



Department  
for Work &  
Pensions



# Universal Credit Full Service Omnibus Survey

Findings from two waves of tracking research with  
recent Universal Credit full service claimants

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February 2019

## Research Report 976

A report of research carried out by Ipsos MORI on behalf of the Department for Work and Pensions.

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Views expressed in this report are not necessarily those of the Department for Work and Pensions or any other Government Department.

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# Statement Of Compliance

**This research complies with the three pillars of the [Code of Practice for Statistics](#): value, trustworthiness and quality**

## **Value of this research**

- The research has enabled the department to develop a range of key performance indicators for Universal Credit full service and to track understanding and knowledge around the UC claim.
- The findings have shown that knowledge and understanding of the main elements of UC are increasing, suggesting that improvements to claimant orientation are working.
- The findings have highlighted where awareness of certain elements of UC could be improved.

## **Trustworthiness**

- This research was conducted, delivered, and analysed impartially by the Ipsos MORI Social Research Institute, working to the Government Social Research code of practices.
- Authors: Ipsos MORI – Trinh Tu, Kelly Maguire and Natasha Jones.

## **Quality**

- The survey took place using established quantitative research methodology.
- It has been quality assured using Ipsos MORI's internal processes which are subject to the requirements of the international quality standard for social research, ISO 20252.
- Additionally, this report has been checked thoroughly by DWP Universal Credit analysts and Policy colleagues, to ensure it meets the highest standards of analysis and drafting.

# Acknowledgements

The research team at Ipsos MORI would like to thank Antony Billingham at DWP for his advice during the design of this research. We would also like to express our thanks to the respondents who kindly gave up their time to take part in our surveys.

# The Authors

This report was authored by researchers at the Ipsos MORI Social Research Institute:

**Trinh Tu**, Head of Employment, Welfare and Skills

**Kelly Maguire**, Senior Research Executive

**Natasha Jones**, Research Executive



# Glossary

<b>Claimant Commitment</b>	To claim Universal Credit claimants must agree to conditions set out in their Claimant Commitment. These conditions are based on the conditionality group the claimant falls under and determine their responsibilities to look for work. Failure to comply with the conditions agreed in the Claimant Commitment can lead to sanctions.
<b>Conditionality group</b>	Everyone who receives Universal Credit will be placed in a conditionality group based on their circumstances and work capability. The group that a claimant is placed in determines what is expected of them during their claim.
<b>Intensive work search regime</b>	Claimants in this group are either out-of-work or earning below the Administrative Earnings Threshold (£338 a month or £541 for couples). They are expected to take intensive action to find work and must attend regular Work-focused-Interviews with their Work Coach.
<b>Light touch conditionality</b>	Claimants in this group earn above the Administrative Earnings Threshold but less than the conditionality earnings threshold. They are expected to take actions to find more or better paying work and have less frequent contact with their Work Coach.
<b>No conditionality group</b>	Claimants in this group have no work-related requirements attached to their claim.
<b>Universal Credit and Full Service</b>	<p>A means-tested benefit for people of working-age who are on a low income. It replaces six existing means-tested benefits: Income Support; Income-based Jobseeker's Allowance; Income-related Employment and Support Allowance; Housing Benefit; Child Tax Credit; and Working Tax Credit.</p> <p>Universal Credit full service is now available everywhere in Great Britain, and requires claimants to have an online Universal Credit account to manage their claim.</p>

# Executive Summary

## Introduction

This report presents findings from two waves of survey with a representative sample of recent<sup>1</sup> Universal Credit (UC) full service claimants. The surveys examine how well new claimants understand the UC claim process and their rights and responsibilities, with a view to meeting their information needs.

The wave one survey interviewed 1,586 UC claimants during October to November 2017. Wave two took place six months later and interviewed 1,445 different UC claimants during May to June 2018.

## Overall understanding of Universal Credit

The majority of claimants at both waves understood what they needed to do to claim UC and knew what would happen if they failed to comply with their Claimant Commitment (74% and 80% respectively). At wave two, claimants' knowledge about these aspects - in particular how to claim UC - had **increased** compared to wave one (+7 percentage points and +3 percentage points respectively).

Specifically, half (48%) of claimants surveyed at wave two reported that they were made aware of **all** the main requirements when they first made their UC claim, such as the need to have a bank or similar account and email address, being informed that UC is paid monthly and the first payment can take up to six weeks<sup>2</sup>, and the option to apply for an advance which would have to be paid back through their UC. This compares favourably with 36% who were fully aware at wave one.

Notably, awareness of, and application for, advance payments have increased: at wave two, 75% were aware of advance payments and 61% had applied for it whilst waiting for their first UC payment (+15 percentage points in awareness and +11 percentage points in application compared to wave one). The average advance received was £390.

Attitudes towards the work incentive features of UC were also **more positive** than at wave one: 44% agreed that they are always better-off working under UC (+7 percentage points) though knowledge on how much people can earn and still claim UC remained low (35% vs. 32% at wave one).

The types of benefit claimed prior to UC full service is an important differentiator in terms of claimants' levels of knowledge about UC. Typically, former Jobseeker's Allowance (JSA) claimants were more knowledgeable about UC than former Tax Credits, Employment Support Allowance (ESA) and Income Support claimants. Between waves one and two, understanding of, and attitudes towards, UC improved among former Tax Credits claimants but remained stubbornly low among former ESA claimants.

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<sup>1</sup> Had completed their Claimant Commitment around three months prior to the survey fieldwork.

<sup>2</sup> In February 2018, the seven days rule was removed so the first payment at wave 2 was five weeks (instead of the six weeks at wave 1).

## Work allowance and taper rate

*Claimants who have responsibility for a child or have limited capability for work are eligible for a work allowance. This is the amount claimants can earn before their UC payment is affected. There are two set levels of work allowance, depending on the circumstances of the household. Those whose claim includes Housing Benefit can earn £192 and those without can earn £397 before their UC claim is affected. Once claimants earn more than their work allowance, their payments will be reduced at a steady rate (the taper rate). Currently, for every £1 earned over the work allowance, UC payments are reduced by 63p.*

Awareness of work allowance eligibility and taper rate were very low and similar to wave one: just two per cent of claimants were able to correctly identify *both* of the groups eligible for a work allowance, and three per cent knew the taper rate. Seven in ten claimants (68%) did not know whether they qualified for a work allowance, with claimants who were doing some paid work equally ill informed. Many (72%) of those who thought they qualified for a work allowance did not know how much they could earn before UC payments are affected.

## Conditionality and sanctions

*Everyone who receives UC is placed in a conditionality group based on their circumstances and work capability. The group they are in determines what is expected of them during their claim. Claimants who are required to take steps to get work, or move closer to it, or to increase their hours/income if they are already working, will agree a Claimant Commitment with their Work Coach, setting out the steps they will take. Failure to action these responsibilities could result in a temporary reduction to their UC, though claimants may appeal against this decision.*

Half of claimants (51%) at wave two were fully informed about the factors that could lead to UC payments being stopped or reduced, but just 14% were aware of the implications to their benefit payments. However, over half (54%) knew that they could appeal against their benefits being stopped or reduced *under any circumstance*. Findings are similar to wave one.

Knowledge about conditionality and sanctions was especially poor among former Income Support and ESA claimants, notably because they would not have been introduced to these conditions in their previous claims. In contrast, former JSA claimants were more knowledgeable about both, as were 'new' claimants (i.e. was not claiming a benefit immediately prior to this UC claim).

