single-earner couple, two children

Ensuring that each partner received some part of the Universal Credit payment would also help to acknowledge the fact that joint claimants have individual conditionality requirements to meet

Couples without children were more likely to suggest a 50:50 split, but some participants with children also felt that an equal split was the fairest and most practical division of the Universal Credit payment:

I definitely think they should separate … the payment … So for couples it would be split equally down the middle and go into their own bank account and everything else … then it means that … nobody's kind of left relying on anybody else for it.
Molly, lone parent, female, Scotland, not earning, four children

Several couples (none of whom had dependent children in the household) did in fact divide the money equally after payment had been made, with the Universal Credit payee transferring half the award into the non-recipient partner's account:

We try and split it between us. It goes into [my account] and, like, when I get [it] … say, if it's … £450, like I give her half of that and the other half will be mine.
Justin, joint claimant, male, Greater Merseyside, single-earner couple, no dependent children, joint interview

Ensuring that each partner received some part of the Universal Credit payment would also help to acknowledge the fact that joint claimants have individual conditionality requirements to meet. One participant questioned why, on the one hand, both partners are required to attend separate mandatory Jobcentre appointments and manage a separate journal (though the online account was joint), yet on the other, have no right as individuals to receive any share of the award:

Even though it was a joint claim, it didn't feel like it was joint … A lot of the meetings I'd have to go to and [ex-partner] wouldn't be allowed to go instead of me … whereas we should have both been entitled … or both had the right to go, if one of us couldn't. The money should have been going into both our accounts, and not just one … Even going on and signing on online, we both had our own separate accounts, which was ridiculous.
Sophie, lone parent, female, Somerset, not earning, one child

In a similar vein, another couple felt that separate payments to both partners in couples would help to address the perceived unfairness of both claimants being penalised by a sanction imposed as a result of a transgression by only one of the partners:

> **Henry:** *I think it would [make a difference] … If £230 went into your bank and £230 went into my bank, because [of] sanctions, because if you keep up with your end of the commitments, but I don't keep up with mine.*
>
> **Abigail:** *Yeah, we both get sanctioned.*
>
> **Henry:** *Now we both get sanctioned.*
>
> **Abigail:** *I know, it's a nightmare … That's another worry for me! Henry: So if it was a separate payment, but you'd still get your £230.*
>
> **Abigail:** *Oh yeah, I see what you mean … He don't go on his journal as much as me … and it causes my anxiety … He doesn't do it on purpose, but … if he doesn't, like, keep his end … and I don't keep my end, we're both going to suffer.*
>
> **Henry:** *That's what I'm saying … we're both getting punished for one of us not keeping our end of the bargain. Whereas if it was, all right, you're on a joint claim but you get [the payment] halved …*
>
> **Abigail:** *Got half each, yeah, it would be better, that.*
>
> **Henry:** *It would be better … because you'd still get your payment then.*
>
> **Abigail:** *Yeah, because I feel like I'm his mother sometimes, saying 'you need to go on Universal Credit'.*
> **Abigail and Henry, joint claimants, Greater Merseyside, no-earner couple, no dependent children, joint interview**

However, couples with children often felt that an equal split of the payment could financially disadvantage the lead carer. Because the child element of Universal Credit was awarded in respect of the children on the claim, female participants in particular felt that it should be paid to the person with main responsibility for their care – either the nominated lead carer or the recipient of Child Benefit (in the vast majority of cases, the mother):

> *I think they should pay the [child] elements to the person … who has the main responsibilities for the kids. Because again, like, if it was [partner] who was getting our money and he'd left and took it, we'd be screwed!*
> **Tamsin, Joint claimant, female, Greater Merseyside, single-earner couple, two children**

Other felt that lead carers in couples should receive both the child element and an equal share of the couple's standard allowance:

I wouldn't really like it if, like, my money, like, all the money went into his account, because say me and him had an argument, like, a day before we get paid, he goes off for a couple of days and I've got no money. Like, I reckon they should put it, like, half, not even half … like, in our situation, I reckon the child element and my money go in my account, because obviously that's my kids' money … I think that is a bit, like, spiteful how they can only put it in one account because then it puts another person in a vulnerable situation really … I would want mine and my kids' money put in my account, like, nothing against him, that's just because I'm their main carer, if you get what I mean, their money shouldn't go in his account.
Lilly, joint claimant, female, Somerset, no-earner couple, two children

Others still felt that paying the bulk, or indeed all of the Universal Credit award by default to the lead carer in couples with children (as they are currently being 'nudged' to do when applying for Universal Credit) could disadvantage low-earning working partners. Some felt that both members of the couple should be entitled to receive at least some part of the payment:

If … the working parent was only working part-time and … one of the parents was … looking after the kids, I feel like there should be, like, two separate [payments], because obviously the Universal Credit, like, if someone's not making much money, then … they're entitled to a little of Universal Credit, aren't they? So I think that amount should be paid into their account, and then maybe, like, the rest into the … the person that's the full-time childcarer.
Isla, joint claimant, female, Cumbria, single-earner couple, two children

Dividing the payment in a way that reflected not only different earnings but also the different financial responsibilities and liabilities of the partners added another layer of complexity. It could be argued that the person with responsibility for paying the rent should receive the housing element, and the person paying for child care should receive the childcare element, for example. Due to the complexities of monthly assessment and means testing, some participants did, however, reflect that it would be virtually impossible, as well as impractical, to split the Universal Credit payment in a way that was fair and equitable to all couples in all circumstances:

The thing is, it takes both of our earnings into account … it would then be strange to then split it … well, I don't know, what would it be, like 70/30, I earn more than you do, so I get less of the Universal Credit than you do, but ultimately we use that money to pay the same bill … it would be ridiculous to spend loads of time splitting it out to then use it again.
Tom, joint claimant, male, Somerset, dual-earner couple, two children, joint interview

The amount of Universal Credit entitlement and payment was also a factor affecting the perceived feasibility and fairness of separate payments: the smaller the award, the less beneficial or practical splitting the Universal Credit payment was seen to be. Whether couples had access to online and mobile banking,the length of the relationship, and the degree of trust between the partners were also seen to affect the perceived advantages and disadvantages of having separate payments:

It would actually probably be a nuisance because … splitting 80p just is pointless … If you're in a position where Universal Credit pays your rent … it's a significant amount of money, then splitting it half and half … would be probably of a benefit … It's much quicker to go on to your phone and just go bish, bash, bosh … and most people will have access to that [but] … if you're the victim of an abusive relationship and that Universal Credit coming in is … 8 [or] 9 hundred … pounds, then having that split in half would be great because that's £400 a month that you would have and they wouldn't have, but in our situation, where it fluctuates between £100 and 80p it … doesn't really come into it.
Tom, joint claimant, male, Somerset, dual-earner couple, two children, joint interview

If each partner mandatorily received half the Universal Credit payment, or half the couple's allowance, some said that they would simply transfer the portion allocated to them to the partner who managed the household finances, or from whose account the rent and utility bills were paid:

Researcher: *How do you feel about the Universal Credit going into one bank account between you?*

David: *I'm happy with it.*

Sharon: *… I suppose it's easier if it goes into mine, because if it went to mine and his … half each, then he'd only have to transfer it to me anyway.*

David: *Yeah, because everything comes out of your bank, bills and everything … literally everything … rent comes out.*
David, joint claimant, male, Somerset, single-earner couple, one child

Some male participants were also concerned that if they automatically received half the Universal Credit payment, or half the couple's standard allowance, they might be tempted to spend it unwisely. Therefore they were happier with the current default arrangement whereby the whole of the Universal Credit payment could be paid into the account of the partner with greater responsibility for managing the household finances, or who could be trusted more with money, which, in a majority of couples, was the woman:

> *'To be honest [if it was split] I would probably spend a little bit too much of mine. I smoke a lot of fags and ... then I would probably make us both a bit worse. So it's ... better that it goes into just her account because I can still ... get maybe one pack of fags, but if I had my own money ... I'd probably buy two pack of fags in a day, so it is a lot better it just goes into her account, which allows ... me not to just be stupid and just make it worse than it already is ... That's just what I'm like, to be honest with you, it's the truth ... Yeah, not very good with, like, money.'*
> **Adam, joint claimant, male, Somerset, no-earner couple, one child**

For the couples here who were in committed and stable relationships, the fact that they received only one Universal Credit payment between them was often less of an issue than the uncertainty and financial difficulties which could arise from the system of monthly assessment However, for those in unequal or abuse relationships, a single payment was much more problematic. It is to the system of alternative payment arrangements and budgeting advances, designed to help claimants who have on-going difficulties managing or accessing their money, that we now turn our attention.

9

Accessing Budgeting Support

Claimants in need of additional support with managing the single monthly payment, or who are struggling financially, have a number of options open to them within the Universal Credit system. Those with large deductions may be able to defer the amount being recovered for a short period (covered in chapter 4). Those who require money and debt advice may be referred by a work coach to a specialist local provider[77] Claimants deemed to be struggling to manage a single monthly payment may also be considered for one or more of three Alternative Payment Arrangements (APAs).[78] These include:

- paying the housing cost element of Universal Credit as a managed payment (MP) to the landlord;
- more frequent payments (typically, twice monthly but also more frequently);
- split payment of an award between partners with a joint claim.

In England and Wales, Alternative Payment Arrangements are granted only where there is a demonstrable need that impairs a claimant's ability to manage their own financial affairs causing a risk of harm to the claimant and/or their family

In England and Wales, APAs are granted only where there is a demonstrable need that impairs a claimant's ability to manage their own financial affairs causing a risk of harm to the claimant and/or their family. The decision to grant an APA is discretionary and made by Universal Credit staff on a case by case basis. Factors taken into consideration include whether a claimant has a drug, alcohol, gambling or mental health problem or learning difficulty, has serious and multiple debt problems, is experiencing domestic abuse or controlling behaviour or is at risk of eviction or homelessness.[79] Claimants can be awarded more than one APA, depending on their personal circumstances, but this is extremely rare. In families with dependent children, a larger percentage, or the whole, of the Universal Credit award may be paid to the nominated lead carer if it is split between the two partners. There is a hierarchy of APAs, with a managed housing payment usually considered first.

In Scotland and Northern Ireland, the devolved governments have the flexibility to determine their own payment arrangements. Under 'Scottish Choices', claimants in Scotland can choose to have the housing element of their Universal Credit award paid direct to a local authority, housing association or private landlord. Claimants can also request that the Universal Credit award be paid twice monthly.[80] At the time of writing, the Scottish government was still deliberating over different payment options for couples. In Northern Ireland,

77. Though some participants in our research had received debt advice, none had been referred by a work coach.

78. www.gov.uk/government/publications/universal-credit-alternative-payment-arrangements/alternative-payment-arrangements

79. www.gov.uk/government/publications/universal-credit-alternative-payment-arrangements/alternative-payment-arrangements#annex-a-factors-to-consider-for-alternative-payment-arrangements

80. After such a request, the next payment of Universal Credit will be made at the same time of the month, but will only be half of the award. The second part is paid some 15 days later.

Universal Credit is paid twice monthly by default, but claimants can switch to a monthly payment if they prefer. Couples claiming Universal Credit jointly can also request to have the payment split between them, but few such payments have been made.

Claimants in receipt of Universal Credit for at least six months, who continue to struggle financially but have repaid the initial advance in full, can also apply for an interest-free budgeting advance (sometimes called a budgeting or emergency loan). Payments are not intended for general living expenses but to help pay for one-off expenses, emergencies and essential household goods such as a new washing machine, a car repair, maternity expenses or a rent deposit. There are strict eligibility criteria and limits on the minimum and maximum amounts that can be borrowed. The smallest amount that claimants can currently borrow is £100. The maximum for single claimants is £348; for couples with children, £464; and for families with children, £812. Repayments are deducted from the Universal Credit payment, normally over 12 months. Any savings over £1,000 will reduce the loan amount by £1 for every £1 a claimant may have in savings over the £1000 threshold. Employed claimants are only eligible for a budgeting loan if, in the past six months, total earnings were less than £2,600 for single claimants or £3,600 for couples. Any previous budgeting advance needs to be repaid in full before another advance can be awarded.[81]

Managed Payments to Landlords

In this research, in 18 of the 42 households receiving help with housing costs (thirteen couples, three lone parents and two single claimants, roughly distributed across all four fieldwork areas),[82] the housing element was paid direct to the landlord. In Scotland, Universal Credit claimants can choose to have a managed payment, but those living in England and Wales can only have a managed payment if they meet certain eligibility criteria. This had deterred many participants in England from making a request; indeed, the few that had done so had nearly always been refused:

> *I tried to do that through Universal Credit and Universal Credit turned round and rejected it ... They said no, we can only pay it direct to you as an housing element ... they actually rejected me to do*

81. www.gov.uk/guidance/universal-credit-advances

82. Nationally, approximately 22 per cent of households receiving Universal Credit payments receiving support for housing costs had a managed payment to their landlords in May 2019: www.gov.uk/government/publications/universal-credit-29-april-2013-to-11-july-2019/universal-credit-statistics-29-april-2013-to-11-july-2019

that … because I haven't got anything wrong with me, I haven't got no sort of disability or anything, because I'm supposed to be able to cope and do it all by myself … so they just left me to it really.
Eric, single claimant, male, Greater Merseyside, not earning, no dependent children

Among participants who met the eligibility criteria, only those under threat of eviction had generally had their request for a managed payment approved. One participant, a former heroin addict who had recently been discharged from residential rehabilitation, said that the process of evidencing her addiction had been a humiliating experience. Even then, it was only because she had accrued £1,000 in rent arrears that her request was granted. Private landlords, she pointed out, could start eviction proceedings against tenants owing as little as two months' rent – although, in her case, her elderly parents had stepped in to stop this from happening:

You had to be in at least … two months' arrears … some landlords could kick you out for owing two months' rent … If my mum and dad hadn't have paid the arrears, we wouldn't be [in this flat] … I'd asked for it to be paid to the landlord and then until I got a doctor to say I was a drug addict they wouldn't … how mortifying is that … [I had to] verify that [I am] an ex-heroin addict … and it would be in the best interest for [the rent] to be paid direct … I felt about that big … and I had to show that we was in over £1000 arrears.
Abigail, joint claimant, female, Greater Merseyside, no-earner couple, no dependent children, joint interview

Another participant, who had fallen behind with her rent when an error in the RTI system recorded her partner's earnings twice, also mentioned that the process had been far from straightforward. Though her social landlord was happy to be paid direct, she was obliged to be present during the phone call to the service centre to set up the managed payment. Furthermore, even though the tenancy was in her name only, both she and her partner were required to give their written consent:

We were getting the rent paid to us and we were paying it … but once when this earnings dispute has happened … we didn't have any other money … I got myself into rent arrears … so I spoke to my housing association … and she said, well, you can ask to have the rent paid directly to us. And so the rent manager came out to my home and we sat on the phone to Universal Credit together and asked for that to be put in place … Unless the Universal Credit claimant was present, they wouldn't help! So … I had to write out a letter to say I was happy for the rent to be paid directly to the landlord and my partner at the time had to sign it.
Faye, lone parent, female, Greater Merseyside, not earning, one child

Managed payments, moreover, which were intended to reduce and help avoid rent arrears could also sometimes increase them, adding to the financial distress this alternative payment arrangement was meant to alleviate:

I get it paid straight to [housing] but they're always late with paying my rent! So I'm always in, like, arrears! … I asked for them to pay it straight to them, just so, like, it's a bit easier for me, but I'm not too sure why, I was always getting told I'm in rent arrears.
Lilly, joint claimant, female, Somerset, no-earner couple, two children

