

Conversion of Support for Mortgage Interest from a Benefit into a Loan: claimant communication and intention to take up a loan

● One off

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Great Britain

Ad hoc

Policy background and introduction

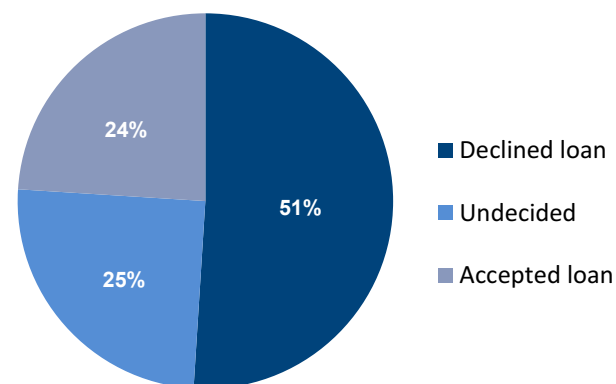
Support for Mortgage Interest (SMI) helps protect claimants on qualifying benefits with mortgages from repossession when out of work, retired or sick by contributing towards the interest payments on the claimant's mortgage. Claimants are eligible if they have a mortgage and are in receipt of certain benefits. SMI will cease being a benefit and will become an interest bearing loan from 6th April 2018.

This statistical release contains figures on communication undertaken with claimants on the changes to SMI and claimants' intentions on taking up the loan as at 21st March 2018. Figures on the total volume of correspondence and telephone calls as at 15th March 2018 are also included.

Main stories

- At 21st March DWP has sent a letter about the new SMI loans scheme and attempted a follow up telephone call to 95% of SMI claimants¹.
- Over half (51%) of claimants at 21st March who communicated their intention to the Department in a follow up telephone conversation have said they will decline the offer of an SMI loan. One quarter (25%) are undecided. Just under one quarter (24%) indicated that they will accept the loan.

SMI loans: claimants' intentions at 21st March 2018



¹ Those not yet contacted include some people who have only very recently claimed SMI, those where DWP has no record of a valid telephone number and some cases where the claimant has an appointee in place to look after their interests.

What you need to know

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Communication with claimants on the conversion of SMI into a loan

Since July 2017, DWP has put arrangements in place to contact claimants with information about changes to SMI in advance of the introduction of the loan scheme.

Claimants are given information about how the SMI loan will work and organisations that can offer further information. This is followed up by a telephone call to explain the changes and answer any questions. A leaflet containing Frequently Asked Questions is issued to support the discussion. Serco is contracted by the Department to undertake the discussions with claimants.

An SMI loan will be offered to all claimants who currently qualify for SMI as a benefit and entitlement to the loan will continue to be calculated in the same way as for the benefit. Claimants who decline the SMI loan may change their mind and can have SMI payments backdated to 6th April 2018, which is the date when the loan scheme will be introduced.

Claimants are eligible for SMI if they have a mortgage and are in receipt of Income Support (IS), income-based Jobseeker's Allowance (JSA), income-related Employment and Support Allowance (ESA), Pension Credit (PC) or are in receipt of Universal Credit (UC) and have no earned income.

Purpose of this *ad hoc* statistical release

This *ad hoc* publication presents data on communication with claimants on changes to SMI and claimants' intentions on taking up a loan as at 21st March 2018. This includes:

- The number of claimants the Department has attempted to contact.
- The number and proportion of claimants intending to accept, decline or are undecided on taking up the SMI loan.
- The total volume of letters and telephone calls made to claimants (data as at 15th March 2018).

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Comments? Feedback is welcome

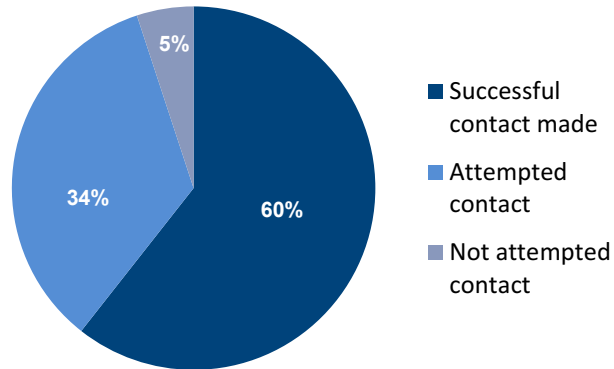
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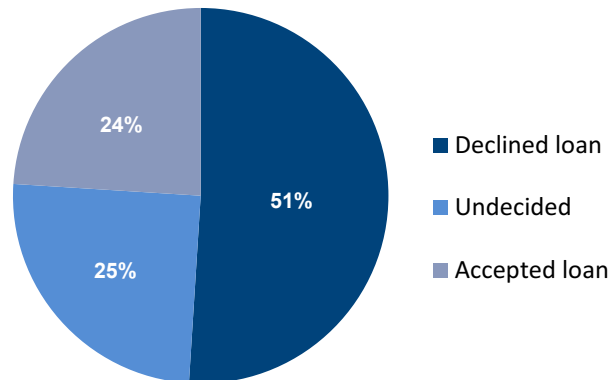
Communication with claimants and claimants' intentions on taking up an SMI loan

SMI claimants the Department has attempted to contact by telephone at 21st March 2018



At 21st March 2018, the SMI caseload was 90,000 cases. Letters have been sent and telephone contact attempted with around 85,000 (95%). 5,000 claimants have yet to be contacted. 54,000 (60%) claimants have been successfully contacted by phone and attempted phone contact with 31,000 (34%) claimants has been unsuccessful.