## Childcare

*Claimants who are eligible for UC may be able to claim back up to 85% of their 'formal' childcare costs, usually if they are doing some paid work or have a job offer. The most parents can claim back each month is £646 for one child or £1,108 for two or more children.*

Parents' awareness of available childcare support remained low and similar to wave one: just five per cent knew they could claim formal childcare costs for all their children regardless of age, and eight per cent knew they could claim for more than 75% of their total childcare costs. The majority of parents (83%) were able to identify

at least one acceptable evidence of payments required to claim formal childcare costs, but awareness of how often they must report childcare payments to the Jobcentre remained low (11% knew they must report monthly). Parents using formal childcare were generally more knowledgeable than average about the childcare element but the overall picture is one of low awareness.

More parents at wave two had claimed formal childcare costs than at wave one (38% vs. 32%). Half (52%) of working parents had claimed formal childcare; an increase of 11 percentage points. The most common reason given for not claiming was because of doubts over eligibility - cited by 31% of parents who did not make a claim, rising to 41% of parents who were doing some paid work.

## Housing

*Claimants who are eligible for UC can get help paying for their housing if they rent from a private landlord, housing association or local authority, or to cover interest payments on their mortgage and service charges. Housing payment is included as part of the monthly UC payment and claimants are responsible for paying rent to their landlord. Once they've started claiming housing payment claimants need to report any changes in circumstances to the Jobcentre.*

*Claimants must apply directly to their local authority if they want to make a claim for Council Tax reduction.*

The large majority of claimants at wave two who paid rent received help with their housing costs, and over three-quarters (77%) were made aware that they have to pay it directly to their landlord when they first made their claim for UC. Claimants were less familiar with the requirement to apply to their local authority for Council Tax though knowledge has increased since wave one (59% vs. 54% at wave one).

Claimants at wave two who paid rent knew they needed to keep the Jobcentre informed about changes (76% - an increase of 3 percentage points), but they were much less clear about what would happen to their UC payments if they regularly missed their rent payments (25% - no change compared to wave one).

## Conclusions

Over a period of six months, this research has shown high and improving levels of understanding about UC among full service claimants who recently made a claim for UC. There are signs that claimants' attitudes are changing too. More claimants now believe that under UC they are always better-off working. However, there's more that DWP can do to shift attitudes further such as ensuring that claimants have a better understanding of the work incentive features of UC. As part of this, more needs to be done to ensure that parents are better informed about the childcare element of UC. Claimants with children, including those who are working and using formal childcare, continue to have very poor awareness and understanding of all aspects of the childcare offer. However, it should be noted that the claimants surveyed were relatively new (i.e. they were interviewed around three months after they made their claim), and claimants' understanding of these more detailed aspects of UC may take longer to embed.

Strategies to improve awareness and understanding of UC will also need to bear in mind that former JSA claimants and 'new' claimants are generally well informed on many of the aspects covered. Former Tax Credits claimants have displayed the most positive change in awareness overtime, and it may be that some of the approaches used on this group can be adapted to increase understanding among former ESA and Income Support claimants.

# 1 Introduction

The Department for Work and Pensions (DWP) commissioned Ipsos MORI to conduct a tracking survey of recent<sup>3</sup> Universal Credit (UC) claimants who made their claim using full service.

Universal Credit is paid to people on low incomes or out-of-work. It is paid monthly in arrears and is being introduced in stages across Great Britain. It replaces six benefits: Housing Benefit; Income Support; Income-based Jobseeker's Allowance (JSA); Income-related Employment Support Allowance (ESA); Working Tax Credits; and Child Tax Credits.

Universal Credit full service is now available everywhere in Great Britain, and requires claimants to have an online Universal Credit account to manage their claim.

## 1.1 Research aims

The purpose of this tracking research is to measure how well new claimants understand the claim process and their rights and responsibilities, with a view to meeting their information needs.

The research focuses on the following aspects of UC:

- The initial claim process including knowing how to apply for an advance
- The work allowance and taper rate
- Conditionality and sanctions
- Use of formal childcare and applying for help with childcare costs
- Knowledge of how to apply for housing costs as part of UC.

## 1.2 Method

Two waves of survey were undertaken with a representative sample of claimants in terms of gender, age, single/couple claim and conditionality group. A new sample was drawn for each wave. Each wave comprised:

- an online survey of 1,000+ claimants
- a telephone survey of 200 claimants who did not respond to the online survey. The telephone survey focused on claimants who were under-represented in the online survey, to ensure that the overall results were representative.

Wave one survey interviewed 1,586 UC claimants during October to November 2017. Wave two took place six months later and interviewed 1,445 different UC claimants during May to June 2018.

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<sup>3</sup> Had completed their Claimant Commitment around three months prior to the survey fieldwork.

## **1.3 Analysis**

This report presents weighted findings for both waves one and two. The demographic profile of claimants in both waves are very similar (see Appendix A). This report only comments on changes or differences that are statistically significant.

# 2 Routes onto Universal Credit full service

The majority of Universal Credit (UC) full service claimants had prior experience of claiming another benefit. A quarter of these claimants delayed making their UC claim, most commonly because they did not know how to claim or because they thought they'd get another job quickly.

## 2.1 Routes onto UC

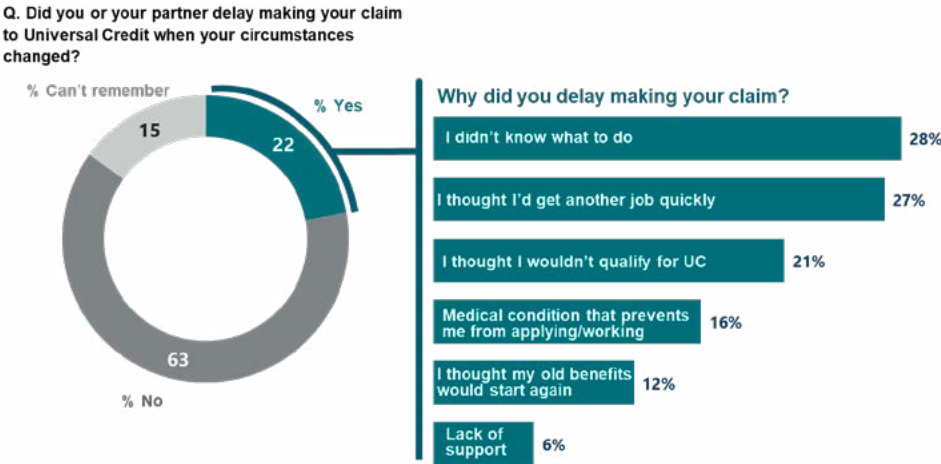
Two-thirds (66%) of claimants had claimed another benefit prior to their current UC claim. This is slightly fewer than in wave one when 71% had previously claimed another benefit. The types of benefit claimed prior to full service UC is an important differentiator in terms of claimants' levels of knowledge about UC. Typically, former Jobseeker's Allowance (JSA) claimants were more knowledgeable about UC than former Tax Credits, Employment Support Allowance (ESA) and Income Support claimants.

The most common benefit claimed by respondents prior to full service UC was Housing Benefit/Council Tax (32%), followed by Tax Credits, JSA, ESA and Income Support (26%, 19%, 19% and 10% respectively). Close to half (45%) of claimants had claimed more than one benefit, most commonly Housing Benefit and one other.

## 2.2 Reasons for delaying UC claim

A fifth (22%) of claimants delayed making a claim for UC, commonly because they didn't know how to make a claim or because they thought they would find a job quickly. Findings are similar to wave one.