Some believed that ongoing arrears were due to the way in which managed payments were processed '*in bulk*' by social landlords. Depending on the date on which their rent was due, the date they were paid Universal Credit, and the date the housing element was deducted, this meant that certain claimants could be up to two months in arrears at certain times of the month:

I'm happy that the rent comes out because … I know that it's paid … because I was worried in case … then I would spend it … [But] I don't like the way they do the rent because it comes automatically out of Universal Credit [and] we're in rent arrears … They wait and pay it in a big lump sum … everyone who are Universal Credit … gets theirs all in one go. So … we're in rent arrears because of that … chasing … our tail … We always get … letters from [housing association] saying we're in arrears … we're not catching up with it … we're always going to be behind.
Lucy, joint claimant, female, Cumbria, no-earner couple, two children, joint interview

Borrowing money from a family member allowed one participant to clear most of her arrears, but few claimants were in this position:

With them paying the rent to my landlord, that's quite helpful. It put me in arrears but I lent money from a family member … and I paid a slight bit ahead, so now I'm only actually in a week's arrears, which is not as bad as eight weeks' arrears.
Faye, lone parent, female, Greater Merseyside, not earning, one child

Another difficulty was that, once a managed payment had been set up, claimants often found themselves 'out of the loop', with little or no communication from the DWP about how much rent was being paid or when. Several participants mistakenly believed that the cost of their rent was being met in full when, in fact, only the housing element of Universal Credit was being paid.[83] This, too, could result in further rent arrears:

> *We got into rent arrears because … they were paying the rent directly to the landlord because I'd asked for that to happen, and they weren't paying the full amount of rent, but nobody had told me that!*
> **Faye, lone parent, female, Greater Merseyside, not earning, one child**

Reflecting the Scottish Choices policy, Universal Credit claimants in Scotland found it easier to arrange a managed payment than participants in England

Having fallen foul of delays between the date she was paid Universal Credit, the date her rent was due, and the date her landlord took the payment, the first that this participant knew about the arrears was when her social landlord served her with a reposession order. At certain times of the month, her rent account was only one month in arrears, but at other times it was two, which automatically triggered a reposession letter:

> *They don't pay it on the same date that they pay your Universal Credit to you, they pay everybody's landlords on one day in the month … When I've called Universal Credit to question it, nobody told me that and my housing association didn't get in touch with me until I was about a month in arrears! … I would get letters saying that they were going to start a possession order … to them it looked like we were two months in arrears and then Universal Credit would pay and then … we were sort of only a month in arrears.*
> **Faye, lone parent, female, Greater Merseyside, not earning, one child**

Reflecting the Scottish Choices policy, Universal Credit claimants in Scotland found it easier to arrange a managed payment than participants in England, but similar issues were reported regarding perpetual rent arrears and poor communication. Contradictory information conveyed by landlords and Universal Credit staff meant that, in spite of endless chasing, many participants were unsure whether their rent had been paid or not, creating stress and worry:

> *If you phone … the council and say, well, according to Universal Credit, it's paid, the council's like, no, you need to get back on to them … and it's gone back and forwards. So the person you spoke to this morning and the person you spoke to this afternoon …*

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83. For private tenants, the housing cost element of Universal Credit is calculated using the Local Housing Allowance (LHA), based on local rental prices and who lives in the household. For social tenants, the housing element is based on eligible rent. If claimants have more bedrooms than the household is considered to need, eligible rent is reduced by 14 per cent if there is one spare bedroom and 25 per cent if there are two or more spare bedrooms. There is a longstanding similar arrangement for Local Housing Allowance. For both types of tenancies, the housing element may therefore be less than the full rent payable: www.gov.uk/housing-and-universal-credit/renting-from-local-authority-or-housing-association

isn't the same person – so you get naywhere fast … and you come off that phone going well, has my rent been paid or has it not? So then you're worrying even more and you're having to … phone the council and say, have you got my rent yet? … And people just don't realise the worry and the loss of sleep because … the communication and the information isn't clear and isn't … consistent.
Claudia, joint claimant, female, Scotland, no-earner couple, no dependent children, joint interview

Rather than a managed payment over which they had little control, many couples in Scotland said they preferred to pay the rent themselves, safe in the knowledge that it was being paid each month and in full. However, depending on the date their rent was due, only those with earnings or other sources of income could generally manage to do so:

I pay the rent with my wages … then the Universal Credit comes in … So I pay the full amount of the rent and then the 85 per cent comes back to me a few days later … [I prefer that] because the rent's due before we get the Universal Credit payment, so I just pay it.
Esther, joint claimant, female, Scotland, dual-earner couple, two children

More Frequent Payments

The strict eligibility criteria in England meant that very few of those who had requested twice monthly payments had been approved

Six couples in our research (three with dependent children and three without) said that their Universal Credit was paid more frequently than once a month. All were households in which Universal Credit was the main or only source of income. Reflecting the Scottish Choices policy, four of the six couples were living in Scotland (a third of the Scottish sample). Both partners in the two English couples who received more frequent payments were care leavers.

Although many participants said that they would prefer to receive Universal Credit more frequently, the strict eligibility criteria in England meant that very few of those who had requested twice monthly payments had been approved:

There is the option to have it paid twice monthly … But you have to really fight … when I'm sort of in the period of low mood … I can frivolously spend money … so I did ask about getting the twice monthly payment and they told me no because I wasn't in any debt and … I wasn't sick enough was exactly what the woman said to me.
Faye, lone parent, female, Greater Merseyside, not earning, one child

One participant dropped her request for more frequent payments following derogatory comments made by a service centre member of staff implying that she had failed to budget adequately. Questions designed to assess her financial capability were said to be patronising and intrusive:

> *[She said] well, you're … obviously not budgeting right … In the end up, I just turned round and I said, it's fine, I'll just leave it as it is… I'm quite a private person … so if somebody's sitting and telling me that you can't budget, 'what are you spending that on that for? … What are you spending, exactly to the last penny?' It's quite … intrusive.*
> **Eva, lone parent, female, Cumbria, not earning, two children**

Though relieved that her request for twice-monthly payments had recently been granted, another female participant similarly found the moralising tone of service centre staff to be rude and condescending:

> *It's such a large sum of money … you end up overspending on food shopping … because you think, oh yeah, I've got money … But at least if I get it fortnightly, you have like a bad week and a good week … so I asked to have my money changed to fortnightly because I struggle with it monthly … I end up, like, running out towards the end of the month … The bloke was really rude, he was, like, 'oh in the real life world, if you can't cope with your budget, you just deal with it!' … He changed it, though, so I couldn't really, like, complain … [I get paid] fortnightly now … but … that's happening this month, I haven't had it started yet.*
> **Lilly, joint claimant, female, Somerset, no-earner couple, two children**

By contrast, in Scotland, at the time of the interviews, more frequent payments were being actively promoted. Several participants reported that they had received a text or journal message asking if they wanted to switch to twice-monthly payments. Nevertheless, many couples opted to stick with a monthly payment frequency; having adjusted to a monthly budgeting cycle, and even though some struggled to make their money last a month, there was a reluctance to change:

> *They messaged me, so it was like a notification on the journal … if I wanted it to be split down to fortnightly. But it took me long enough to get all my bills set up to the same day in the month … I had to change everything … Once something changes it's almost, like, how are we going to cope with this? But once we get into the routine of it, to then go back and have to change it all again … it didn't really suit. But I do have the issue in making Universal Credit last a month.*
> **Molly, lone parent, female, Scotland, not earning, four children**

Lydia, along with some others, had decided to take up the offer, in the hope and expectation that two payments in the month would be easier to budget:

> *A message came up on my journal the other day, saying how do you want to be paid, fortnightly or monthly? So I think we're going to go to fortnightly … that's so much better. Same money you're getting, but … I'm going to do the fortnightly because it's easier for budgeting … But you've got to wait a month to get your two weeks' money … so it's, like, having to try and juggle that couple of weeks again … but I'll have to do it.*
> **Lydia, joint claimant, female, Scotland, no-earner couple, no dependent children**

However, among participants who had switched to twice monthly payments, experiences were mixed. A common complaint was poor communication about when and how much they might expect to get paid. Many wrongly believed that they would receive their first payment two weeks after requesting it. The requirement for both partners in a couple to give their consent to the change caused further delays:

> *[Partner] had his … his interview, and he had mentioned it to his job worker, he says, look, is there a chance that we can go fortnightly? And he says, yeah … get your wife to put something on the journal … I had to go on my journal … saying that [partner] has … requested about payment change. And then … we got a message saying that would be fine … And when our next money was due it didn't go in the bank and I was, like, what's happened? … The money didn't go in … when I phoned them … it was because we had put a request in and it was pending and … they couldn't release it until a decision had been made.*
> **Claudia, joint claimant, female, Scotland, no-earner couple, no dependent children**

Only after agreeing to switch did this couple discover that it would, in fact, be a month before they received the first instalment of their twice-monthly payment:[84]

> *So on the 19th we only got £200 odd put in, and I thought, oh what's happened here? I phoned them up, they says, yeah, because you've requested it fortnightly, you get half on the 19th and the next half on the 3rd … So in my way of thinking is we have lost two weeks somewhere.*
> **Claudia, joint claimant, female, Scotland, no-earner couple, no dependent children**

84. As explained by the DWP: When you're paid twice a month your first payment will be for a full month. You'll get the first half of your second month's payment a month after this. The second half will be paid 15 days later. This means there will be about a month and a half between your first payment and the full amount for your second month. www.gov.uk/housing-and-universal-credit

Regardless of whether they were paid monthly or twice-monthly, many couples who were reliant on Universal Credit struggled to make the payment cover their basic living expenses

Others found that getting two payments monthly did not necessarily help with budgeting. One couple had been advised by their work coach against changing the payment frequency because it would interfere with monthly rent and bill payment cycles. Against her advice, they went ahead anyway:

> *I says to them, look, I want it on a fortnightly basis, and they turned and said to me it won't work … [They said] we've got to ask you but if you want my opinion, I wouldn't go for it … because … you don't get it every fortnight … it's not bang on in the middle … We tried that once and we found that it was, we didn't want it that way either. I think the fact of they put your rent in with it doesn't help because you've got to work out … if they're splitting it, right, how much have I got to pay rent?*
> **Ruby, joint claimant, female, Scotland, no-earner couple, two children**

After finding that having two benefit payments in the month was indeed harder to manage, and different from being paid fortnightly, the couple switched back to a monthly frequency:

> **Dennis:** *Tried [twice monthly] and it didn't work … it was even worse than they paid monthly.*
>
> **Ruby:** *Mmmmm.*
>
> **Dennis:** *… Remember we did try that, thinking it would be easier …*
>
> **Ruby:** *And it wasn't, it just made it worse.*
>
> **Dennis:** *It made it worse, it wasn't any easier …*
>
> **Ruby:** *Because it wasn't a fortnightly basis, it was [twice monthly] …*
>
> **Dennis:** *… So I was, like, no, this is just even worse than getting paid monthly, so we went back to monthly because then it's the same date, not always the same day [but] it's the same date.*
> **Ruby and Dennis, joint claimants, Scotland, no-earner couple, two children, joint interview**

In fact, regardless of whether they were paid monthly or twice-monthly, many couples who were reliant on Universal Credit struggled to make the payment cover their basic living expenses. In these instances (as previously noted) income inadequacy, rather than the payment frequency, generally lay at the heart of budgeting difficulties:

Recently [twice monthly payments have] not been helping at all, because it's £100 odd every two weeks ... That will be £20 in the gas, £20 in the electric and then other commitments that we've got ...money that was borrowed from people ... to get paid back. So, it's a vicious circle right now.
Jeremy, joint claimant, male, Scotland, no-earner couple, two children, joint interview

Split Payments for Couples

Split payments for couples are currently only granted in 'very exceptional circumstances', and only when one member of the couple notifies the DWP of serious financial mismanagement, financial abuse or domestic abuse

Split payments for couples are currently only granted in 'very exceptional circumstances', and only when one member of the couple notifies the DWP of serious financial mismanagement, financial abuse or domestic abuse. Not unexpectedly, the number of split payments is extremely low. In the UK, as of November 2019, just 86 households in receipt of Universal Credit received a split payment.[85] We were therefore surprised to find one such couple in our sample. In fact, facing serious financial difficulties and a distressing set of personal circumstances,[86] the couple had been granted all three APAs, which is rarer still. At the time of the interview, the housing element of the couple's Universal Credit payment was being paid direct to their landlord (along with a payment for arrears), with the remainder of the Universal Credit payment split equally between them and paid four times each month.

Prior to living together, the female partner had been claiming Universal Credit as a lone parent. Her payment had initially been paid monthly, then twice monthly, then reverted back to monthly again after she struggled to budget two payments each month:

I asked them to do it fortnightly, and they turned round and said, yeah, but ... they didn't think about actually informing me when they were going to do it ... They just randomly did it, completely split the money straight down the middle in half and didn't tell me ... did not inform me at all ... As soon as they done that first one, I straight away rang them up and [said] no, change that back ... you've completely messed up my system ... by not informing me, change it back.
Ava, joint claimant, female, Greater Merseyside, no-earner couple, no dependent children

When the couple started living together, they decided that the single monthly payment would be paid into the male partner's bank account. However, after continually arguing over what the money should be spent on, the payment was switched to the female

85. StatXplore, November 2019, accessed 1.4.2020, https://stat-xplore.dwp.gov.uk

86. Details have been omitted to prevent the couple from being identified and to protect their confidentiality.

partner's account. With the roles reversed, the male partner now felt that he had limited say over how their money was managed and spent. They then asked for the payment to be split equally into their separate bank accounts:

> *At one stage I've had it come into my bank account and [female partner] felt that she wasn't having more of a say, so we changed it over to hers and I started feeling that way myself … So we got it split … That way we can mutually agree on what we can put the money towards.*
> **Robert, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children**

However, with deductions being taken for repayment of an advance, tax credit overpayments, rent and council tax arrears, the couple struggled with getting their payments monthly. Requesting to be paid weekly, this APA was granted too; however, doing so entailed the couple disclosing sensitive information from social work reports, which they felt breached their confidentiality:

> *I thought it was quite unreasonable … if someone wants to ask for their money to be split up … to help them manage their money better, I think that's a good enough reason to … give them it weekly … Just because you get it weekly doesn't mean you get any more, it's split evenly … I don't see why you have to meet all these criteria … I basically used what social workers said about us … but we had to go in and basically prove to them that we were really struggling.*
> **Robert, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children**

By granting each partner a modest income and some measure of control over how the Universal Credit was spent, receiving a separate payment was seen to be fairer and more equitable than when one partner had been paid the whole of the award

Each partner now in receipt of a weekly budget of £36, the only way the couple could manage was to put their payments together:

> *Even though we get paid separate, because of the money they're paying us weekly, we still end up just putting it together anyway because it's the only way we can get through the week.*
> **Robert, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children**

Nevertheless, by granting each partner a modest income and some measure of control over how the Universal Credit was spent, receiving a separate payment was seen to be fairer and more equitable than when one partner had been paid the whole of the award:

> *I can't fully class [myself as] independent due to obviously being with [partner]! But at the same time … it means that you can have control on where you're spending your money, knowing exactly where your money's going … Because going on a joint claim together and getting [paid] monthly wasn't working.*
> **Robert, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children**

Since the change, though they continued to struggle financially, the couple agreed that there had been fewer arguments over money and more relationship stability than before:

