

Freedom of Information request 3136/2013

Received 02 July
Published

Information request

Having recently come across the following information regarding "Hardship Payments" could you please explain as to how this is any different from claiming a Crisis Loan if it is indeed true that "Hardship Allowance" is actually a loan where the claimant will be required to pay this back.

Hardship payments

Along with the new rules about sanctions there are also new rules that make sure that people do not suffer as a result of loss of benefit. Anyone who loses benefit due to a sanction will be able to apply for a hardship payment. For example if you could not afford rent or food or you needed to buy medical or hygiene supplies, then the hardship payment would provide you with a basic financial safety net.

You will have to pay back these hardship payments."

This information can be viewed on <http://www.nidirect.gov.uk/sanctions-and-hardship>

It was to my understanding that "Hardship Allowance" was a payment of 40% the rate of JSA which will help those in financial hardship the chance to actually try to cover day to day living expenses after Major financial loans such as mortgage interest repayments had been covered due to the priority of such payments.

Can you confirm that claiming hardship allowance, is not in actual fact taking out another loan as the case would appear to seem from the information given on the website above."

DWP response

The information on the website you refer to is for people who claim benefits in Northern Ireland. Social security matters are devolved in Northern Ireland, although arrangements there largely mirror those in Great Britain, where social security is a matter reserved to the United Kingdom Government.

As a major part of the United Kingdom Government's programme of Welfare Reform, Universal Credit will be introduced across Great Britain by 2017. A person receiving Universal Credit may be eligible to apply for a "Recoverable Hardship Payment" if, as a result of a sanction or loss of benefit penalty, they

cannot meet their or their household's basic and essential needs for housing, food, heating or hygiene needs.

A Recoverable Hardship Payment is an additional payment of Universal Credit, not a part of the claimant's entitlement. This means that once a person's Universal Credit award is no longer subject to penalty or sanction any sum paid as hardship is subject to repayment.

A hardship payment in Jobseeker's Allowance or Employment and Support Allowance is not subject to repayment.

Crisis Loans and Community Care Grants, which formed the discretionary Social Fund, were abolished in April 2013. Local Authorities in England and the Scotland and Welsh Governments were given autonomy to introduce Local Welfare Provision to deliver a service which best meets their community's needs. It is therefore up to each authority to decide what payments are for, who gets them and whether these are repayable.