**Figure 2.1: Reasons for delaying claim for UC**



Base: All who claimed benefits before claiming UC (W2,956). All who delayed making a UC claim (W2,219). Top answers shown only.



Former Tax Credits claimants would benefit from more information on how to claim UC: (34%) reported that they delayed their claim because they did not know what to do. In contrast, the main reason why former JSA claimants delayed making a claim for UC was because they thought they would get another job quickly (44% vs. 28% overall).

# 3 Overall understanding of Universal Credit

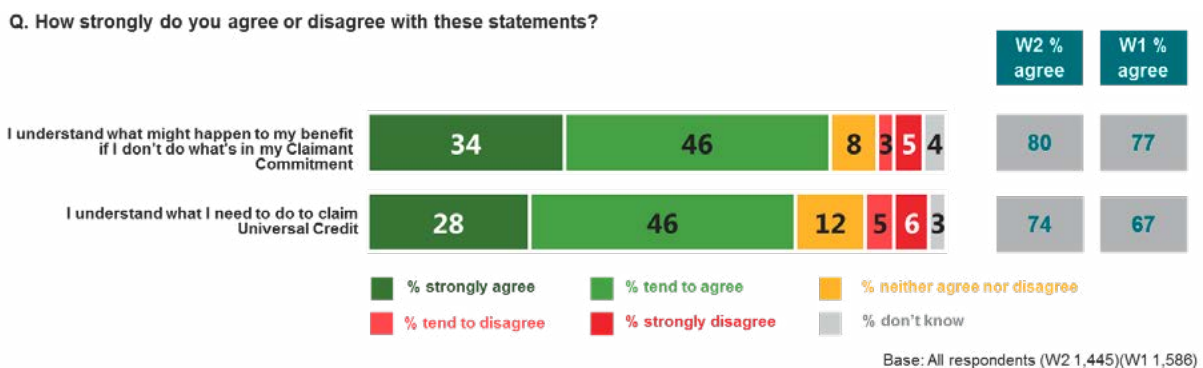
*When people claim UC, they must accept their Claimant Commitment. This is a record of their responsibilities, setting out what a claimant has agreed to do to prepare for and look for work, or to increase their earnings if they are already working. The Claimant Commitment is regularly reviewed with the claimant by a Jobcentre Work Coach who explains the consequences of not meeting these responsibilities.*

**The majority of claimants understood what they needed to do to claim UC and knew what would happen if they failed to fulfil their Claimant Commitment. Views were more divided on whether they would always be better-off working under UC. This is linked to a lack of knowledge about how much they can earn and still claim.**

## 3.1 Overall understanding of UC

Full service UC claimants were generally knowledgeable about how to make a claim for UC, and understood what would happen to their benefit if they did not fulfil their Claimant Commitment (74% and 80% respectively). Claimants' knowledge about these aspects - in particular how to claim UC - have **increased** compared to their peers at wave one. This is noticeable among former Tax Credits claimants: 72% understood how to make a claim for UC compared with 66% at wave one.

**Figure 3.1: Overall understanding of UC**



The exceptions to this positive trend were former ESA claimants and claimants aged 45 plus. These groups would benefit from being more informed about how to claim UC and the implications of not meeting their Claimant Commitment. Levels of understanding on both aspects remained low among these claimants, and trailing considerably behind claimants aged 16-24 who continued to be most knowledgeable on both.

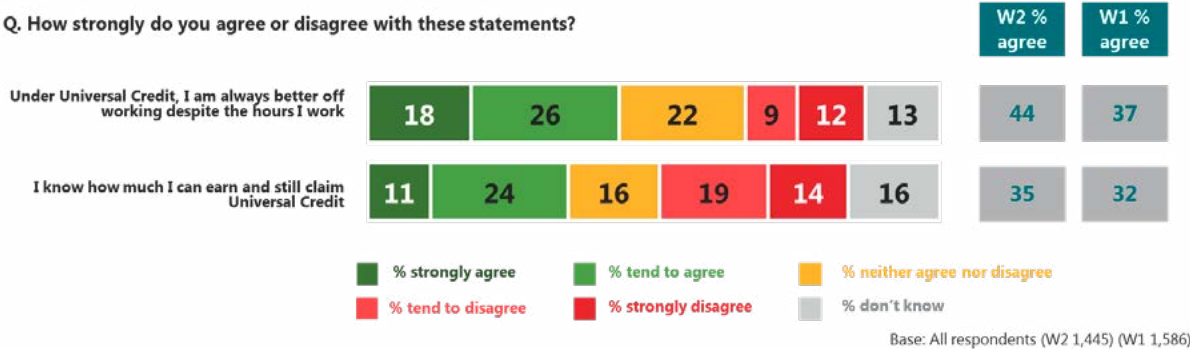
**Table 3.1: Overall understanding of UC by age and prior benefits**

Wave 2	Overall	Age				Benefits claimed before Universal Credit					
		16-24	25-34	35-44	45+	Tax Credits	ESA	JSA	Housing Benefit	Income support	None
Base	1,445	240	406	267	532	351	214	252	75	64	449
<i>I understand what might happen to my benefit if I don't do what's in my Claimant Commitment</i>											
% agree	<b>80%</b>	86%	80%	80%	76%	79%	70%	87%	70%	77%	83%
% disagree	<b>8%</b>	5%	8%	7%	10%	7%	7%	13%	9%	14%	5%
<i>I understand what I need to do to claim Universal Credit</i>											
% agree	<b>74%</b>	85%	75%	73%	66%	72%	60%	80%	69%	74%	79%
% disagree	<b>11%</b>	5%	10%	11%	15%	10%	21%	9%	12%	14%	8%

### 3.2 Attitudes towards, and knowledge of, the work incentives

Attitudes towards the work incentive features of UC were more positive than at wave one: 44% agreed that they are always better-off working compared with 37% in wave one. However, claimants' knowledge about how much they could earn and still claim UC remained patchy: 49% reported that they did not know this detail rising to 59% among former ESA claimants. It is important that this gap in knowledge is addressed because claimants who had this information were more likely to agree that they would always be better-off working (70% vs. 35% overall).

**Figure 3.2: Attitudes towards work incentive and knowledge of earnings rule**



There were differences by age. Claimants aged 16-24 continued to be the most informed and positive about the work incentive features of UC. In contrast, claimants aged 45 plus were less informed and less positive. However, there is evidence that views have shifted among this older age group, with more older claimants agreeing that they are always better-off working compared to their peers at wave one. A similar pattern was observed among former Tax Credits claimants; more agreed they are always better-off working than those interviewed at wave one.

In contrast, former ESA claimants remained the least informed about how much they could earn and most sceptical that they would be always be better-off working under UC. Views expressed by former ESA claimants have not changed and were similar to those expressed by ESA claimants at wave one.