> **Ava:** *For me anyway that helps us … it helps us with our relationship. It gives us that little bit of independence.*
>
> **Robert:** *Yeah, we've not really argued that much since having the money split!*
> **Ava and Robert, joint claimants, Greater Merseyside, no-earner couple, no dependent children, joint interview**

Budgeting Advances

Applying for a budgeting advance was said to be generally straightforward, as simple as picking up the phone and requesting one

Around a third of couples in our research had received a budgeting advance. Perhaps unsurprisingly, given the strict eligibility criteria around earnings, the vast majority were in non-earner households. Applying for a budgeting advance was said to be generally straightforward, as simple as picking up the phone and requesting one. Within a day or two of requesting the loan, the money had usually been deposited into the payee's bank account. Those who had taken out relatively modest loans found repayments of £20 or £30 per month affordable:

> *I gave them a call, really helpful, spoke to a young lad and … he asked how much we wanted and [partner] worked it out, the amount we got over 12 months, it would be £20 [monthly] which we could afford not to have, and they put the money in the account the same day … really good … it took less than 24 hours … the next … morning the payment had gone in.*
> **Natasha, joint claimant, female, Cumbria, no-earner couple, no dependent children**

The ease and speed of arranging budgeting advances were said to be much improved compared with the paper-based legacy system:

> *I just phoned up and just asked for it … They just paid it pretty much straight away and within a couple of days it was in the account. It was a lot easier process to claim than it was previously … you had to fill in forms … and you had to wait for a reply and then you had to send the form back and then wait … That took usually about two to three weeks.*
> **Joseph, joint claimant, male, Greater Merseyside, no-earner couple, no dependent children**

Some said that the strict conditions for accessing and repaying budgeting advances compared unfavourably to Social Fund loans which, under the legacy system, allowed applicants to borrow multiple sums up to a set amount

However, although it was easier to access, others disliked the lack of flexibility in terms of how much could be borrowed and when. Some found the requirement to repay any outstanding loan before another could be granted, and the inability to borrow less than £100, particularly irksome:

> *I hate the way it's worked now … Before … say you'd applied for £300 and then six months later your cooker broke down … you were still allowed to owe something and … you applied for some … more. Whereas now, if you applied for a budgeting advance, once you've took that, it has to be completely cleared before you can then apply for another one … So basically if your fridge breaks down one month and your washing machine six months later, if you've no' cleared that, that's it … if you're on benefits and something does break down … you cannot get finance!*
> **Molly, lone parent, female, Scotland, not earning, four children**

Some said that the strict conditions for accessing and repaying budgeting advances compared unfavourably to Social Fund loans which, under the legacy system, allowed applicants to borrow multiple sums up to a set amount. Borrowers who were struggling to repay their loan could also renegotiate the repayment terms, enabling them to pay lower amounts over a longer period of time. Multiple Social Fund loans were thus permitted to run concurrently,[87] whereas under Universal Credit a budgeting advance had to be repaid in full before another could be awarded:

> *You can only get it once, if you get one, you've got to wait till that advance payment's paid off … whereas in the past they had the Social Funds … and they take something like £3 a week out your money. Whereas now I think it's £45 a month to pay back off that advance payment!*
> **Amelia, joint claimant, female, Greater Merseyside, single-earner couple, two children, joint interview**

These rules meant that claimants were often encouraged to borrow more money than they had initially requested or wanted. Many were advised to take out their maximum entitlement because a further budgeting advance could not be granted, however small, until the outstanding debt had been repaid in full:

87. Further details about the eligibility criteria for Social Fund loans can be found here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/323533/ssac_occasional_paper_5.pdf

The guy that was on the phone was trying to get us to take … about 600 quid … He said if you don't take the full amount now, you can't then take the rest at a later date … If you end up falling short again, you can't take it again.
Max, joint claimant, male, Cumbria, no-earner couple, no dependent children

Some couples with children were reluctant to take on a larger loan than they needed at that time, but said they had little option:

They've helped me out with that budgeting loan, but even then, like, they didn't explain it properly to me, so I was told I could take out £800 but … I asked them, could I take out £500 now and then £300 in a couple of months when I need it? And the bloke was like, 'yeah, that's fine'. And no, it wasn't fine! I find they don't all know the same stuff and like you get told different by different people.
Lilly, joint claimant, female, Somerset, no-earner couple, two children, joint interview

Another common complaint was that eligibility criteria were not always clearly communicated, and that information given by different members of staff was incorrect or inconsistent:

They said that I wasn't allowed to have a budgeting advance because I'd had a … an advance previously, even though … I wasn't owing any money to them … I'd paid it all off … The person on the phone said that you're only ever allowed one budgeting loan, no matter how long you're Universal Credit for … you get … one chance … and once you've had it you can never get another one … She was getting, like, snotty … and speaking down to me and telling me that I was wrong.
Tamsin, Joint claimant, female, Greater Merseyside, single-earner couple, two children

One couple, in which the male partner had recently been made redundant, was refused a budgeting advance because the RTI system recorded him as still being employed. The refusal had left the family with insufficient money to live on:

I phoned up twice this month and asked for an advance payment. The first one turned round and said no because [partner] was still working, I'm, like, he's not working … he got paid off. But they were, like, no, it's not come up on the system, he's still working … I phoned last week and I got told, no, not until the budgeting loan is paid off. So every time you phone up … they come up with different excuses not to give you it … We only got £363 this month to feed four people and put gas and electric in and pay bills.
Ellen, joint claimant, female, Scotland, no-earner couple, two children

It was also apparent that budgeting advances were being offered and taken out to cover costs other than emergencies and one-off expenses, to meet basic living expenses:

When we first moved in here, we got some decorating vouchers from the social housing which wouldn't even have paid to decorate one room … So we ended up getting one of these emergency [budgeting] loans just so we could put food in the cupboard.
Natasha, joint claimant, female, Cumbria, no-earner couple, no dependent children

In several instances, a budgeting advance had been offered or taken out because the couple had received a nil award or had lost entitlement to Universal Credit. One such couple was advised by their work coach to take out a budgeting loan to pay nursery fees they owed because the multiple counting of their earnings within the monthly assessment period had ended their entitlement to Universal Credit, along with the contribution they had been getting towards their childcare costs:

We went down the Jobcentre … and one of the guys there said … 'do you want to take a loan out, because you've got to pay at least something … to nursery?' … So they wanted for us to at least pay something for the nursery, even though they haven't paid us.
Jessica, joint claimant, female, Somerset, dual-earner couple, two children

One couple took out a budgeting loan to pay nursery fees they owed because the multiple counting of their earnings within the monthly assessment period had ended their entitlement to Universal Credit, along with the contribution they had been getting towards their childcare costs

Couples with multiple deductions above the 30 per cent ceiling – due to last resort deductions for rent, for example – had sometimes been obliged to take out a budgeting advance to fund basic living expenses. Lydia had taken out a loan to cover a large shortfall in the couple's income after her partner was sanctioned. With only her half of the couple's standard allowance being paid, and with deductions being taken for loans her partner had taken out when claiming as a single person, she was effectively supporting herself and her partner using a single person's entitlement. Though she had arranged for the loan repayments to be deferred, she worried about how they would cope when they restarted in six months' time:

I've asked for this loan thing to be put off for six months … so now we're getting £350 a month … but in six months' time we're going to be back to £175 a month … and that's us going to be back to square one … We cannot just get out of the hole we're in, it's impossible … Even though we're getting paid this £175 now, that's actually technically my money … because obviously I'm paying back all [partner's] loans … So if he wasn't in a joint claim with me, he would have no money at all.
Lydia, joint claimant, female, Scotland, no-earner couple, no dependent children

Where budgeting advances were being used to help couples to manage chronic debt, using one form of debt to repay another was simply not sustainable. With her mental health in decline, Lydia believed that the couple's distressing financial circumstances were affecting the stability of the relationship:

> *They take all this money off you for loans, it's such a high amount to pay back … We're actually paying back that many loans … [it's] impossible to pay it back … I've never felt so low, my depression's got hundred times worse since I've been put on this Universal Credit … We argue a lot, we do … a lot more since we've been on this joint claim, a lot more … because I … resented things for a wee while, I was, like, I've lost all this money because of you.*
> **Lydia, joint claimant, female, Scotland, no-earner couple, no dependent children**

10

‘A Nice, Comprehensible, Simple, Straightforward, Personal Benefit’?

In many respects, our findings echoed those of other researchers and advice organisations dealing with more vulnerable and poorer claimants. However, an unexpected finding was the extent to which some couples with earnings at the upper end of eligibility for Universal Credit also struggled to manage their household finances month to month

It is now over ten years since the initial conception of Universal Credit; but it has been rolled out incrementally and there are gaps in our understanding of how different groups of claimants are being affected. Our study sought to disentangle the different elements of Universal Credit and specifically to explore how couples, with and without children, are responding to this changed policy environment. In this final chapter, we draw out some of the key themes and issues and reflect on their implications for policy. Our focus is on couples, but many of the findings also have wider applicability to single claimants and lone parents. We highlight the complexity that lies behind the seemingly simple concept of a single monthly payment and challenge the extent to which Universal Credit is the *'nice, comprehensible, simple, straightforward, personal benefit'*[88] that its architects intended it to be.

Our sample was diverse. The research participants all had experience of joint claims and most had been claiming Universal Credit for more than six months – some for two years or more. They were therefore well beyond the early days of transition or entry into the system. Many started claiming Universal Credit as a couple after moving in with their partner; others did so following a drop in earnings due to redundancy or having a baby. Some claimants were new to the benefit system but most were not. Indeed, a majority had moved on to Universal Credit directly from legacy benefits or tax credits. Many claimants were engaged in paid work or had recently been employed, and many had prior experience of claiming Working Tax Credit. Just under half the couples interviewed had at least one earner, and some had incomes at the upper end of eligibility for Universal Credit entitlement. As such, the sample comprised participants with a wider range of employment and income circumstances than has been included in many previous research studies.

This said, in many respects, our findings echoed those of other researchers and advice organisations dealing with more vulnerable and poorer claimants. Financial difficulties during the initial wait and beyond the first payment, for example, have been well documented and were also reflected in our research. The economic context of recent years, also widely reported – including wage stagnation, increases in the cost of living, social security cuts including the freeze in working age benefits and Child Benefit, the introduction of the two-child limit and the benefit cap – similarly had an impact, squeezing household incomes from both ends. Couples with earnings (virtually all of whom had dependent children) were more cushioned than those without, and this continued to be the case beyond receipt of the first payment. Not unexpectedly, unwaged couples with no other income to fall back on, struggled the most. However, an unexpected finding was the extent to which some couples with earnings, including those

88. Sainsbury, R. (2014) 'Talking Universal Credit: In conversation with Lord Freud', *Journal of Poverty and Social Justice* 22(1): 37–44, p. 44

at the upper end of eligibility for Universal Credit, also struggled to manage their household finances month to month. However, while the different circumstances and experiences of claimants with and without earnings – those for whom Universal Credit was an earnings top-up versus those reliant on Universal Credit as their main or only source of income – were found to be an important divide, it did not always follow that the presence of household earnings precluded budgeting or financial difficulties.

As long as the household had other sources of income, budgeting a single monthly payment was relatively straightforward. For couples who relied on Universal Credit as their major source of income, it was a different story

And although claiming Universal Credit as a couple is different from claiming as a single person or lone parent, our participants shared many experiences with claimants not claiming jointly. Moreover, although the 'jointness' of claiming was important in how people perceived and interacted with the system, the experiences of couples were complex and did not always work in consistent ways or as might be expected. The implications for couples of paying Universal Credit into one nominated bank account were also more complex and nuanced than might have been expected.

Couples and Universal Credit: Themes and Issues

Here we outline the central themes and issues arising from our research, covering: the extent to which couples felt, or were, financially better off on Universal Credit; the month to month variability and uncertainty in the Universal Credit payment; the single, integrated, nature of the payment; money management and distribution in couples; and the greater administrative burden and compliance costs for women. Throughout, we highlight those aspects that are shared with other Universal Credit claimants but also draw out specific issues relevant to couples in particular. In the final section, we discuss policy implications.

Better or Worse off as a Couple?

Universal Credit has been specifically designed to increase the financial incentive to be in paid work relative to being out of work, and for couples (with and without children) to have at least one partner in paid work. The policy focus on encouraging the first earner in a household, via more generous incentives, was reflected in the experiences of participants. Single-earner and low-paid dual-earner couples mainly liked and (if they had previously experience of benefits or tax credits) often preferred Universal Credit to the legacy system. With the payment used to top up the wages of the main earner (typically the man), and to substitute for reduced or lost earnings (typically of the woman) due to pregnancy, maternity leave or childcare responsibilities, as long as the household had other sources of income, budgeting a single monthly payment was relatively straightforward.

For couples who relied on Universal Credit as their major source of income, it was a different story. Prior to the joint Universal Credit claim, many participants had previously been getting means-tested benefits or tax credits in their own right. Because the standard allowance for couples is less than double the allowance for two single claimants, for those who had formerly been claiming as individuals, the joint entitlement represented an unexpected fall in income. Particularly affecting women who had been claiming as lone parents, the aggregation of couples' needs and resources could also lead to a reduction or loss of personal income and entitlement, more especially if their partner had earnings. These aspects of claiming jointly are features of the wider means-tested social security rather than being specific to Universal Credit. Nevertheless, in couples reliant on Universal Credit as their main or only source of income, the lower amount that they were entitled to as a result of starting to claim jointly, as they saw it, added to budgeting and financial difficulties; and a joint claim also meant a reduction in personal access to income for some women.

Against this background, specific elements of the design of Universal Credit were also clearly affecting the amount and distribution of money in couple households. Advances – repayable loans, heavily promoted by the government as the principal means of bridging the income gap during the five-week wait for payment of the award – put couples who took them up unavoidably into debt from the outset. Reforms – including an increase in the amount that could be advanced and extensions of the repayment period – helped some. But they could be a double-edged sword: the larger the advance, the higher the monthly deduction, and the longer the repayment period. With advances linked to predicted entitlement, couples with children (whose level of entitlement was generally higher than couples without dependent children), were affected the most. Many of those who took out large advances were obliged to defer the repayments and were struggling to clear the debt more than a year after first claiming Universal Credit. Some advances were also over-estimated and had to be repaid from a much lower award than had been forecast.

Echoing similar findings in other research, a common thread running through many narratives was the large discrepancy between Universal Credit entitlement and the actual amount paid

These findings reinforce those of other researchers about the difficulty of bridging the five-week wait for all claimant groups. However, there was one issue that applied only to couples. Both partners are now required to consent to an advance. For those affected by earlier rules, however, the financial impact of allowing one partner to authorise the payment was still being felt. Some women (most of whom had since separated) found themselves liable to repay half the money that had been advanced to their partner without their knowledge or consent.

But advances – advocated as a one-off solution to payment monthly in arrears – were just the start of financial problems for many couples. Echoing similar findings in other research, a common thread running through many narratives was the large discrepancy between Universal Credit entitlement and the actual amount paid. In many cases, the money couples received fell a long way short of what they expected or had been informed they were entitled to. Key reasons for this included deduction for benefit and tax credit overpayments (both historical and incurred recently during the move to Universal Credit) and 'third-party' deductions for rent and council tax arrears, together with 'last resort' deductions for current rent and energy costs. These affected both couples with one or more earners and those without. Couples in which one or both partners had previously claimed benefits or tax credits as a parent were affected most, as they often had multiple debts. Those who were new to claiming benefits – with their claim due to the arrival of a new baby, for example – and previous claimants with no historical overpayments or debts to repay, on the other hand, were largely unaffected.