Claimants' intentions on taking up an SMI loan at 21st March



At 21st March 2018, the changes to SMI have been discussed with 54,000 claimants in telephone conversations. Around 27,000 (51%) have indicated that they will decline the loan. 14,000 (25%) are undecided on whether or not to accept the offer of the SMI loan, and 13,000 (24%) are intending to accept the loan.

See table 1 for full data.

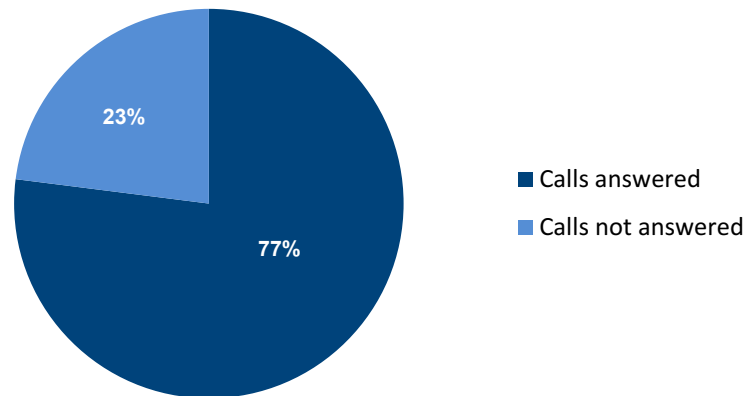
Correspondence with claimants and attempted telephone contacts

At 15th March 2018, DWP has sent an estimated 460,000 individual items of correspondence to SMI claimants. Correspondence includes initial information letters on the changes including an information booklet and follow up letters on the outcome of telephone discussions.

Around 370,000 telephone calls have been made to claimants regarding the conversion of SMI into a loan. Around 290,000 (77%) calls have been answered.

See table 2 for full data.

Telephone calls attempted and answered at 15th March 2018



About these statistics

The figures presented in this *ad hoc* statistical release are based on DWP management information and data supplied by Serco. Serco has been contracted by the Department to undertake the majority of customer communications in relation to the transition to the SMI loan scheme. Data is reported without detailed verification.

This statistical release contains figures on communication undertaken with claimants on the changes to SMI and claimants' intentions on taking up the loan as at 21st March 2018. Figures for the previous week, 14th March 2018, are provided in the accompanying tables and relate to the figures discussed on Saturday, 17th March in an SMI item on the BBC Radio programme Money Box.

Statement of Compliance with the Code of Practice for Statistics

The Code of Practice for Statistics (the Code) is built around three main concepts, or pillars: Trustworthiness, Quality and Value.

- Trustworthiness – is about having confidence in the people and organisations that publish statistics.
- Quality – is about using data and methods that produce assured statistics.
- Value – is about publishing statistics that support society's needs for information.

The following explains how we have applied the pillars of the Code in a proportionate way.

Trustworthiness

The figures are based on DWP management information and data supplied by Serco. DWP Analysts have scrutinised the figures with the Department's SMI Project management information team and provided challenge to ensure the figures are an accurate representation of data collected on communication undertaken with claimants and claimants' intentions on taking up an SMI loan.

Quality

The statistics presented are derived from the Department's Support for Mortgage Interest Tracking System (SMITS). SMITS was developed to initiate claimant contact and hold records of claimant discussions to support the engagement of the SMI claimant caseload ahead of the switch to the SMI loan scheme. SMITS was developed by the Department's Digital Team and approved by the Design Authority in July 2017. Records of contacts in SMITS are updated based on data recorded by Serco on successful contacts and call outcomes on a weekly basis. The SMI Project management information team maintains regular contact with Serco to ensure the quality of the information supplied.

Value

This *ad hoc* release provides an overview of contact with claimants ahead of SMI becoming a loan and an indication of how many claimants are planning on taking up an SMI loan.

Making this information accessible provides Ministers and stakeholders with an overview of claimant awareness of the changes to SMI and claimant intentions on taking up a loan, while helping to reduce the administrative burden of answering Parliamentary Questions, Freedom of Information requests and *ad hoc* queries about changes to SMI.

Where to find out more

General introduction to SMI - <https://www.gov.uk/support-for-mortgage-interest>

SMI caseload and expenditure - <https://www.gov.uk/government/publications/benefit-expenditure-and-caseload-tables-2018>

House of Commons briefing paper on SMI – <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06618>