**Table 3.2: Attitudes towards work incentive and knowledge of earnings rule by age and prior benefits**

Wave 2	Overall	Age				Benefits claimed before Universal Credit					
		16-24	25-34	35-44	45+	Tax Credits	ESA	JSA	Housing Benefit	Income support	None
Base	1,445	240	406	267	532	351	214	252	75	64	449
<i>Under Universal Credit I am always better off despite the hours I work</i>											
% agree	<b>44%</b>	51%	48%	42%	38%	37%	26%	50%	46%	39%	54%
% disagree	<b>21%</b>	20%	21%	21%	21%	23%	28%	24%	13%	21%	16%
<i>I know how much I can earn and still claim Universal Credit</i>											
% agree	<b>35%</b>	45%	37%	32%	30%	32%	25%	39%	34%	35%	40%
% disagree	<b>32%</b>	30%	34%	30%	33%	35%	36%	36%	23%	31%	30%

### 3.3 Understanding of the initial claim process

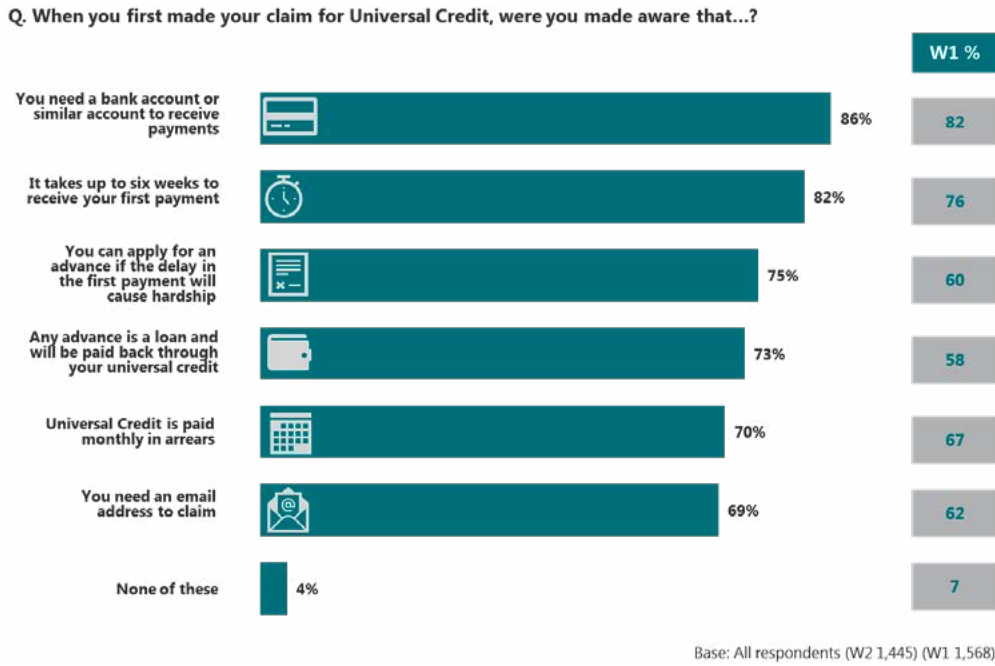
More claimants reported that they understood what they needed to do in order to make a claim for UC than at wave one (74% vs. 67%). Almost half (48%) reported that they were aware of **all** six aspects shown in Figure 3.3 - an increase of 11 percentage points compared to wave one. However, there continues to be a small but significant group of claimants with low levels of awareness: 13% of claimants were aware of two or fewer aspects and an additional 20% were aware of three to four of them.

Claimants aged 16-24 were the most likely to be informed of **at least five aspects** whilst those aged between 34-44 were the least likely (75% vs. 56%). Similarly, former JSA claimants and those subjected to the intensive work search regime<sup>4</sup> were better informed than former ESA claimants and those in the ‘light touch’ or ‘no conditionality’ groups. Specifically, ESA claimants were less aware than former JSA claimants that UC payments are made monthly and that it can take six weeks to receive the first UC payment<sup>5</sup>.

<sup>4</sup> Required to demonstrate to Work Coaches that they were actively looking for work.

<sup>5</sup> In February 2018, the seven days rule was removed so the first payment at wave 2 was five weeks (instead of the six weeks at wave 1).

**Figure 3.3: Understanding of the initial claim process**



**Table 3.3: Understanding of the initial claim process by conditionality group and prior benefits**

Wave 2	Overall	Conditionality Group			Benefits claimed before Universal Credit					
		Intensive work search	Light touch	None	Tax Credits	ESA	JSA	Housing Benefit	Income support	None
Base	1,445	909	229	307	351	214	252	75	64	449
<b>You need a bank account</b>	<b>86%</b>	88%	84%	82%	84%	84%	88%	73%	93%	88%
<b>It takes up to six weeks to receive your first payment</b>	<b>82%</b>	83%	81%	83%	82%	79%	87%	81%	88%	81%
<b>You can apply for an advance</b>	<b>75%</b>	78%	68%	70%	77%	78%	76%	60%	74%	73%
<b>Any advance is a loan</b>	<b>73%</b>	76%	72%	69%	77%	70%	73%	63%	74%	74%
<b>UC is paid monthly in arrears</b>	<b>70%</b>	74%	63%	65%	64%	66%	78%	71%	70%	72%
<b>You need an email address</b>	<b>69%</b>	73%	65%	62%	62%	67%	80%	67%	72%	71%
<b>None of these</b>	<b>4%</b>	3%	4%	4%	3%	5%	2%	4%	2%	4%

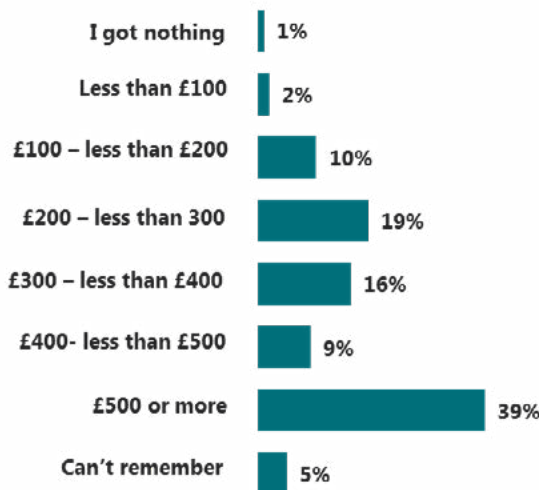
### 3.4 Awareness of, and application for, advance payments

Claimants were more aware of advance payments than their peers at wave one, and more claimants have applied for it too: 75% were aware of the advance and 61% applied for it whilst waiting for their first UC payment (+15% aware and +11% applied compared to wave one). The average amount received was £390.

Former ESA claimants were more likely than former Tax Credits and JSA claimants to have applied for an advance payment. However, the amounts received by former ESA claimants were considerably less than those reported by former Tax Credits claimants.

**Figure 3.4: Amount of advance payment claimants received**

Q. Approximately how much advance payment did you get?



Base: All who applied for the advance (W2 658).

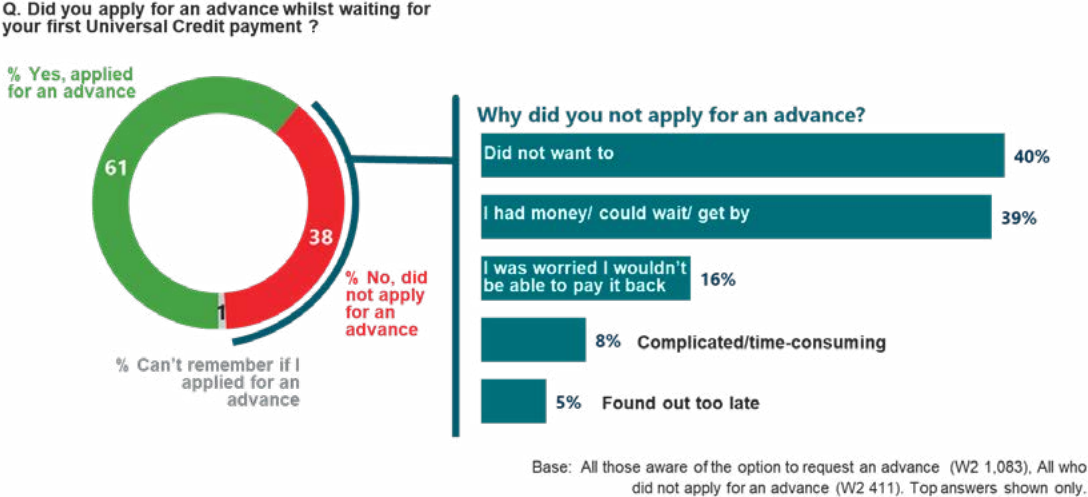
**Table 3.4: Application for advance payments by prior benefits**

Benefits claimed before Universal Credit	% Aware of advance	% Applied for advance	Average advance payment received <sup>6</sup>
Overall	75%	61%	£390
Former Tax Credits claimants	77%	66%	£467
Former JSA claimants	76%	65%	£399
Former ESA claimant	78%	75%	£385
Former Income Support claimants	74%	56%	£398
Former Housing Benefit claimant	60%	59%	£435
No prior claim	73%	49%	£327

<sup>6</sup> Average was calculated using the mid-point for each band, and £550 for the top band.