The ability to budget monthly and manage a single monthly payment was only partially shaped by the frequency of the award; an important part of the picture was also the (lack of) generosity of allowances, the (in)adequacy of the actual payment and the presence (or absence) of other sources of household income

There were also issues related to deductions that were specific to couples. Some participants inherited, and became liable to repay, the historical debts of their partners. In addition, couples and step-families found that deductions were being taken from their Universal Credit payment to repay tax credit overpayments, council tax arrears and old Social Fund loans dating back decades. In several cases, the debts related to a period before the couple were living together or had even met.

The combination of low allowances and multiple deductions taken at source from the Universal Credit payment sometimes reduced household income to below the level needed by couples and families with children to cover rent and other basic living expenses. Those for whom Universal Credit was their main or only source of income frequently ran out of money before the end of the month. In such cases, though the monthly frequency of the payment added significantly to budgeting difficulties, income inadequacy – rather than poor financial skills or mismanagement – was often the key underlying issue. Corroborating this finding was the fact that, in couples who liked and had adapted well to a single monthly payment, other sources of household income (mainly earnings but sometimes other social security benefits), received at different times of the month from Universal Credit, were often central to their ability to manage monthly.

The ability to budget monthly and manage a single monthly payment was thus only partially shaped by the frequency of the award; an important part of the picture was also the (lack of) generosity of allowances, the (in)adequacy of the actual payment and the presence (or absence) of other sources of household income.

Month to Month Variability and Uncertainty in the Universal Credit Payment

Alongside income inadequacy, budgeting and financial difficulties caused by large and frequently unpredictable month to month variations in the Universal Credit payment were other strong and persistent themes in our participants' experiences, as they have been found to be for claimants in other research. To reduce the likelihood of overpayments and to incentivise paid work, Universal Credit was conceived as a benefit that would respond swiftly to changes in earnings in real time. However, with entitlement reassessed each month, a fluctuating monthly payment could create uncertainty and income insecurity. Most affected were working couples with irregular earnings, but some couples with regular monthly salaries and non-waged couples subject to deductions, which could also fluctuate, also had this experience. Planning ahead for the months when Universal Credit payment drops, by setting money aside from earnings to offset a reduction in the next Universal Credit payment, as the government advises, worked for couples with surplus income. However, spending patterns that ebbed and flowed in response to fluctuations in household income and expenditure made this task unworkable for others, despite their best efforts.

Time lags of two months or more between working more or fewer hours and the receipt of higher or lower wages, in combination with a Universal Credit award calculated and paid in arrears, could also make it extremely hard to predict when and by how much the payment would rise or fall

Time lags of two months or more between working more or fewer hours and the receipt of higher or lower wages, in combination with a Universal Credit award calculated and paid in arrears, could also make it extremely hard to predict when and by how much the payment would rise or fall. Whilst this can affect any claimants with earnings, the complexities were multiplied if both partners in a couple were working and had different wage frequencies and pay days. In this context, with notification of how much Universal Credit will be paid given only a week before the money is due, monthly budgeting could be very challenging. While couples appreciated the reduced likelihood of being overpaid compared with tax credits, and were grateful for those months when the Universal Credit payment rose, sometimes an increase came too late or was insufficient to top up household income in the months when they needed it most.

The difficulties caused by the interaction of earnings with the fixed monthly assessment period among those paid weekly or four-weekly have been well documented. In our research, receipt of several wage packets in one assessment period and month to month variation in the Universal Credit payment also affected couples who were paid regular monthly salaries. Being paid a few days early – due to a week-end or bank holiday, for example – could similarly result in more than one wage packet being counted. Those who were particularly badly affected were working couples whose pay days were close to the end or beginning of the fixed monthly assessment period. Receipt of a lump sum – such as holiday pay, performance bonus, annual salary increments or wage increase, as well as a back-dated benefit payment – could also reduce or eliminate a couple's monthly entitlement to Universal Credit.

Consequently, among both single – and dual-earner couples, and regardless of whether they were paid weekly, four weekly or calendar monthly, month to month fluctuations in Universal Credit were commonplace. Fluctuating payments and loss of entitlement to Universal Credit could also have knock-on effects for eligibility and entitlement for other forms of means-tested help, including council tax support, prescription charges and 'passported' benefits. A monthly change in income or earnings could similarly affect the amount of deductions taken from the payment, adding further to the uncertainty of payment.

Because the monthly earnings of couples are aggregated for the purposes of calculating entitlement, in dual-earner households, these effects could be amplified, as well as prolonged. The double, triple, even quadruple receipt of wages in the same assessment period could cause Universal Credit entitlement to cease altogether. Even though the couple had not actually earned any more money, two sets of aggregated wages in a single assessment period could also trigger 'surplus earnings' rules, meaning that it could be many months before they became eligible to reclaim.

The treatment of childcare costs also proved to be problematic for the (small number of) working parents in receipt of the childcare element of Universal Credit (affecting lone parents as well as couples with two earners). Childcare costs are paid upfront and later reclaimed, which is difficult enough for low-income parents to manage; indeed, many were put off using the childcare element for this very reason. But contributions towards childcare costs are also included as part of the monthly assessment, something which few parents were aware of or could quite comprehend – seeming as it did to give financial help with one hand, while taking it away with the other. With childcare contributions absorbed within the monthly payment and tapered away as an element of that as earnings rose, some working mothers were unable to pay their childcare fees and got into serious debt with their childcare provider. Budgeting loans offered to repay such debts seemed to them like 'robbing Peter to pay Paul'.

Super-responsive means testing was not only causing financial difficulties but, in some couples, also undermining the key policy goal underpinning Universal Credit to incentivise work and higher earnings

This super-responsive means testing was not only causing financial difficulties but, in some couples, also undermining the key policy goal underpinning Universal Credit to incentivise work and higher earnings. The fear of losing entitlement in future months meant that some wage-earners in families were reluctant to take up extra shifts or offers of overtime. Knowing that the Universal Credit payment received by their partner would be reduced or might cease if they earned more could also disincentivise them from working additional hours. Concerns over their ability to pay for child care led some working mothers to reduce their hours of work or give up jobs altogether. Even among couples who were financially better off under Universal Credit, the greater security of tax credits – paid at the same rate for a year (unless claimants notified HMRC of a change in earnings above a certain level) – often trumped a monthly increase in household income, particularly if the net difference was relatively small and extra hours worked meant less time to spend with children.

Monthly assessment, moreover, did not necessarily increase transparency. The earnings rules and annual assessment of tax credits (which normally fixed weekly or four-weekly payments for a year) were said by many to be easier to understand and manage than the monthly recalculation of entitlement. Instances of overpayment and underpayment, meant to decrease under Universal Credit, were also surprisingly (and worryingly) common. The automated process of calculating entitlement and payment, furthermore, could make it hard for couples to comprehend or challenge the amount they had been paid. Many struggled with the digital interface, not because they lacked IT skills or were unable to access the internet, but because of its automated, 'faceless' character. Algorithmic decision-making meant that DWP staff were frequently unable to explain how the award had been calculated, why couples had been under – or over-paid, or why their payment or entitlement had stopped. The aggregation of wages to create a single monthly earnings figure against which Universal Credit entitlement was assessed and tapered also made it hard for couples to tell how many sets of wage packets had been used in the calculation, and if the Universal Credit payment was therefore correct. In couples, the responsibility for challenging errors and raising official disputes about the amount of earnings that had been taken into account generally fell to female partners; this was burdensome, and issues could take many weeks to be resolved.

Managing a Single, Integrated Payment

Having a number of different income sources helped to spread risk. An integrated Universal Credit payment which was stopped or reduced, on the other hand, sometimes left couples who had no other source of income with little or no money to live on

Integrating elements for adults, housing costs, children, caring and childcare costs is intended to streamline the previous system of separate payments, making budgeting easier. A monthly 'lump sum' payment is also intended to enable claimants to benefit from bulk food shopping and monthly direct debit discounts offered by utility providers. However, for many couples, as for other claimants, some of these underlying assumptions did not always hold. Universal Credit as a single payment means that there is no separation of elements, unlike the legacy system in which Child Tax Credits and Housing Benefit had specific labels indicating their intended use. The lack of labelling could be an issue, particularly for mothers, for whom having the child and childcare elements separate was seen as highlighting the purpose of these payments, helping them to ring-fence and allocate expenditure to children. Smaller amounts paid more frequently were said by our – mainly female – money managers to help to stretch meagre household incomes further, and were easier to budget. Pre-payment meters, which could be topped up when funds allowed and could not be disconnected, gave them greater control over their household finances. Failed direct debit payments due to insufficient funds, on the other hand, could incur costly bank charges considerably in excess of any theoretical savings from cheaper energy tariffs.

Having a number of different income sources also helped to spread risk. An integrated Universal Credit payment which was stopped or reduced, on the other hand, sometimes left couples who had no other source of income with little or no money to live on. For families with children, Child Benefit was sometimes the only income they had and could depend on. Other couples, though not dependent on Universal Credit, expressed similar sentiments. If they received a payment, it was a welcome bonus; but they could not rely on it. Alternative payment arrangements helped some couples, but not others. Managed payments by social landlords were generally welcomed, but rent collection cycles left some couples in permanent rent arrears. A combination of high rent and deductions for advances and other debt repayments also meant that some of those opting for a managed payment to their private landlord were left with very little money to live on. Some couples who switched to twice-monthly payments also found that this did not necessarily help with budgeting if the amount of Universal Credit they were paid was insufficient for their needs.

Money Management and Distribution in Couples

The issues of money management and distribution in couples on Universal Credit have to date been little researched, because of the protracted rollout and scheduling of couples later in the timetable. However, they were much debated in the run-up to meaningful numbers of couples claiming Universal Credit jointly. This theme in our research is therefore of particular significance, in our view, in order to give a more rounded and complete picture of the impact of Universal Credit.

Different benefits paid to the different members of a couple under the legacy system enabled non-waged or low-earning partners, who are more likely to be female, to receive their own income and thus a personal share of household money. With the potential to concentrate a household's entire income in the hands of one partner, equality organisations and women's groups have highlighted the implications that a single monthly payment could have for intra-household 'purse to wallet' income transfers from women to men. Absorption of benefits intended for children into a single award also undermines the principle that child-contingent benefits should be paid to the parent who takes the major responsibility for care, which in most families is the woman. Concerns have also been raised about the increased scope for financial abuse that a single monthly payment could pose for women living with an abusive or controlling partner, or a partner with a drug, alcohol or gambling problem. Even in seemingly equitable relationships, benefit money paid to only one partner has the potential to reinforce or create financial power imbalances in couples.

Different benefits paid to the different members of a couple under the legacy system enabled non-waged or low-earning partners, who are more likely to be female, to receive their own income and thus a personal share of household money

In this research, in approximately two-thirds of couples, the woman's bank account was nominated to receive the Universal Credit payment. Decisions about which payee or account to nominate tended to be pragmatically driven and typically reflected couples' money management practices. That women's bank accounts were much more likely to be used than men's thus reflected the fact that, in a majority of couples, women had the main responsibility for managing the household finances. In other couples, the decision was more principled, with the Universal Credit paid to the partner who had no or lower earnings or no other source of income. Generally, this was the woman, but in some couples it was the man. Joint accounts, suggested by the government as a means of enabling both partners to access the Universal Credit payment, were rarely used. Only a minority of couples had joint accounts and very few had opted to use them for the single payment. Indeed, joint accounts were seen as risky and anachronistic, particularly by women, who mainly wanted and expected to control their own money.

Which bank account the Universal Credit payment was paid into mattered much more when the couple had no earnings or other source of income. Whether the payee was a man or a woman, being financially dependent on a partner could undermine the sense of equality in a relationship

If they trusted each other, some couples shared bank log-in details and passwords, enabling money to be accessed by and distributed between both partners. Online and mobile banking was similarly useful for transferring money from one account to another to pay rent and bills, as required. So the decision as to which bank account to designate for Universal Credit payment was not necessarily an issue in how the money was accessed, distributed or spent. Little can therefore be inferred on the basis of the gender of the bank account holder or the type of bank account used for Universal Credit. Nor can it be assumed that a single payment is unproblematic for women simply because they are more likely to be the payee. Responsibility for managing the single monthly payment could be a heavy burden.

Which bank account the Universal Credit payment was paid into mattered much more when the couple had no earnings or other source of income. Whether the payee was a man or a woman, being financially dependent on a partner could undermine the sense of equality in a relationship. Having to go 'cap in hand' was felt to reinforce if not an actual, then a symbolic, dependence of one partner on the other and to be out of step with the nature of modern relationships. Not having a personal income also meant that some partners were unable to contribute to the household finances or to learn budgeting skills. But it was not just having an income that was important for the financial independence of each partner; having their own bank account mattered too, giving each a stake in household financial decision-making. Separate bank accounts granted each partner a sense of financial autonomy and a personal financial identity or 'footprint' – important for accessing financial products and services in their own right, as well as being a necessary pre-requisite for claiming Universal Credit (and other benefits) individually if the couple were to separate.

Benefit money concentrated in the hand of one payee also proved to be highly problematic for those in unequal or abusive relationships – an issue specific to couples raised by many previous commentators on Universal Credit. Among participants who had formerly claimed jointly but were now claiming as a lone parent or single claimant, a majority said that their former partner had mismanaged or misappropriated the Universal Credit payment. In several cases, inability to access the payment had left the female partner with significant liability for debts and rent arrears. Receiving one payment per couple was also perceived to be much riskier among lone parents who had re-partnered and in step – families in which the new partner was not the biological father of the children on the Universal Credit claim. Lone parents sometimes chose to live apart from a partner rather than relinquish control over money awarded for them and their children. For reasons of gender equality, and to minimise opportunities for financial abuse and mismanagement of the claim, paying a separate amount to each partner was seen to be a safer and fairer way of distributing Universal Credit, as well as being more in tune with contemporary relationships in which the vast majority of women engage in paid work, earn their own income and manage their own money.

Greater Administrative Burden and Compliance Costs for Women

The trade-off of an integrated, more responsive, single monthly benefit thus appears to be increased financial uncertainty and additional compliance costs, with greater risk and administrative burdens transferred onto claimants. Though the reporting of earnings and the calculation of entitlement are largely automated, as the research here has shown the process is not always error-free; nor has it necessarily been designed for the benefit of all claimants. Low-paid and self-employed claimants outside the PAYE system must self-report their earnings and profits each month. Parents seeking contributions to childcare costs must pay the fees upfront and evidence payment before being able to reclaim these costs. Increased conditionality, particularly for 'lead carers' in couples with children (to be addressed in greater detail in phase 2), means that many more claimants are required to evidence job search and engage with work coaches. These administrative and conditionality requirements must largely be met using the digital platform. Budgeting monthly and managing a fluctuating, often unpredictable, Universal Credit payment also increase the amount of time and effort involved in monitoring household cash flow and checking the online account. In most couples, regardless of which partner was the Universal Credit payee, responsibility for these tasks, together with the stress and worry that often accompanied them, fell disproportionately on the shoulders of women.

The trade-off of an integrated, more responsive, single monthly benefit appears to be increased financial uncertainty and additional compliance costs, with greater risk and administrative burdens transferred onto claimants

Gendered effects thus often reflected the fact that women generally had greater responsibility for budgeting and managing household finances – often on top of caring for children and/or holding down a job. In many households, managing a single monthly payment has added considerably to this already heavy workload. The fear of not being able to cope, or that the family's difficult financial circumstances would come to the attention of social services with potential consequences for the children, were further source of stress that were typically voiced by women. The all-consuming nature of managing the single monthly payment sometimes spilled over into couples' relationships, culminating in disagreements about money and debt. For the many partnered women and mothers in couples in this research who bore the brunt of these additional compliance costs, the extra effort and emotional heavy lifting meant that Universal Credit was not just 'like work' – it *was* work, and frequently onerous, stressful work at that. These are perhaps some of the less well-known unintended gendered consequences of Universal Credit.

Policy Implications

The themes and issues we outline above have implications for Universal Credit policy and design generally, reinforcing as they do the conclusions of others in relation to claimants' experiences. But in addition, our research suggests that more consideration should be given to the needs, circumstances and treatment of couples, partnered women, and those in controlling or abusive relationships.

Better or Worse off as a Couple?

For Universal Credit claimants in general, measures are needed to reduce the gap between entitlement and the amount actually paid. As part of the government's emergency response to the COVID-19 outbreak, recovery of some overpayments and loans has now been suspended. But this does not cover advances, or debts to third parties, and is currently only temporary. Longer term, therefore, there is a need to revisit the deductions policy and rules. For couples, it is crucial that this includes partner inherited debt. Deductions should also be taken into account in future assessments of the impact of Universal Credit, to give a realistic picture of claimants' incomes that is not obtained via modelling.

For Universal Credit claimants in general, measures are needed to reduce the gap between entitlement and the amount actually paid

However, the amount of Universal Credit itself is also a key issue. The temporary increase in the standard allowances for Universal Credit as part of the government's emergency measures has gone some way to addressing the inadequacy of the amounts payable, and should be a guide to future policy; but as the increase was the same for single claimants' and couples' allowances, there should also be a review of the relationship between them.

For couples in particular, joint assessment of income, assets and needs, and lower benefit compared with what two single people get, are integral to means-tested benefits in general, not just Universal Credit. But the integrated nature of Universal Credit potentially means the loss of all personal income for many women in particular who live with a partner; and the priority on having one earner in the household means reduced incentives for earning independent income for many 'second earners'. Potential policy solutions involve separating out some elements, ensuring personal access to some income for both partners in couples, and improving incentives for second earners.

Month to Month Variability and Uncertainty in the Universal Credit Payment

Policy here should be guided by the principle that Universal Credit claimants should be able to predict and manage their household income, and make decisions about work and working hours, with greater confidence. The system of monthly assessment needs to be reviewed, with a view to providing greater security. This is particularly important for two-earner couples, as they can suffer increased volatility of income, depending on their pay dates, and more easily lose entitlement to Universal Credit completely in some months. Claimants should also be given the ability to choose, and the flexibility to change, the date of their monthly assessment period.

Separate payments in couples would also address some contradictions inherent in the design of Universal Credit, including individual conditionality requirements without individual entitlement to payment, and an emphasis on self-reliance whilst encouraging financial dependence within couples

The treatment of childcare costs also requires review, to reduce the uncertainty and hardship caused by upfront payment and month to month variations, and to prevent the undermining of incentives to earn or earn more, for both partners in couples as well as lone parents. Increasing the amount of free provision, and supply side funding of childcare providers, would avoid many of the problems our participants experienced.

Managing a Single, Integrated Payment

For many claimants, and for partners in couples in particular, a single, integrated payment can create difficulties. First, it is crucial that non-means-tested benefits which are not absorbed into Universal Credit, such as Child Benefit, are maintained and improved, to lessen reliance on the one payment of Universal Credit. More frequent payments of Universal Credit would also be useful to many – but with the current benefit rates, a continuing system of monthly assessment, and payment in arrears, they can be of only limited help. More radical reforms would separate out and label benefits paid for different purposes, rather than pay them all together.

Money Management and Distribution in Couples

Each partner in a couple could be receiving different payments in the legacy system, thus giving each person access to some personal income. This is not the case with the Universal Credit single payment. Whilst for many stable couples in our research the single payment to one bank account did not prove problematic in practice, the previous experiences of lone parents in particular showed these risks to be real; separate payments to each partner would help to safeguard against them.

Separate payments would also address some contradictions inherent in the design of Universal Credit, including individual conditionality requirements without individual entitlement to payment, and an emphasis on self-reliance whilst encouraging financial dependence within couples. A single payment to couples thus sends contradictory messages, which could be resolved by separate payments.

Greater Administrative Burden and Compliance Costs for Women

Separate payments of Universal Credit could redistribute not just income within couples but also the tasks of managing a significant lump sum each month for the household – tasks that were largely taken on by women participants in our research. In order to reduce these administrative and compliance burdens, there would need to be a reduction in the requirements imposed by an integrated and more responsive means-tested system – including its wider and deeper conditionality, its monthly recalculation of entitlement, the demands of having to pay upfront childcare costs and the time and energy required to resolve the errors inherent in an automated system. This would amount to thorough-going reform. At a minimum, there should be a review of the administrative and compliance costs imposed by Universal Credit, to better understand the (gendered) impact and how to reduce them.

Next Steps

There should be a review of the administrative and compliance costs imposed by Universal Credit to better understand the (gendered) impact and how to reduce them

Since our interviews were undertaken, the COVID-19 outbreak has fundamentally changed the economic and social landscape. At this juncture, neither the short – nor longer – term impacts, nor the effectiveness of measures put in place to mitigate the effects of the economic downturn, are possible to predict. Whether Universal Credit as currently designed and delivered is fit for purpose in this new context is similarly unknown. Through tracking the experiences of our couples over time, in phase 2 of the research, we will have the opportunity to explore these questions further. A key focus will be how couples with children make decisions about work and care in this significantly changed environment. Whether there are any unexpected or unintended effects, for example on gender roles or the stability of couples' relationships, will be a further area of interest and exploration.

Glossary

This glossary is correct at the time of finalising this report (May 2020), although the fast-moving policy changes due to COVID-19 may either alter or add to some of the items listed below.

Administrative Earnings Threshold (AET): Claimants with very low earnings below a certain level, known as the Administrative earnings threshold (AET), are expected to carry out intensive work-related activity as part of their claimant commitment if relevant to their conditionality requirements. Only employed earnings can contribute to meeting the AET (this means that self-employed earnings will not count towards it).

Advance Payment: Claimants who are struggling to cope financially while they wait for their first Universal Credit payment can apply for an advance payment. The maximum awarded as an advance is the amount of their first estimated Universal Credit monthly payment. Advances are repayable and claimants start to pay back them back from their first Universal Credit payment. Currently advances must be repaid in full within 12 months (due to be extended to 24 months from October 2021).

Alternative Payment Arrangement (APA): Alternative Payment Arrangements (APAs) are for claimants on Universal Credit who are deemed to be struggling to manage a single monthly payment, with a risk of financial harm to the claimant and/or their family. The following APAs are available: paying housing costs of Universal Credit as a Managed Payment (MP) direct to the landlord, sometimes called 'direct payments'; more frequent payments (typically, twice monthly but also potentially four times per month); and split payment of an award between the partners on a joint claim.

Benefit Cap: The benefit cap is a limit on the total amount of income from certain benefits a household can receive. It is set at a different level depending on whether claimants live inside or outside London. Some claimants who are in paid work may be exempt from the benefit cap if their earnings are high enough.

Bedroom Tax: Also known as **'**under-occupancy charge' or 'abolition of the spare room subsidy', this is a reduction in housing benefit or the housing element of Universal Credit for people who live in council or social rented sector housing and are classed as having one or more spare bedrooms.

Benefit Run-On: A non-recoverable two-week Housing Benefit run-on was introduced in April 2018, and a two-week run-on for claimants moving on to Universal Credit from Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance is to be introduced in July 2020.

Budgeting Advance: Claimants might be able to get a budgeting advance to help with items such as emergency household needs, work related costs or funeral costs. To be eligible for a budgeting advance, claimants must have been getting Universal Credit for six months or more unless they need the money to start or stay in work. They must have also been earning under certain amounts and must have paid off any previous budgeting advances.

Carer's Allowance: Carer's Allowance is a non-means-tested, non-contributory benefit for eligible working age carers not in receipt of other benefits. Recipients can combine caring with a small amount of paid work before eligibility is lost. Carer's Allowance is deducted pound for pound from the Universal Credit award.

Carer's Element of Universal Credit: People caring for a severely disabled adult or child for 35 hours per week or more, who are eligible for Universal Credit, may qualify for the carer's element. Those in receipt of the carer's element can combine caring with paid work, but any earnings are included in the taper (above the work allowance, if relevant). Eligible claimants can choose whether to receive Carer's Allowance or the carer's element of Universal Credit, but they cannot receive both at the same time.

Change of Circumstances Reporting Requirements: Some changes in circumstances must be reported each month, and failure to report might lead to Universal Credit being stopped or reduced. Changes include: finding or finishing a job, having a child, moving in with a partner, starting to care for a child or disabled person, moving to a new address, changes to bank details, rent going up or down, changes to health condition, becoming too ill to work or meet a work coach, changes to earnings (only for self-employed or those not paid through the PAYE system).

Child Amount/Element in Universal Credit: A 'child amount' may be included in a Universal Credit award for each dependent child or 'qualifying young person' for whom claimants are responsible. However, there is a two-child limit. A child amount is only paid for a third or subsequent child if they were born before 6th April 2017 unless there are exceptional circumstances. There are additional amounts for disabled children.

Child Benefit: Child Benefit is paid to the person responsible for bringing up a child who is under 16, or under 20 if they stay in approved education or training. Only one person can get Child Benefit for a child. It is usually paid every four weeks but can be paid weekly to claimants who are single parents or if the family is in receipt of out of work benefits.

Childcare Element of Universal Credit: Claimants with dependent children receiving Universal Credit can reclaim up to 85 per cent of their childcare costs, up to certain maximum amounts per month if they are in paid employment or, in the case of couples, if both partners are in paid employment. To make the claim for childcare costs under Universal Credit, claimants have to pay their childcare costs upfront and then re-claim each month in arrears for the hours they have used in each assessment period.

Child Tax Credit (CTC): Child Tax Credit is a means-tested tax-free payment administered by HMRC. CTC is for low income people, whether working or not, who are responsible for children. CTC is being replaced by Universal Credit. CTC claimants can choose whether to have it paid weekly or four-weekly.

Claimant Commitment: The claimant commitment sets out what the claimant has agreed to do to prepare for and/or look for work, or to increase their earnings if they are already working. It is based on their personal (and joint, if claiming as a couple) circumstances and reviewed and updated on an ongoing basis. If claiming Universal Credit as a couple, both partners have their own commitment which they need to accept for the joint claim to be 'eligible'. Universal Credit payments to the couple may be subject to sanctions if claimants do not meet their individual responsibilities.

Conditionality Earnings Threshold (CET): Claimants earning above a certain level will not be asked to carry out work-related activity as part of their claimant commitment. This is known as the conditionality earnings threshold (CET). The CET is calculated on an individual basis by multiplying the National Minimum Wage by the number of a claimant's expected hours. The joint CET for a couple is a combination of the individual expected CET of each of the adults in the household (joint claimants, or including an ineligible partner of a claimant). In a couple, if one of the adults has earnings above the joint CET, both claimants are placed in the 'working enough' regime, regardless of whether they are both working or not.

Council Tax Benefit (CTB): Council Tax Benefit was replaced by Council Tax Reduction/Support in April 2013. Rules and rates were set nationally but the benefit was administered by local authorities.

Council Tax Support (CTS)/Council Tax Reduction (CTR): Council Tax Support, also known as Council Tax Reduction, is a scheme for reducing the council tax payable for people on low incomes and/or in certain categories. Eligibility criteria and entitlement rules vary from one local authority area to another.

Decision Maker: Decision makers are officers in the Department for Work and Pensions acting under the authority of the Secretary of State. They make decisions on claimants' entitlements to benefits. If claimants are not satisfied with a decision they can ask for it to be revised or reconsidered ('mandatory reconsideration'). Claimants can appeal to an independent tribunal if they are not happy with a decision after it has been reconsidered.

Deductions: Deductions are monthly amounts mandatorily taken on an automated basis from a claimant's Universal Credit award to repay outstanding loans and debts owed to the government and/or third parties – including local authorities, landlords and utility providers – for a range of debts including advances, benefit overpayments, emergency loans, rent arrears, council tax arrears, utility arrears and court fines. They reduce at source a claimant's Universal Credit payment and can be taken without the claimant's consent. In couples claiming Universal Credit jointly, the loans and debts of both the partners are aggregated to apply these deductions. Last resort deductions are taken in order to help prevent claimants being evicted or disconnected from their fuel supply.

Department for Work and Pensions (DWP): National government department responsible for the administration of social security benefits. The devolved governments have responsibility for administering some benefits.

Dependent Children: Dependent children are normally aged 0–16 years and must reside in the same household as the claimant to be included in the claim. Who counts as a dependent child is the same for Universal Credit as it is for other benefits and tax credits. Where a child lives in two separate households, claimants will be expected to agree who has main responsibility and claim accordingly. In general, if a person is able to claim Child Benefit for a child, they should normally be included in the Universal Credit claim. Children aged 16–19 may be included in the claim if they remain in full-time non-advanced education or approved training.

Disability Living Allowance (DLA): Disability living allowance (DLA) provides non means – tested help towards the extra costs of bringing up a disabled child. It is paid in addition to other social security benefits and can give access to other types of help. DLA has two parts: a mobility component – for children with walking difficulties, paid at either a lower rate or a higher rate; and a care component – for children needing extra personal care, supervision or watching over because of a disability – which is paid at three different rates. Children can be eligible for either the care component or the mobility component on their own, or both components at the same time. DLA is normally for children under the age of 16.

Employment and Support Allowance (ESA): ESA is for people under State Pension Age who have a disability or health condition that affects how much they can work. You can be in or out of work and claim ESA but there are conditions about working whilst on ESA. Most new claims are for 'new style' (contributory) ESA for people who have worked and paid enough National Insurance contributions in the last two to three years. The other type of ESA is income-related ESA, which is means tested and for people who do not have enough National Insurance contributions to claim new style ESA. Income-related ESA is being replaced by Universal Credit.

Flexible Support Fund (FSF): This is a discretionary fund introduced in 2011 to give Jobcentre Plus advisers more flexibility to support Universal Credit claimants back to work. The FSF can be used to pay for upfront childcare costs until a claimant receives their first wage. FSF payments are not loans and do not need to be repaid.

Full Service Area (Universal Credit): This is an area where everyone who makes a new claim for legacy benefits or tax credits has to claim Universal Credit online instead. Universal Credit full digital service has gradually been rolled out across the country, and now all areas have become full digital service areas (instead of 'live service' areas, which were the areas in which University Credit started).

Help to Claim: The 'Help to Claim' service started in April 2019 and is delivered independently of the DWP by Citizens Advice to provide free, confidential assistance to applicants making a claim for Universal Credit. The service can be accessed any time until the first full correct payment of Universal Credit is in place.

Housing Benefit (HB): Housing benefit is being replaced by Universal Credit for those of working age (see 'Housing costs element of Universal Credit', below). Housing benefit helps people to pay their rent. To be eligible for housing benefit, claimants need to be on a low income – for example, being on income-related ESA, income-based JSA, income support or the guarantee credit element of pension credit – but those with low earnings may also qualify. Housing benefit does not always cover all claimants' rent – for example, if the level of income is too high for all the rent to be met, or if the benefit cap has been applied. For private renters, rent is only met up to the level of the Local Housing Allowance.

Housing Costs Element of Universal Credit: A housing costs amount may be included in a claimant's Universal Credit award if they pay rent to a landlord. The amount people get is normally based on the number of rooms people are deemed to need depending on the size of the household. Owner-occupiers can now only get support for mortgage interest as a loan, and only if they have been out of work and receiving Universal Credit continuously for nine months.