The most common reason claimants gave for not applying for an advance was because they did not want to; this was also the top reason given in wave one. Those who had not claimed a benefit beforehand were less likely than average to have applied for an advance, reporting that they did not need to because they had money to get by (45% vs. 39% overall).

**Figure 3.5: Reasons for not applying for an advance payment**



## 4 Work allowance and taper rate

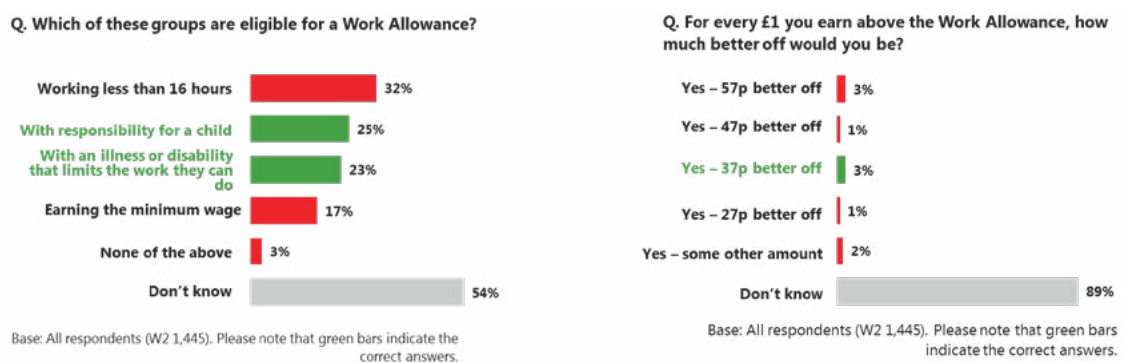
Claimants who have responsibility for a child or have limited capability for work are eligible for a work allowance. This is the amount claimants can earn before their UC payment is affected. Once claimants earn more than their work allowance, their payments will be reduced at a steady rate (the taper rate). Currently, for every £1 earned over the work allowance, UC payments are reduced by 63p.

**Knowledge about the work allowance and taper rate remained low, even amongst claimants who thought they qualified for it.**

### 4.1 Knowledge about the work allowance and taper rate

Claimants' knowledge about the work allowance and taper rate remained very low and **unchanged** compared to their peers at wave one: just two per cent of claimants could identify both of the groups eligible for the work allowance, and three per cent knew the taper rate (Figure 4.1).

**Figure 4.1: Understanding of the work allowance**



Parents using **formal** childcare were more knowledgeable than average but no more knowledgeable than their peers at wave one: 33% knew that anyone with responsibility for a child would be eligible for a work allowance compared to 25% overall. This is because 66% of parents using formal childcare were doing paid work whilst claiming UC compared to 35% overall.

A fifth (22%) of **former ESA claimants** knew that anyone with a work-limiting illness or disability would be eligible for a work allowance which is similar to wave one. In fact, former ESA claimants displayed least understanding. Close to two-thirds (63%) of this group stated that they **did not know** what groups were eligible for a work allowance - higher than average (54%) and considerably higher than former JSA claimants (44%).



The vast majority (97%) of claimants did not know the taper rate<sup>7</sup>. Former Tax Credits claimants and those who were doing some paid work had higher than average awareness of the correct taper rate (7% and 6% respectively vs. 3% overall), albeit at a very low base. There is considerable scope for raising claimants' awareness and understanding of both the work allowance and taper rate.

One in seven (14%) claimants reported that they qualified for a work allowance; 18% reported that they did not and 68% admitted to not knowing. Three-quarters (75%) of claimants aged 45 plus did not know if they qualified compared to 68% overall.

However, even amongst those who thought they and/or their partner qualified for a work allowance, knowledge of how much they could earn before their UC was affected was low: just 28% cited the correct amounts (£192 or £397). Findings are similar to wave one.

Two-fifths (42%) of former Tax Credits claimants correctly stated £192 as the amount they could earn before their UC claim was affected, making them the most informed group at both waves. Over a quarter of female claimants and those working while claiming knew they could earn £192 before their claim was affected (27% each). These groups showed the highest awareness, though the overall picture is one of low understanding.

**Figure 4.2: Understanding of the taper rate**



<sup>7</sup> The question asked to respondents was: For every pound that you earn above the work allowance, do you know how much better-off you would be?

# 5 Conditionality and sanctions

Everyone who receives UC is placed in a conditionality group based on their circumstances and work capability. The group they are in determine what is expected of them during their claim. Claimants who are required to take steps to get work, or move closer to it, or to increase their hours/income if they are already working, will agree a Claimant Commitment with their Work Coach setting out the steps they will take. Failure to action these responsibilities could result in a temporary reduction to their UC though claimants may appeal against this decision.

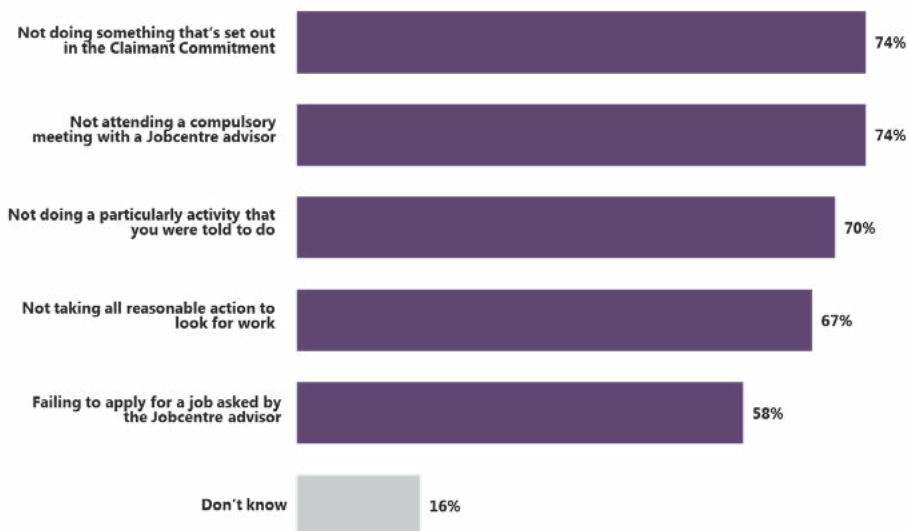
Half of claimants (51%) were fully informed about the factors that could lead to UC payments being stopped or reduced, but just 14% were aware of the implications to their benefit payments. However, over half (54%) knew that they could appeal against their benefits being stopped or reduced under any circumstance. Findings are similar to wave one.