Income Support (IS): A means-tested benefit that supports claimants to cover their costs if they are on a low income. For people to be eligible, they need to have no income or be on a low income, have no more than £16,000 in savings. They are not entitled to IS if they work for 16 hours or more a week or if their partner works for 24 hours or more a week (although there are some exceptions). They, or their partner must not be claiming for income-based JSA or income-related ESA. Claimants can only still apply for Income Support if they either receive the severe disability premium or are entitled to it, or received or were entitled to it in the last month and are still eligible for it.

Individual Interview: An interview conducted with one research participant only. This could be one partner in a couple or a lone parent or single claimant.

Individual Voluntary Arrangement (IVA): An individual voluntary arrangement (IVA) is a legally binding agreement between an individual and their creditors to pay back debts over an agreed period of time.

Jobseeker's Allowance (JSA): Jobseeker's allowance is for people who are unemployed or working less than 16 hours per week and who are seeking work. There are two types of JSA. Income based JSA is a means-tested benefit and is being replaced by Universal Credit. 'New style' JSA is a contribution-based benefit and means that people can claim it if they have been paid and/or been credited with enough National Insurance (NI) contributions in the two full tax years before the year they're claiming in. New Style JSA can be claimed on its own or at the same time as Universal Credit.

Joint Claim: Couples who live together in the same household (same sex or opposite sex) cannot claim Universal Credit as individuals, but must claim jointly. This is called a joint claim.

Joint Claimant: Someone who is part of a joint Universal Credit or legacy benefit or tax credits claim.

Joint Interview: An interview in which both partners in a couple participate together. There may be one or two researchers present.

Lead Carer: Couples on Universal Credit with dependent children are required to nominate a 'lead carer' with main responsibility for looking after the children. This is also sometimes known as a 'main carer'.

Legacy System (of Benefits and Tax Credits): This relates to the means-tested benefits and tax credits being replaced by Universal Credit. There are six legacy benefits and tax credits: Income-based Jobseekers Allowance, Income-related Employment and Support Allowance, Income Support, Housing Benefit, Child Tax Credit, Working Tax Credit.

Limited Capability to Work in Universal Credit: Universal Credit claimants may be asked to attend a Work Capability Assessment (WCA) to assess whether their health condition or disability affects their ability to work. A decision-maker will use the outcome of the WCA to decide whether the claimant is fit for work; has a limited capability to work which means that they will not have to look for work, but will need to take steps to prepare for work; or has limited capability for work and work-related activity – meaning that the claimant will not be asked to look for or prepare for work.

Local Housing Allowance (LHA): LHA is the rate of local rent used to calculate housing benefit for tenants renting from private landlords (see Housing benefit, above).

Lone Parent: Person with dependent children living without a partner. They may have a partner who does not live with them.

Managed Migration: Managed migration is the process in which the Department for Work and Pensions will move claimants from the legacy benefits to Universal Credit. The current date by which all claimants should be moved from the legacy benefit to Universal Credit is September 2024. Managed migration is currently being tested in Harrogate in a pilot known as 'Move to Universal Credit'.

Maternity Allowance: This is usually paid to those who do not qualify for Statutory Maternity Pay. It does not affect the claimant's tax credits but can affect entitlement to Universal Credit. See www.gov.uk/maternity-allowance.

Monthly Assessment/Payment: Universal Credit is means-tested and calculated separately each month. Known as the 'assessment period', the fixed monthly assessment window begins on the first day a sole or joint claimant becomes eligible for Universal Credit and ends a calendar month later. Payment is made seven days later on the same date each month, but the day of the week it is paid varies from one month to the next and from one claimant to the next, depending on the date the claim becomes 'eligible'.

Minimum Income Floor: When claimants are self-employed and they claim Universal Credit, they are treated as if they are earning a certain amount. This amount is called the 'minimum income floor'. If the minimum income floor applies and claimants earn below this level in any month, they are treated as earning the minimum income floor.

Natural Migration: If a legacy benefit claimant has a relevant change of circumstances, they must make a claim for Universal Credit. This is known as 'natural migration' on to Universal Credit. This term also covers the way in which some benefits have now been closed to new claims, with anyone wishing to claim benefit for that situation having to claim Universal Credit. People can also choose to move to Universal Credit if they want to.

OnlineJournal/Online Universal Credit Account: Universal Credit is managed through an online account and journal. The journal is used to keep a record of the actions claimants have taken to prepare for or look for work; send messages to their work coach and read messages sent to claimants; report a change of circumstances; record childcare costs; provide details about a health condition or disability. The account can be used to see how much Universal Credit payments are, to check what has been agreed in the claimant commitment and to report changes of circumstance. Actions claimants need to take whilst on Universal Credit are set out in a 'to do' list on their online account.

Overpayments: If claimants are overpaid their benefits or tax credits, the repayments can be taken from them through deductions from their current benefit payments; through taking it out of benefits owed to them such as arrears; by taking amounts directly out of wages; and via a court order for debt recovery.

Paired Interview: Two interviewers conducting a joint research interview with a couple when both partners are present, with one person asking questions and the other observing and taking notes.

Partner: Other member in a couple relationship (with partners not necessarily living together).

Personal Independence Payment (PIP): PIP is a benefit for adults who have a physical or mental disability and need help taking part in everyday life or find it difficult to get around. It replaced disability living allowance for people aged 16 and over. PIP is tax – free and not means-tested or contributions-based. PIP has two parts: a daily living component – for help taking part in everyday life; and a mobility component – for help getting around. Each component is paid at a standard rate or an enhanced rate. However, it may be paid weekly in advance if a claimant qualifies under special rules.

Real Time Information (RTI) System: For claimants in employment and on PAYE, Universal Credit payments are adjusted on a monthly basis as wages rise or fall using a new real time information system (RTI) introduced in 2013 through which employers report payroll information to HMRC (although self-employed people still need to report their income manually).

Rent Arrears: Owing money to a landlord (social or private) due to missing, or being late with, rent payments in whole or in part.

Sanction: A Universal Credit sanction is when claimants have a cut in their benefit after being judged as failing to meet their 'claimant commitment' without a good reason.

Scottish Choices: In Scotland, any Universal Credit claimants can choose to have their Universal Credit paid twice per month and for the amount in Universal Credit for rent to be paid direct to their landlord.

Severe Disability Premium: A Severe Disability Premium is an extra amount that is included in some means-tested benefits to help with the costs of disability. People who are entitled to a Severe Disability Premium cannot claim Universal Credit and can still make new claims for the benefits being replaced by Universal Credit.

Social Fund: The Social Fund provided interest-free government-funded crisis loans, budgeting loans and community care grants to eligible claimants of certain means-tested benefits. The scheme was abolished in 2013. After this date, elements of the Social Fund were localised and funding was devolved to local authorities.

Single Claim/Sole Claim: When one person, rather than a couple, is claiming Universal Credit or other benefits.

Single Claimant/Sole Claimant: The person claiming Universal Credit or other benefits on their own.

Single Payment/Single Award: All the elements of Universal Credit paid together at one time, usually into one bank account for couples.

Split Payment: This is when a benefit award is split between the partners to a joint claim. Split payments are one of the Alternative Payment Arrangements (APAs) for claimants on Universal Credit who are deemed to be struggling to manage their single monthly payment, with a risk of financial harm to the claimant and/or their family (see above).

Standard Allowance: Universal Credit is made up of a standard monthly allowance, with some people being able to claim additional amounts. Standard monthly amounts vary depending if you are single or in a couple and if you are under or over 25.

Statutory Maternity Pay: Statutory Maternity Pay (SMP) is paid by employers for up to 39 weeks at 90 per cent of average weekly earnings (before tax) for the first six weeks, and at a standard rate or 90 per cent of average weekly earnings (whichever is lower) for the next 33 weeks. In order to qualify, someone has to have worked for the same employer for at least 26 weeks into the 15th week before the baby is due.

Surplus Earnings Rule: If earnings within the assessment period reduce the Universal Credit award to zero, any 'surplus earnings' in that month are carried over and counted as earnings in the following month. Claimants are only currently treated as having surplus earnings if earnings are at least £2500 per month above the income level at which the Universal Credit award would drop to zero.

Taper Rate: The taper rate sets the amount of benefit a claimant loses for each pound they earn. The earnings taper rate for Universal Credit is currently 63 per cent. This means that for every pound claimants earn (over their work allowance, if eligible for one) their Universal Credit will be reduced by 63 pence. This taper rate applies to net income (after any income tax and NI contributions). Council tax support/ reduction may be reduced with rising earnings in a separate process.

Transitional Protection: Transitional Protection tops up a claimant's Universal Credit award so that they are not worse off when they move on to Universal Credit through managed migration if they otherwise would be. It is usually eroded over time through inflation.

Two-Child Limit: Claimants cannot claim the child element of Universal Credit in respect of a third or subsequent child born after April 2017.

Universal Support: Universal Support was delivered by local authorities, funded by grants from the Department for Work and Pensions (DWP). It was a scheme to help people make a Universal Credit claim and manage ongoing payments. It was withdrawn and replaced with Help to Claim in April 2019.

Work Allowance: Working claimants are eligible for a work allowance if they (and/or their partner) either have responsibility for a child or limited capability for work. This is a certain amount that they are permitted to earn per month before their benefits start to be reduced. Rates are different for those with and without housing costs included in their Universal Credit award.

Work Coach: Work coaches are front-line DWP staff based in Jobcentres. Their main role is to support claimants into work by challenging, motivating, providing personalised advice and using knowledge of local labour markets. This involves conducting work-focused interviews and agreeing tailored 'claimant commitments'.

Work Conditionality: Under the claimant commitment, people may be required to fulfil work conditionality requirements. These vary according to circumstances and there is some discretion in how they are applied.

Working Tax Credit (WTC): WTC is being replaced by Universal Credit. WTC is a means-tested tax-free payment administered by HMRC. WTC is for those who are either individuals in low-paid work or in households on low incomes with an earner, whether or not they are responsible for children. Working Tax Credit claimants can choose whether to have the benefit paid weekly or four-weekly.

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IPR Report
June 2020

Uncharted Territory: Universal Credit, Couples and Money

Phase 1 Technical and Methodological Report

Marsha Wood, Rita Griffiths, Fran Bennett and Jane Millar

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1

Introduction

This is the technical and methodological report which accompanies the report on phase 1 of the project *Couples Balancing Work, Money and Care: Exploring the Shifting Landscape Under Universal Credit*, funded by the Economic and Social Research Council (ESRC (ES/R004811/1) for three years, March 2018 to March 2021[1] (https://www.bath.ac.uk/publications/uncharted-territory-universal-credit-couples-and-money/). This technical report has three main sections: the first summarises the research design and methodology; the second presents characteristics of the interviewed sample; and the third includes the information and consent documents.

1. Griffiths, R., Wood, M., Bennett, F. and Millar, J. 2020. Couples claiming Universal Credit: Design and Payment Issues, University of Bath: Institute for Policy Research.

2

Research Design and Methodology

In this section we describe the design and methods, including ethics, recruitment of the sample, the interviews and analysis.

Original Research Design

The original research design is based on in-depth, qualitative, face-to-face interviews with women and men who are or have been partners in couples jointly claiming Universal Credit. The aims are to examine the ways in which couples make decisions about work and care and manage their household finances in the context of the developing policy landscape. We selected four fieldwork areas in England and Scotland in which Universal Credit had been rolled out at an early stage in the ongoing implementation timetable, so would include couples who had been claiming for some time. The areas included a mixture of urban and rural locations, together with a variety of socio-economic labour market and housing conditions. The plan was to conduct separate face-to-face interviews with each partner in couples with children, followed by a joint interview with both partners present. The intention was to address the individual and joint elements of Universal Credit and to capture the couple/gender dynamic around work/care and money-related decision-making.

The research design included two phases of fieldwork approximately 12 months apart (in 2018/19 and 2020). The original target was for 150 achieved interviews with research participants (approximately 100 in phase 1, and 50 new participants in phase 2), with at least half the original sample followed up in phase 2, topped up with a new sample of Universal Credit claimants who had been migrated from legacy benefits or tax credits by the Department for Work and Pensions (DWP) under its managed migration programme (now called the 'move to Universal Credit'). The original sampling criteria were that participants should have dependent children and a joint claim for Universal Credit of at least six months' duration at the time of the interview, in order to avoid a focus on the initial stages of the claim.

Ethical Clearance, Incentives and Consent

Ethical approval was secured from the University of Bath Social Science Research Ethics Committee (SSREC – reference number S18–003) in June 2018. This process included ethical clearance of our research materials including the participation information sheet and consent form which we ensured were GDPR compliant, and the phase 1 individual and joint topic guides.

Our participant information sheet and consent form (see page 32) explain the standards of data protection and ethics governing the research, the purpose of the study, the uses to which the findings will be put, and the dissemination strategy (including plans to publish and make research findings available online), together with an explanation of the informed consent process and procedures. A two-part consent form was designed to cover the two different components of consent: consent to participate in the research; and consent for anonymised and redacted data from transcripts to be stored and potentially shared with other researchers in the future. All participants consented to both parts of the consent form.

Each member of the couple was required to consent to participation in the research and to separately opt into data storing and sharing. We made clear in the consent form that each participant could withdraw their consent at any time if they so desired. It was also made clear that the individual interviews with each member of the couple were confidential and would not be disclosed to their partner (for example during the joint interview). If a partner entered the room for any reason during an individual interview, the interview would be paused until they left. A clear verbal explanation of the consent form, and an information sheet about what informed consent and anonymised data sharing actually mean, were also prepared and given to each individual partner prior to the start of any interview.

We also sought consent to digitally record the interviews using password protected digital audio recorders. The recordings were then encrypted using proprietary software. Only minimal personal data that was absolutely necessary to meet the research objectives was collected from individual participants. There was no direct questioning of participants on matters of a highly personal or sensitive nature. However, we had prepared an information leaflet to pass to participants with details of support organisations they could access if they did disclose any issues that might require advice or counselling. To protect personal identities and to reassure participants about complete confidentiality, all documents, recordings and transcripts containing personal data were coded with unique identifiers to guarantee anonymity. Any equipment used in the field or during other phases of research, including digital recorders and laptops, which may contain personal details or sensitive information about participants, were encrypted and password protected.

Achieving a Sample Using the Original Sampling Criteria

From August 2018, we engaged in a recruitment strategy which included community outreach, liaising with local intermediary organisations (housing associations, welfare advice and support organisations etc.), door knocking (via a recruitment agency) and distribution of flyers in local job centres (via the DWP). Local intermediary organisations and snowballing techniques were used in the areas nearer to where the researchers were located (Greater Merseyside and Somerset), focusing on housing associations and family and children's centres – rather than advice agencies and foodbanks, which might have skewed our sample towards those known to be experiencing difficulties. Due to the challenges of conducting community outreach in more distant fieldwork areas (Cumbria and Scotland), a decision was taken to use a professional recruitment agency in these areas to help us to achieve our sample. The recruitment agency that we used at this stage used door-to-door techniques.

Originally, we also explored with the DWP the option of generating a sample from the Universal Credit claimant database. Although the Department initially offered in good faith to provide us with contact details of suitable Universal Credit couple claimants using administrative data, this proved to be too challenging and resource-intensive, due to concerns around the new General Data Protection Regulation (GDPR) rules and the absence at that time of an official protocol for transferring personal data to third parties.