## 5.1 Conditionality and sanctions

Half (51%) of claimants identified correctly all the common reasons that would cause UC payments to be stopped or reduced. A fifth (20%) correctly identified 3-4 reasons and 13% managed to identify 1-2 reasons. Findings mirror wave one.

Figure 5.1: Understanding of the factors that could result in sanctions

Q. To your knowledge, which of these may lead to Universal Credit being reduced or stopped?



Base: All W2 respondents (1,445).

Former JSA claimants were most knowledgeable with 62% correctly identifying all the reasons in Figure 5.1. In contrast, former Income Support, Housing Benefit and ESA claimants, who would not have been introduced to conditionality in their previous benefit claims, were amongst those least likely to correctly identify all five reasons (38%, 40% and 44% respectively). Notably, they were less knowledgeable

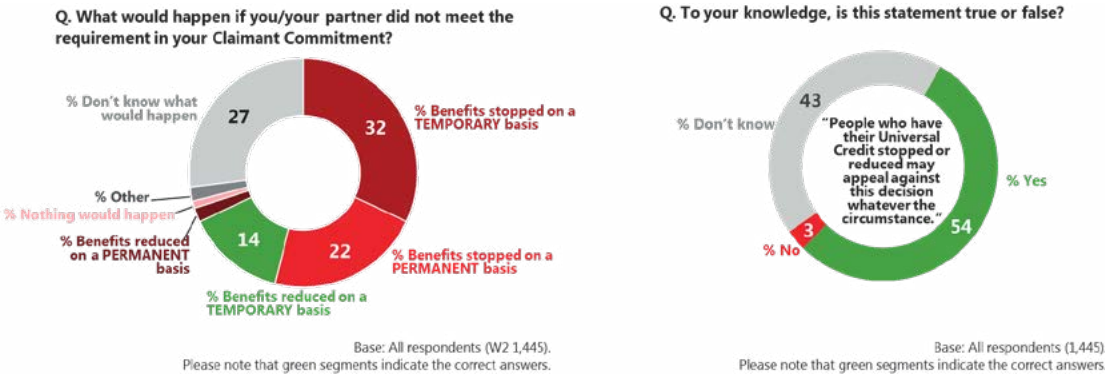
than someone who had not claimed benefits beforehand (53% of this group identified all five reasons), suggesting that former Income Support, Housing Benefit and ESA claimants require tailored information.

## 5.2 Impact on UC payments and the right to appeal

One in seven (14%) claimants correctly identified that their benefits could be reduced on a *temporary basis* if they failed to comply with the requirements in their Claimant Commitment (Figure 5.2). Findings are similar to wave one.

Claimants were more knowledgeable about their right to appeal a sanction on their claim; this was also the case at wave one. Over half (54%) correctly identified that claimants could appeal whatever the circumstance.

**Figure 5.2: Understanding of the impact on UC payments and the right to appeal**



Claimants subjected to the intensive work search regime (comprising of more men than women) were better informed than claimants with light touch or no conditionality (comprising more women than men). Younger claimants, aged 16-24, were more knowledgeable than claimants aged 45 plus.

Overall knowledge about sanctions remains low and unchanged compared to wave one, with only one in ten (10%) claimants aware of **both** the impact on their benefits and their rights to appeal under any circumstance.

**Table 5.1: Understanding of the impact on UC payments by conditionality group, gender and age**

Wave 2	Overall	Conditionality group			Gender		Age			
% Aware of claimant aware of statement		Intensive work search	Light touch	None	Male	Female	16-24	24-35	35-44	45+
Base	1,445	909	229	307	672	773	240	406	267	532
<b>Benefits reduced on a TEMPORARY basis</b>	<b>14%</b>	19%	8%	8%	17%	12%	18%	14%	13%	14%
<b>People who have their UC stopped/reduced may appeal whatever the circumstance</b>	<b>54%</b>	57%	46%	51%	59%	49%	62%	61%	53%	43%

# 6 Childcare

Parents who are eligible for UC may be able to claim back up to 85% of their formal childcare costs, usually if they are doing some paid work or have a job offer. The most parents can claim back each month is £646 for one child or £1,108 for two or more children.

**Awareness of childcare support available as part of UC remained low, even amongst parents who used formal childcare. However, more parents have claimed the childcare element of UC compared to wave one.**

## 6.1 Use of childcare

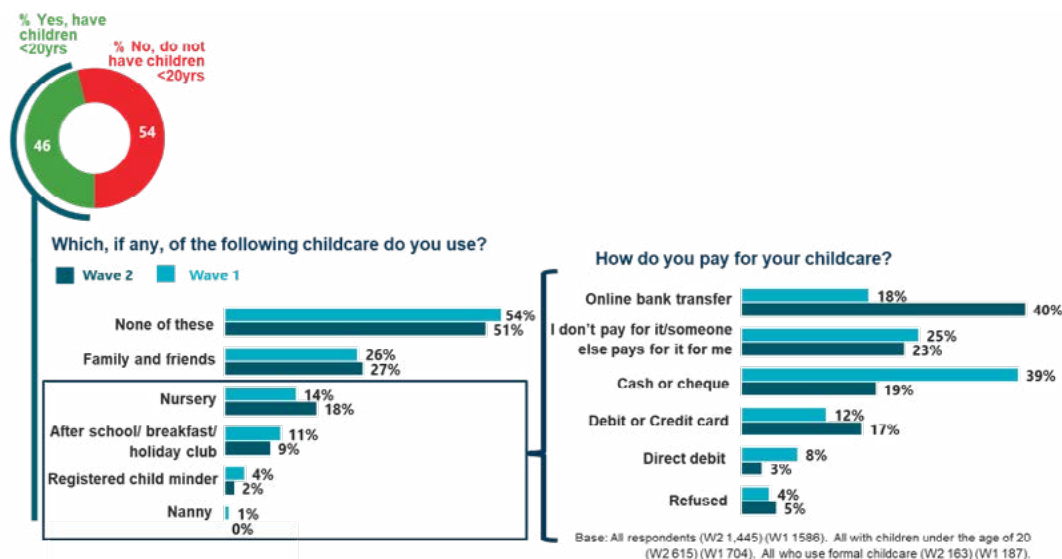
Parents' use of childcare was similar to wave one. Three in ten (30%) parents with children under the age of 20 used formal childcare whilst 27% used informal childcare. Half (51%) did not use any childcare (Figure 6.1).

The most common formal childcare were nurseries, particularly amongst parents aged 16-24 (30% vs. 19% overall). Claimants who were doing some paid work whilst claiming UC more commonly used family and friends for childcare (36%) and, to a lesser extent, after school, breakfast or holiday clubs (14%) and registered childminders (4%).

More single parents used **informal** childcare than average (31% vs. 27% overall). In contrast, two-thirds of couples with children don't use any childcare (66% vs. 51% overall and 52% single parents).

The ways in which parents pay for formal childcare has changed considerably, with online transfers overtaking credit and debit card as the most common method.

**Figure 6.1: Childcare arrangements and payment for formal childcare**



## 6.2 Knowledge of the childcare element of UC

Parents' awareness of the childcare support available under UC remained low and similar to wave one: just five per cent knew they could claim childcare cost for all their children regardless of age, whilst 78% reported that they did not know. Awareness was also low amongst parents who used formal childcare (eight per cent knew they could claim for all their children), and parents who were doing some paid work (six per cent).

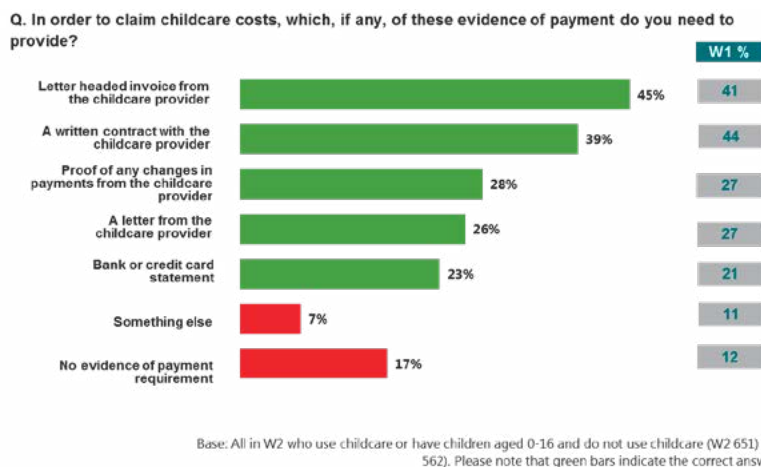
It therefore follows that parents were generally unaware about how much childcare costs they themselves could claim under UC (eight per cent correctly identified that they could claim more than three-quarters of the costs; 80% stated that they did not know). Users of formal childcare were better informed on the amount they could claim than users of informal childcare and parents who were doing paid work (17% vs. 7% and 8% respectively).

**Figure 6.2: Knowledge of the childcare element of UC**



Parents claiming childcare payments under UC have to provide evidence of payments to the Jobcentre, and the majority were able to identify correctly at least one acceptable evidence of payments (Figure 6.3). However, 17% falsely thought that no evidence was required - higher than reported in wave one (12%).

**Figure 6.3: Knowledge of the evidence required to claim childcare costs**



Awareness among parents of how often they'd be expected to report childcare payments to the Jobcentre remained low as in wave one. One in ten (11%) correctly identified that they must report monthly, seven per cent cited other frequencies, and

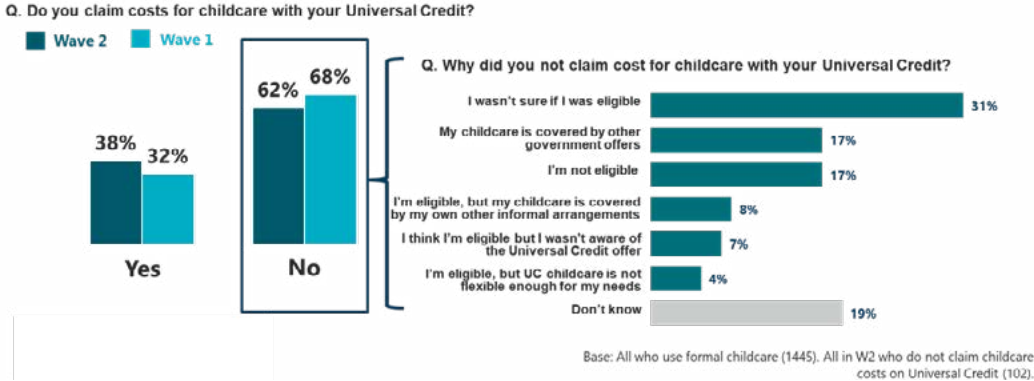
82% did not know. Parents using formal childcare were more knowledgeable than those using informal childcare (19% vs. 9%), though knowledge remains poor across all parents.

### 6.3 Claiming childcare costs

Two-fifths (38%) of parents had claimed costs for formal childcare with their UC - an increase of six percentage points compared to their peers in wave one. Correspondingly half (52%) of working parents had claimed formal childcare costs - an increase of 11 percentage points.

Parents gave a range of reasons as to why they did not claim childcare costs. The most common was that they were unsure whether they would be eligible for it. Two-fifths (41%) of working parents expressed doubts about their eligibility compared to three in ten (31%) parents overall.

**Figure 6.4: Reasons for not claiming childcare element of UC**



# 7 Housing

*Claimants who are eligible for UC can get help paying for their housing. Housing payment is included as part of the monthly UC payment and claimants are responsible for paying rent to their landlord. Once they've started claiming housing payment claimants need to report any changes in circumstances to the Jobcentre. Claimants must apply directly to their local authority if they want to make a claim for Council Tax reduction.*

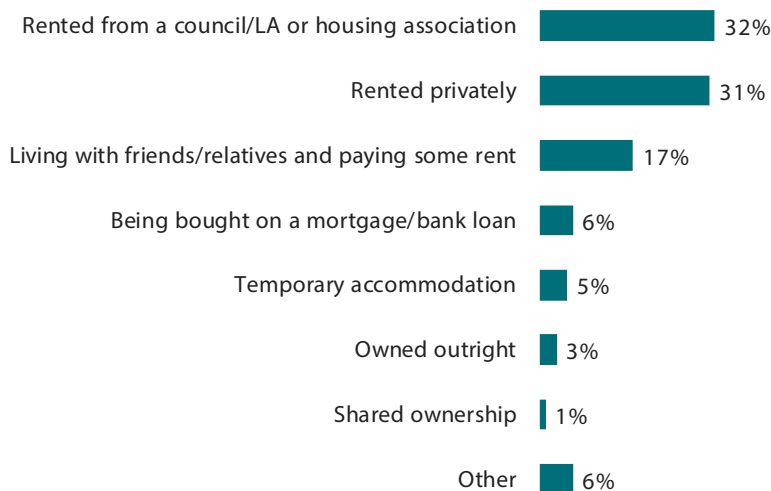
**The large majority of claimants who paid rent received help with their housing costs, and most were made aware that they have to pay it directly to their landlord. Claimants were less familiar with the requirement to apply to their local authority for Council Tax though knowledge has increased since wave one. Claimants who paid rent knew they needed to keep the Jobcentre informed about changes, but they were much less clear about what would happen to their UC payments if they regularly missed their rent payments.**

## 7.1 Help with housing costs

Seven in ten (69%) claimants who paid rent or part-rent<sup>8</sup> received help with their housing costs; similar to wave one. The characteristics of those receiving help with their housing costs is also unchanged: single claimants with children, and former Tax Credits and ESA claimants were highly represented (76%, 83% and 79% respectively).

**Figure 7.1: Types of accommodation occupied by claimants**

**Q: Which of the followings best describes your current accommodation?**



Base: All respondents (1,445)

<sup>8</sup> From a council, local authority or Housing Association; from a private landlord; those living with friends/family and paying some rent; or those on a shared ownership scheme.



The types of accommodation occupied by claimants mirrored the patterns in wave one. Four-fifths (82%) paid rent or part-rent. There were slightly fewer claimants renting from a council, local authority or housing association (32% vs. 36% at wave one).

Renting from a local authority or housing association was more common among former ESA and Tax Credits claimants (45% and 44% respectively); this was also the case at wave one. However, there were fewer former Income Support claimants renting from these bodies (39% vs. 55% at wave one).

Claimants aged 35-44, couples, and those working whilst claiming UC, were most likely to be renting from a private landlord (38%, 41% and 43% respectively); this was also the case at wave one. Claimants aged 16-24 were more likely to live with friends or relatives than any other age group (37%).