Revision to Sampling Criteria

After three months of using community-based methods, this was found to be effective in terms of recruitment in only one of our research areas (Somerset) where a large housing provider was helping to identify the sample. For the recruitment agency who used door knocking techniques, progress was very slow and only small numbers of participants had been recruited. Although fieldwork areas were selected to reflect the earlier roll out of Universal Credit to families with children in those areas, the number of couple claimants with children was still relatively low and their locations widely dispersed, which was making recruitment challenging. In addition, we found that some intermediaries were sometimes reluctant to pass over contact details of potential participants because of concerns arising from the new GDPR data protection regulation. Delays announced to the timetable for managed migration of Universal Credit – intended to be our phase 2 'top-up' sample of couple claimants who had been 'manage migrated' on to Universal Credit from legacy benefits and tax credits – also meant that it would no longer fit within the timescale of the project.

Therefore, in November 2018, it was decided to widen the sampling frame to include the following claimant types in addition to couples with dependent children on Universal Credit:

- Couples without dependent children currently claiming Universal Credit.
- Lone parents or single Universal Credit claimants who have previously claimed Universal Credit as a couple.
- Lone parents or single claimants currently claiming Universal Credit, who have previously claimed legacy benefits or tax credits as a couple.

The decision to expand the sample was also taken to benefit the overall study, for the following reasons:

- Lone parents and single claimants who have previous experience of claiming Universal Credit as part of a couple might be more inclined to speak about any difficult experiences (for example, financial abuse) during their joint claim because they do not fear any repercussions from doing so. This would also allow us to compare participant experiences of claiming Universal Credit as a single adult with their previous Universal Credit claim as a couple.

- Lone parents or single claimants who have previous experience of claiming legacy benefits or tax credits as a couple will be able to provide a comparison of these experiences with those of others who have claimed Universal Credit jointly.
- Couples without dependent children are also affected by the joint means test, the impact of conditionality on couples, the incentives for one or both partners in the couple to earn or earn more, and the single monthly payment of Universal Credit for couples, and so could provide us with an opportunity to explore how claiming Universal Credit jointly may differ at least in some aspects where there are no dependent children in the household.

Nonetheless, our primary focus remained couples with dependent children claiming Universal Credit, who comprised the majority of our interviewees.

Despite expanding our sample as above, this still produced only a small increase in recruitment numbers, however. At this point we conducted some data work using the (publicly available) DWP statistics database to identify postcode areas with higher numbers of couples already claiming Universal Credit, so that we could advise the recruitment agency to focus on those areas. This was helpful to some extent and did help the recruitment agency to find participants in the Cumbria area, but we were still struggling to reach our target recruitment numbers in Merseyside and Scotland.

In the light of continued recruitment challenges, at this point we approached a different recruitment agency, which used targeted advertisements on Facebook as its primary recruitment method. We also decided to broaden out our fieldwork within the four main areas: Cumbria, Somerset, Greater Merseyside and Scotland. The new strategy proved to be much more fruitful and, by December 2018, the agency had managed to recruit the remainder of the target sample. Following a degree of attrition, and with a foreshortened period of fieldwork available to us (due to the slow start), by the end of January 2019 we had an achieved sample of 90 individuals.

Achieved Sample by Recruitment Method

Our sample was recruited via the variety of methods mentioned above. As Table 1 shows, there was some variation in the number of participants recruited by each method in each fieldwork area. For example, in the Greater Merseyside area and in Scotland, Facebook was the main method of recruitment. In Somerset, where we had the support of a large social housing provider to find participants, community outreach was more common. In Cumbria, most participants were recruited through a market research agency who used door knocking techniques.

Table 1: Recruitment Method by Household Type (Individual Participants/Households)

	Somerset	Cumbria	Greater Merseyside	Scotland	Total individual participants/ households
Community outreach	22/13	0/0	2/2	2/1	26/16
Door to door	0/0	12/7	0/0	3/2	15/9
Facebook	0/0	5/3	17/10	16/9	38/22
Jobcentre flyer	0/0	0/0	4/2	0/0	4/2
Personal contacts	2/1	0/0	0/0	0/0	2/1
Snowballing	3/2	0/0	0/0	2/1	5/3
Total	27/16	17/10	23/14	23/13	90/53

The achieved sample was a diverse mix of family sizes and no-earner, single-earner and dual-earner households. There was a possibility that the use of Facebook as a recruitment technique might exclude the less technologically capable. However, not all participants recruited via Facebook actually saw the advertisement; sometimes a family member or a friend had seen this information and suggested to them that they might be interested in taking part. Given that access to the internet via a mobile phone, tablet or other device is a pre-requisite of claiming Universal Credit, online techniques were also considered to be appropriate for recruiting our sample, particularly given the use of other methods in addition.

Conducting Pilot and Main Stage Interviews

Pilot interviews were conducted with two couples in June 2018. The content and structure of the topic guides worked well in the pilot interviews and only required minor modification. These pilot interviews were therefore transcribed and used as part of the overall sample – a common research practice.

All the Phase 1 interviews were conducted by Rita Griffiths and Marsha Wood. In the vast majority of cases interviews were conducted in participants' homes, but in three cases, the interview took place elsewhere, at the request of the participant.

It was our original intention that two researchers would be present for the interviews, with each conducting simultaneous individual interviews followed by one researcher conducting a joint interview with both partners in a couple together, whilst the other observed and took notes. However, due to the challenges in achieving the sample it was not practical for both interviewers to attend all interviews. In the end, we conducted all interviews but one separately, with one researcher undertaking consecutive interviews with each partner and then a joint interview with both partners together (in the case of couple interviews).

A benefit of this approach was that in cases in which young children were at home during the interviews, one partner could look after the children in another room, leaving the other partner freer to participate. However, in some instances, children preferred to remain with the partner being interviewed (often in part because they were fascinated by the presence of the researcher in the house). Of course, lone parents had no partner to care for their children whilst they were being interviewed. When young children were present during the interviews, this did present some challenges, as parents (and the researcher) could be distracted as a result. For couples, this also sometimes meant that the other parent would enter the room whilst their partner was being interviewed because the child wanted to see the parent who was being interviewed. As each partner's interview was confidential from their partner, this meant that the interview had to stop until the partner left the room again.

Individual and Joint Interviews

As discussed above, our aim was to conduct both individual and joint interviews with the couples. This would result in three interviews per household. But the inclusion of some lone parents and single people meant that, in these instances, there was just one interview. And, although most of the couples did have three interviews, there were some cases in which we were only able to interview individually or jointly but not necessarily both.

Table 2 shows that we interviewed 90 individual participants, in a total of 123 interviews (88 solo and 35 joint). In describing the characteristics of the sample (see section 2) below, we are therefore focusing on the 90 people living in 53 households. In analysing the interview data (in the main report) we draw on material from all 123 interviews.

Table 2: Participants and Interviews: Phase 1

Participants	Interviews	
41 two-person households:	34 households with 3 interviews	102 interviews
78 participants	2 households with 2 interviews	4 interviews
(2 participants in 37 households and 1 participant in 4 households)	4 households with 1 sole interview	4 interviews
	1 household with 1 joint interview	1 interview
12 one-person households:	Lone parents	9 interviews
12 participants	Single people	3 interviews
53 households:	**Total number:**	
90 participants	123 interviews (88 solo and 35 joint)	

Transcription and Analysis

Using the unique, coded identifier, anonymised recordings of interviews were downloaded electronically using encrypted proprietary software for communicating personal data or sensitive information. Recordings were transcribed by a reliable, experienced and quality assured transcriber (JC Porter Secretarial Services) who had signed a non-disclosure agreement to ensure participant confidentiality. Coded transcripts were imported into MAXQDA, a secure, qualitative data analysis software package designed specifically to aid the management, manipulation and interpretation of large volumes of transcribed data.

The analytical strategy comprised three different levels and methods. A first level analysis involved reading through transcripts/notation and completing a separate pro forma of key variables – essentially the measurable aspects of participants and their responses. The aim was to enable us to define our sampling frame according to different demographic and policy-relevant characteristics, and (whilst always bearing in mind that this is a qualitative study) to contribute towards aspects of the analysis by cross-tabulating characteristics with responses. Data from completed pro formas were input into an excel file. The dataset was then analysed in SPSS and used to produce a report on the characteristics of the sample. The excel data set can also be imported into MAXQDA to allow us to identify subgroups for more detailed analysis later in the project.

A second level analysis involved coding the transcripts loaded on to MAXQDA to identify key themes and issues. The coding was developed in a largely grounded manner, based on the reading and interpretation of transcripts. The broad framework of the coding structure which emerged reflected the research questions in the context of Universal Credit design and policy.

The coded text segments from transcripts were developed into a thematic classification system. In MAXQDA, coded segments are not decontextualised but remain embedded in the source transcript which remains visible on screen. Coded segments can thus be read in situ or printed out and organised according to thematic headings along with 'sticky' notes and memos. This flexibility is particularly well suited to a dynamic, iterative approach to analysis; codes were not fixed or immutable but were highly plastic, continually being revised, added to and restructured throughout the analysis and even the writing up process. The final thematic coding system which emerged was a structured hierarchy of themes, topics and issues.

The third level of analysis involved the production of printed reports comprising extracts of coded segments output from MAXQDA around key themes and issues. The reports provided source material and quotes for further analysis and the basis for structuring early findings. Where relevant, themes and sub-themes were explored in relation to the sample characteristics to identify any common traits among participants who shared experiences or opinions.

Emerging findings were disseminated to members of the project's Advisory Group in the form of a short paper and presentation followed by a discussion. The feedback and comments received contributed to some recoding of interview transcripts and helped to confirm the validity of emerging findings.

The culmination of analysis was the production of the report. Analysed data was used as source material for writing up a series of chapters based on the key aspects of the design of Universal Credit. As each draft chapter was written, the text was reviewed and commented on by members of the research team, and amended as appropriate. In this way, the analytical process was highly iterative throughout.

3

Sample Characteristics

In this section we summarise some of the key characteristics of the achieved sample. The tables show the number of individual participants (90 in total), the number of households (53 in total), and the number of couples (41), as appropriate.

It is important to note that in four couple households we only interviewed one partner. Therefore in the tables the number of couple households does not always correspond to half the number of individuals in those couple households. (For example, 16 individuals in couples with dependent children interviewed would not necessarily relate to eight households, but could relate to nine households if in two of those households we only interviewed one partner in the couple.) For lone parents and single claimants, the person interviewed equates to one household.

Overall Sample and Fieldwork Areas

There was roughly equal coverage in terms of numbers of participants and households across the four fieldwork areas.

Of the 53 households, 30 comprised couples with dependent children[2] and 11 were couples without dependent children. Twelve households[3] comprised individuals who had previously claimed as a couple; nine of these were lone parents and three were single claimants. The tables presented below provide the different data organised by these household types. In Somerset, nearly all the participants were in couples with dependent children (22 of 27 individual participants, or 11 of 16 households), whereas in other areas there were more participants in couples without dependent children. This was because fieldwork began earlier in Somerset as it was the location of the pilot interviews, when the main sampling criterion was limited to couples with dependent children on Universal Credit.

2. Dependent children are normally aged 0–16 years and must reside in the same household as the claimant(s) to be included in the claim. Who counts as a dependent child is the same for Universal Credit as it is for other benefits and tax credits. Where a child lives in two separate households, the parents will be expected to agree who has main responsibility and claim accordingly. In general, if a person is able to claim Child Benefit for a child, they should normally be included in the Universal Credit claim. Children aged 16–19 may be included in the claim if they remain in full-time non-advanced education or approved training.

3. Households refer to those living together.

Table 3: Fieldwork Area by Household Type (Individual Participants/Households)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants/ households
Somerset	22/11	1/1	3/3	1/1	27/16
Cumbria	10/5	4/2	2/2	1/1	17/10
Greater Merseyside	11/6	8/4	3/3	1/1	23/14
Scotland	15/8	7/4	1/1	0/0	23/13
Total	58/30	20/11	9/9	3/3	90/53

Background Information about Individual Participants/Households

The following tables provide some key background information about the characteristics of the sample – for example, on their demographics, education, and employment status. As table 4 shows, we interviewed more women than men (52 compared to 38) overall. This was because all the lone parents we interviewed were female and in the five cases where we did only interview one partner in the couple, these participants were also female.

The youngest person that we interviewed was 18 years old and the eldest was 55 years old. All our participants described themselves as white.

Table 4: Demographic Characteristics by Household Type (Individual Participants)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants
Gender					
Female	30	11	9	2	52
Male	28	9	0	1	38
Total	58	20	9	3	90
Age					
18–24	12	1	0	0	13
25–29	16	3	4	0	23
30–34	12	4	3	2	21
35–39	9	4	1	0	14
40–55	9	8	1	1	19
Total	58	20	9	3	90
Ethnicity					
White British	51	17	9	2	79
White Irish	0	1	0	0	1
White Other	7	2	0	1	10
Total	58	20	9	3	90

In addition to the information reported in table 4, all the participants in couples were in male/female relationships and all the lone parents and single claimants interviewed had previously also been in male/female relationships when claiming Universal Credit or legacy benefits as a couple.

Table 5 shows that almost two thirds of our interviewees (57 individual participants) said that they were 16 or under when they left school.

Table 5: Age on Leaving Secondary Education (Individual Participants)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants
16 or under	35	14	6	2	57
17–18	16	3	2	1	22
19–21	5	0	0	0	5
Not asked	2	3	1	0	6
Total	58	20	9	3	90

In table 6 we can see that thirty-six said that they had a disability or long-term health condition. Just over a quarter of participants (24) said that they cared for a long-term sick or disabled child or partner. One was caring for their long-term sick or disabled child and partner.

Table 6: Disability, Caring Responsibilities and Social Services Contact (Individual Participants)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants
Any disability or not					
Any disability or long-term health condition	12	15	6	3	36
No disability or long term health condition	46	5	3	0	54
Total	58	20	9	3	90
Type of disability or health condition*					
Physical disability	4	4	1	0	9
Mental health condition	10	11	6	3	30
Learning difficulty	1	2	0	1	4
Serious ill health	1	3	2	0	6
Any caring responsibilities for long term sick or disabled children, partner or other adult					
Yes	14	6	4	0	24
No	44	14	5	3	66
Total	58	20	9	3	90

*Categories not exclusive.

Table 7 shows that 24 of our participants had had some contact with social services. Although not included in the table, seven participants said that one or more of their children were being looked after by the local authority or foster carers, or had been placed for adoption; and nine participants had themselves been cared for by the local authority as a child.

Table 7: Any Contact with Social Services (Individual Participants)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants
No	46	12	6	2	66
Yes	12	8	3	1	24
Total	58	20	9	3	90

Table 8 shows that around a third of participants (32) were in paid employment at the time of the interview, among whom a large majority (29) were from couples with dependent children. In just over half the 53 households, no-one was working (29), and in just under half (24) at least one person was working. Ten couple households had two earners and 13 had one. In addition, 12 couples and two lone parents had children in paid child care.

Table 8: Employment and Earner Status by Household Type (Individual Participants/Households)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants/ households
Employment status*					
Full-time	14	1	0	0	15
Part-time	15	1	1	0	17
Variable hours	2	0	0	0	2
Zero-hours	2	1	0	0	3
Self-employed	2	0	0	0	2
Employed in more than one job	0	1	0	0	1
In work or not					
Not in paid work	29	18	8	3	58
In paid work	29	2	1	0	32
Total	58	20	9	3	90
Earner status					
Dual earner couple	18/9	1/1	0/0	0/0	19/10
No earner couple	17/9	18/9	0/0	0/0	35/18
Non-working lone parent	0/0	0/0	8/8	0/0	8/8
Non-working single claimant	0/0	0/0	0/0	3/3	3/3
Single earner couple	23/12	1/1	0/0	0/0	24/13
Working lone parent	0/0	0/0	1/1	0/0	1/1
Total	58/30	20/11	9/9	3/3	90/53

*categories not exclusive

Universal Credit Claim

Tables 9 to 11 give information about the characteristics of those claiming Universal Credit. The majority of households in our sample (44) had been claiming for over six months. Seventy participants had experience of claiming legacy benefits prior to claiming Universal Credit. Forty-two households received help with their rent and 18 had this paid to the landlord in a 'managed payment'.