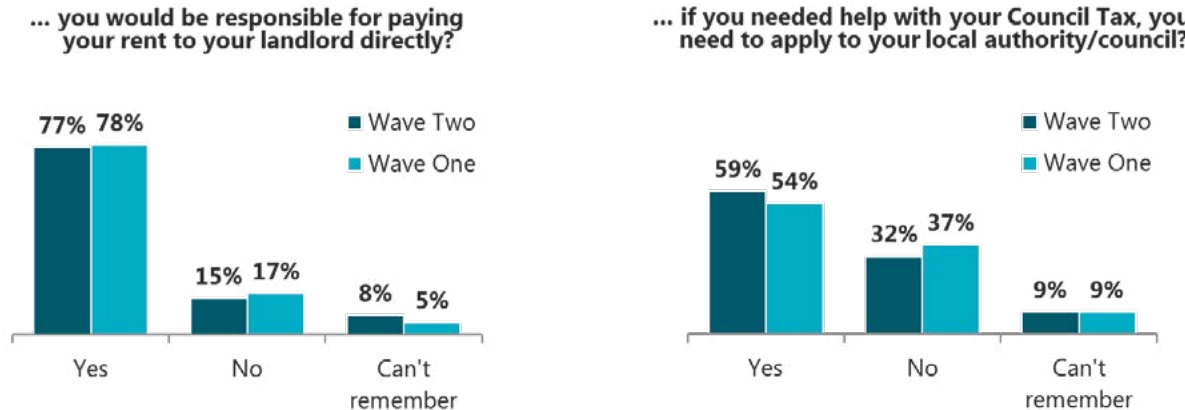
## 7.2 The rules for housing costs and Council Tax

When they first made their claim for UC, the majority of claimants were made aware that they must pay rent to their landlord directly, and to apply to their local authority for Council Tax (77% and 59% respectively). Claimants were better informed on the latter than at wave one when 54% were informed that they must apply to their local authority for Council Tax.

Former ESA and Income Support claimants and claimants aged 16-24 were generally less informed than other claimant groups. In contrast, former Tax Credits claimants and those subjected to the intensive work search regime were better informed than average and also better informed than claimants surveyed at wave one

**Figure 7.2: Understanding of the rules for housing costs and Council Tax**

**Q: When you first made your claim for Universal Credit, were you aware that...**



Base: All who receive(d) help with housing cost through Universal Credit (W2 787) (W1 890)

Base: All who receive(d) help with housing cost through Universal Credit (W2 787)(W1 890)

Claimants generally knew to tell the Jobcentre about changes to their rent, but they were less aware of the impact to them if they regularly missed their rent payments. Three quarters (76%) understood their obligation to inform the Jobcentre of changes

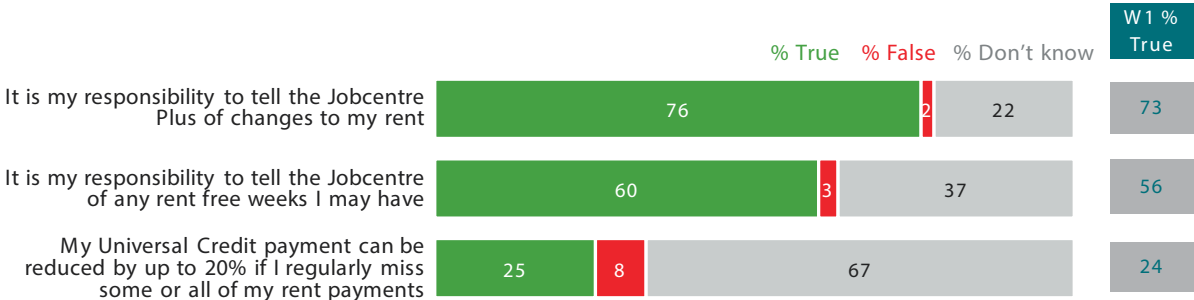
to their rent, and 60% knew it was also their responsibility to tell the Jobcentre about their rent-free weeks. Claimants had a better understanding on these aspects compared to their peers at wave one.

However, claimants' understanding of what would happen if they regularly miss their rent payments remained low and similar to wave one. Just a quarter (25%) knew that their UC payment could be reduced by up to 20% as a consequence.

Overall, 22% of claimants correctly identified all three requirements in Figure 7.3; 37% correctly identified two; and 20% correctly identified one only. This pattern is similar to wave one findings.

**Figure 7.3: Understanding of responsibilities**

**Q: To the best of your knowledge, are these statements true or false?**



Base: All living in rented or part-rented accommodation (1,274)

Claimants who were receiving help towards their housing costs were more informed than average on these requirements, and were also more informed than claimants surveyed at wave one. Claimants aged 16-24 continued to be the most informed group (30% understood all three requirements vs. 22% overall).

## 8 Conclusions

Over a period of six months, this research has shown high and improving levels of understanding about UC among recent full service claimants, including how to make a claim for it and what would happen to UC payments if what's been agreed in the Claimant Commitment is not fulfilled. Recall of being told key pieces of information about how UC operates at the initial claim stage is also high and improving. Notably, awareness of, and application for, advance payments have increased significantly over this period. Claimants are also more aware than six months previously that they have to apply to their local authority for Council Tax, and they must keep the Jobcentre informed of changes to their rent if they are receiving help with housing costs.

There are signs that claimants' attitudes are changing too. More claimants now believe that under UC they are always better-off working. However, there's more that the Jobcentre can do to shift attitudes further such as ensuring that claimants have a better understanding of how much they can earn and still claim UC, who is eligible for a work allowance, how much better-off claimants would be working, and the number of hours they can work and still claim. Claimants remain ill-informed about these aspects and this applies equally to those who are already working whilst claiming.

Claimants believe that they have a good understanding of the repercussions of not meeting their Claimant Commitment. Most are able to identify at least *some* of the reasons that would result in their UC being reduced or stopped. However, the large majority are still unaware of how a sanction would impact their UC payments. More information is required to address this gap in knowledge which has not improved over the past six months.

Finally, more needs to be done to ensure that parents are better informed about the childcare element of UC. Claimants with children, including those who are working and using formal childcare, continue to have very poor awareness and understanding of all aspects of the childcare offer.

Strategies to improve awareness and understanding of UC will need to bear in mind that former JSA claimants and 'new' claimants are generally well informed on many of the aspects covered. Furthermore, former Tax Credits claimants have displayed the most positive change in awareness overtime, and it may be that some of the approaches used on this group can be adapted for former ESA and Income Support claimants who have remained stubbornly ill-informed on many of the aspects measured.

# Appendix A: Claimant profile

	Wave one				Wave two			
	Weighted		Unweighted		Weighted		Unweighted	
<b>Gender</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
Male	680	43%	605	38%	661	46%	672	47%
Female	906	57%	981	62%	784	54%	773	53%
<b>Age</b>								
16-24	286	18%	253	16%	257	18%	240	17%
25-34	463	29%	452	29%	434	30%	406	28%
35-44	342	22%	324	20%	310	22%	267	18%
45+	495	31%	557	35%	444	31%	532	37%
<b>Conditionality</b>								
Intensive	1,028	65%	1,021	64%	870	60%	909	63%
Light touch	255	16%	262	17%	239	17%	173	12%
None	303	19%	303	19%	336	23%	166	11%
<b>Claim status</b>								
Couple	234	15%	227	14%	236	15%	203	14%
Single	1,352	85%	1359	86%	12,09	85%	1242	86%
<b>Prior benefit</b>								
Tax credits	458	29%	474	30%	373	26%	351	42%
JSA	282	18%	274	17%	246	17%	252	17%
ESA	229	14%	231	15%	205	14%	214	15%
Income Support	78	5%	76	5%	72	5%	64	4%
Housing Benefit	85	5%	82	5%	73	5%	75	5%
None	454	29%	449	28%	476	33%	489	34%