Table 9: Length of Time Claiming UC as a Couple (Individual Participants/Households)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants/ households
0–5 months	6/3	1/1	3/3	2/2	12/9
6–11 months	18/9	5/3	1/1	1/1	25/14
12–23 months	12/6	8/4	1/1	0/0	21/11
24–35 months	14/8	2/1	3/3	0/0	19/12
36–48 months	8/4	4/2	1/1	0/0	13/7
Total	58/30	20/11	9/9	3/3	90/53

Table 10: Experience of Claiming Legacy Benefits or Tax Credits as a Couple or a Lone Parent (Individual Participants)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants
Couple	35	7	5	2	49
Couple and lone parent	6	2	2	0	10
Lone parent	0	1	0	0	1
No	15	4	1	0	20
Single claimant	2	6	1	1	10
Total	58	20	9	3	90

Table 11: Housing Support Through Universal Credit by Household Type (Individual Participants/Households)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants/ households
Do they receive Universal Credit financial help towards the rent or support for their mortgage interest loan?					
No	16/8	1/1	0/0	0/0	17/9
Not asked	4/2	0/0	0/0	0/0	4/2
Help with rent	38/20	19/10	9/9	3/3	69/42
Total	58/30	20/11	9/9	3/3	90/53
Is the housing element of Universal Credit paid to the landlord?					
Yes	24/13	7/4	7/7	0/0	38/24
No	14/7	12/6	2/2	3/3	31/18
Total	38/20	19/10	9/9	3/3	69/42

In addition to the information in the tables:

- Three couples were receiving the childcare element of Universal Credit at the time of the interview.
- Three participants mentioned that they were receiving the limited capability for work related activity element of Universal Credit.
- Four participants (in three households) said that they were receiving the disability element of Universal Credit for their child.
- Nine participants said they were getting either the carer's element of Universal Credit (3) or Carer's Allowance (5). One person said that they were receiving both, (although this is not possible within current rules).

The Universal Credit Payment

The following table gives information about the Universal Credit payment. For 31 of the 53 households, Universal Credit was the main source of income. Six households said that their Universal Credit payment was paid more frequently than monthly. Half the households said that they received fluctuating Universal Credit payments each month.

Table 12: Information About the Universal Credit Payment by Household Type (Individual Participants/Households)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants/ households
Is Universal Credit the main source of household income?					
No	36/18	2/2	1/1	1/1	40/22
Yes	22/12	18/9	8/8	2/2	50/31
Total	58/30	20/11	9/9	3/3	90/53
Is the Universal Credit paid more frequently than monthly?					
No	52/27	14/8	9/9	3/3	78/47
Yes	6/3	6/3	0/0	0/0	12/6
Total	58/30	20/11	9/9	3/3	90/53
Were the Universal Credit payments each month similar or fluctuating?					
Don't know	0/0	0/0	1/1	0/0	1/1
Fluctuating payments	42/21	5/3	1/1	1/1	49/26
Similar payments each month	16/9	15/8	7/7	2/2	40/26
Total	58/30	20/11	9/9	3/3	90/53

In addition to the information reported in the above table:

- One lone parent said that their Universal Credit payment was affected by the benefit cap.
- Three participants said that their Universal Credit payment had been affected by the two child limit (one couple with dependent children and one lone parent).
- One couple without dependent children and one lone parent mentioned that they were affected by the 'bedroom tax' (or abolition of the spare room subsidy).

However, it is important to note that our study used qualitative, semi-structured interviews and we did not systematically ask participants exactly the same questions. Therefore, we did not ask every participant about every different type of welfare reform. Other participants affected by these or other welfare reform measures may not have mentioned them during the interview.

Table 13 shows the bank account into which the Universal Credit payment was made. Fourteen participants had their Universal Credit money paid into a joint account. Although not reported in the table, of the 41 couples, in 24 the Universal Credit was paid into the female partner's account, in 11 the Universal Credit was paid into the male partner's account and in five it was paid into a joint account. For one couple, the payment was split between two separate accounts.

Table 13: Bank Account into Which the Universal Credit Payment is Made by Household Type (Individual Participants/Households)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants/ households
Bank account the Universal Credit is paid into					
Joint account	4/2	6/3	0/0	0/0	10/5
Never claimed Universal Credit as a couple	0/0	0/0	2/2	0/0	2/2
Individual account	54/28	12/7	7/7	3/3	76/45
UC payment split between both partners	0/0	2/1	0/0	0/0	2/1
Total	58/30	20/11	9/9	3/3	90/53

Participant Experiences of Universal Credit Loans/Debt/Foodbanks

The following tables 14 to 16 show our participants' experiences of Universal Credit loans and debt and their use of foodbanks. Thirty-four households had received a Universal Credit advance (at the start of the claim), 17 households had applied for or received a budgeting advance, 28 households had fallen into rent arrears since getting Universal Credit, and 28 households were repaying benefit or tax credit, rent arrears or any other debts through deductions from Universal Credit. Thirty-eight participants had used a food bank since starting Universal Credit.

Table 14: Experiences of Universal Credit Advances and Budgeting Advances (Individual Participants/Households)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants/ households
Did they get a Universal Credit advance?					
No	30/15	2/2	0/0	0/0	32/17
Not asked	0/0	0/0	1/1	1/1	2/2
Yes	28/15	18/9	8/8	2/2	56/34
Total	58/30	20/11	9/9	3/3	90/53
Have they applied for or received a budgeting advance?					
No	44/22	8/5	5/5	2/2	59/34
Not asked	2/1	2/1	0/0	0/0	4/2
Yes	12/7	10/5	4/4	1/1	27/17
Total	58/30	20/11	9/9	3/3	90/53

Table 15: Experiences of Rent Arrears and Other Debts Since Claiming Universal Credit (Individual Participants/Households)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants/ households
Have they fallen into rent arrears since getting Universal Credit?					
No	30/15	1/1	1/1	0/0	32/17
Not asked	4/3	2/1	3/3	1/1	10/8
Yes	24/12	17/9	5/5	2/2	48/28
Total	58/30	20/11	9/9	3/3	90/53
Were they or are they repaying benefit or tax credit, rent arrears or any other overpayments through deductions from Universal Credit?					
No	32/17	7/4	2/2	0/0	41/23
Not asked	0/0	0/0	1/1	1/1	2/2
Yes	26/13	13/7	6/6	2/2	47/28
Total	58/30	20/11	9/9	3/3	90/53
Did they get into serious debt or have they been to court for reasons of debt/rent arrears/non-payment of council tax since getting Universal Credit?					
No	36	14	3	0	53
Not asked	13	2	3	1	19
Yes	9	4	3	2	18
Total	58	20	9	3	90

In addition, seven participants said that that they had had an Individual Voluntary Agreement (IVA)[4], Debt Relief Order (DRO)[5] or bankruptcy order since getting Universal Credit. We did not systematically ask about this in the interviews, so other participants may have also been involved in similar schemes.

Table 16: Ever Used a Foodbank Since Starting Universal Credit (Individual Participant)

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants/ households
Ever used a foodbank since starting Universal Credit?					
No	29	10	3	1	43
Not asked	7	1	1	0	9
Yes	22	9	5	2	38
Total	58	20	9	3	90

4. An individual voluntary arrangement (IVA) is a legally binding agreement between an individual and their creditors to pay back debts over an agreed period of time.

5. A Debt Relief Order (DRO) is a way to have your debts written off if you have a relatively low level of debt and have few assets.

Other Benefits Claimed

Table 17 shows the other benefits that our participants were claiming. Again, as our interviews were participant led, we did not systematically ask about every other type of benefit that they received, so they may not have mentioned all the benefits they were getting.

As might be expected, the most common type of other benefit or support received was Child Benefit.

Table 17: Other Benefits Claimed by Household Type

	Couple with dependent children	Couple without dependent children	Lone Parent	Single claimant	Total individual participants/ households
PIP	3	2	2	1	8
DLA	1	0	1	0	2
Carer's allowance	2	2	1	0	5
Child benefit	32*/30	0	9/9	0	41/39
Maternity allowance	0	0	0	0	0
Support for mortgage interest (loan)	0	0	0	0	0
'New style' JSA	0	0	0	0	0
'New style' ESA	0	0	0	0	0
Pension credit	0	0	0	0	0
Council tax support	15	6	5	0	26
Other	0	0	1	0	1
Child receives DLA	2	0	1	0	3

*Note – in two couples Child Benefit was paid into a joint account.

4

Consent Form and Information Sheet

Research Participant Consent Form

Unique Identifier

1. Taking Part in the Research

Am I obliged to take part?
Taking part in the research is completely voluntary. You can change your mind and withdraw your consent at any time until the end of the project in March 2021. If you wish to have your data removed, just get in touch with one of the researchers named on the project information sheet and also on the back of this form.

1a. Can you confirm that you've been informed about the research and understand that taking part is voluntary?

Please circle yes or no, then sign your initials in the box

YES NO

What information will be collected from me?
Using a recorder, we will ask you a series of questions about how, as a couple, you and your partner make decisions about paid work, childcare arrangements, managing the household budget, and the impact of Universal Credit on different aspects of family life and relationships. Only minimal personal data will be collected and no questions will be asked of a sensitive or highly confidential nature. We will only collect information that you are happy to tell us during the interview and you can refuse to answer any question. Everything you say in your individual or joint interview will remain confidential.

1b. Do you give your consent to be interviewed and recorded?

Please circle yes or no, then sign your initials in the box

YES NO

2. Use of the Information I Provide

What will happen to the information that I give you?
Your recorded interview will be typed up and analysed, along with those of other participants, and the results, including anonymised quotes from interviews, will be written up in a series of papers, reports and publications. These may be in printed or electronic format to allow others to read and learn from the findings.

2a. Do you give your consent to the interview being transcribed, analysed and written up?
Please circle yes or no, then sign your initials in the box

YES NO

How can I be sure that anything I say will remain anonymous?
We will not use your name or address on any interview recordings or transcripts. Nothing which could identify you, your partner or your children to other people will be used in any presentation, document or publication generated as a result of the research. All your personal data and any information you give will be disguised or 'anonymised' using special codes and other techniques which conceal your identity, even to your partner and people who may know you. Nothing you say in your interview will be disclosed to your partner. Any quotes used from your interviews will also be 'anonymised' and neither you, nor any family members, will be identifiable.

2b. Do you give your consent to the possible use of anonymised quotes in reports and other printed or online materials?
Please circle yes or no, then sign your initials in the box

YES NO

How do I know that my information will be held securely?
Protecting your personal data and identity is of the utmost importance to us. The research adheres to strict data protection laws and will be stored and used to comply with all relevant UK and European data regulations, including the GDPR (General Data Protection Regulation), as well as the University of Bath's own policies and codes of practice. All personal data, contact details, recordings

and transcripts will be stored securely on PIN and password protected devices using encrypted software that prevents unlawful or accidental access by others. Under no circumstances will your personal data, or any information that might identify you or your family, be passed to any other person or organisation for any reason.

2c. Do you give your consent to your personal data and contact details being held securely on PIN and password protected devices for the lifetime of the project?

Please circle yes or no, then sign your initials in the box

YES NO

Who will have access to the information I give during interviews?
Access to interview recordings and transcripts will be restricted to staff directly involved in the project and used only for the purposes of the research. Recordings and transcripts will be held securely on PIN and password protected recording devices and computers which only members of the research team can access.

2d. Do you give your consent to recordings and transcripts being held securely on PIN and password protected recording devices and computers for the lifetime of the project?

Please circle yes or no, then sign your initials in the box

YES NO

3. Phase 2 of the Project

To find out how Universal Credit may have affected you or your family longer term, we would like to interview you a second time in 2020 – this is called a 'follow-up' interview. We will contact you nearer the time and you can decide then whether you want to take part or not.

3a. Are you happy for us to keep in touch and make contact with you about a possible follow-up interview?

Please circle yes or no, then sign your initials in the box

YES NO

4. After the Project Ends

What will happen to interview transcripts after the project ends?
No later than three months after the project ends, your interview transcript(s) will be thoroughly checked and any information of a personal or sensitive nature, or which could potentially identify you or any member of your family, will be removed (a process known as redaction). Once transcripts have been checked in this way, they will be stored in a highly secure research database or 'archive.' Under no circumstances will members of the public or commercial organisations have access to transcripts or to the archive.

4a. Do you give your consent to the long-term storing of your anonymised transcript after the projects ends?

Please circle yes or no, then sign your initials in the box

YES NO

With your consent, anonymised transcripts which contain no personal data may be used by researchers in the future, but only those who are properly vetted and approved.

4b. Do you give your consent to the future use of your anonymised transcript by approved researcher?

Please circle yes or no, then sign your initials in the box

YES NO

What will happen to my personal data after the project ends?
No later than six months after the project ends in 2021, you will be contacted and asked whether you want your personal data to be deleted or whether you give us permission to store it securely for future research. If we are unable to make contact with you, or you do not give us your consent, your personal data will be deleted from all digital devices including computers, laptops and mobile phones. Any paper files containing your personal data will be securely destroyed.

4c. Do you give your consent to us re-contacting you no later than six months after the project ends?

Please circle yes or no, then sign your initials in the box

YES NO

I give my full and free consent to participate in the ESRC funded research project es/r004811/1 entitled, 'Couples Balancing Work, Money and Care Under the Shifting Landscape of Universal Credit,' as detailed above.

Name

Address & post code

Email address

Phone

Signed

Date

Witnessed and countersigned
by [name of researcher]

Signed

Date

Research Participant Information Leaflet

Couples Balancing Work, Money and Care Under the Shifting Landscape of Universal Credit

What is theResearch About?

Universal Credit (UC) is a new benefit which replaces six means-tested benefits with a single monthly payment per individual claimant or couple. UC is very different to the system of benefits and tax credits it replaces. The benefit has only recently been rolled-out to families and little is known about how it is affecting them. To fill this gap, this research is exploring how couples with children claiming Universal Credit make decisions about paid work, childcare arrangements and managing household finances. A sample of couples living in different parts of the UK will be interviewed face-to-face across two phases of research in 2018 and 2020. Some couples will be interviewed twice, with interviews about a year or so apart. Each partner will be interviewed separately, then a joint interview involving both partners together will be carried out. Joint interviews may be carried out by one or two researchers. If there are two researchers, one will ask the questions and the other may take notes. Interviews will be recorded and typed up so that the transcripts (typed up versions of the interview) can be analysed and the findings written up. All recordings and interviews will be 'anonymised' so none of the participants can be identified in research reports or publications. The results from this research will help researchers, policymakers, politicians and organisations who support low income families to better understand how Universal Credit is working and how it could be improved. Further information about the project can be found here: www.bath.ac.uk/projects/couples-balancing-work-money-and-care-exploring-the-shifting-landscape-under-universal-credit/

Who is Carrying out the Research?

The research is being carried out by the University of Bath and the University of Oxford. Below are the contact details of the research team.

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Discover more about the IPR

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ipr@bath.ac.uk

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