



HM Revenue  
& Customs



Department  
for Work &  
Pensions

# **Stopping Tax Credits and the Transition to Universal Credit: qualitative research to explore the customer experience**

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HM Revenue and Customs report 435

Research report  
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## Glossary of terms

**Claimant Commitment:** a document signed by the claimant which sets out their responsibilities under Universal Credit, including what they have agreed to do to prepare for and look for work, or to increase their earnings if they are already working. It is based on the personal circumstances of the claimant and is reviewed and updated on an ongoing basis.

**CTC:** Child Tax Credit. Child Tax Credit is a benefit which is paid to help with the cost of raising a child, and may be paid to parents who have children they are responsible for aged under 16, or aged under 20 and in full-time education or training.

**DWP:** Department for Work and Pensions.

**HMRC:** Her Majesty's Revenue and Customs.

**In-year finalisation:** When a claimant claims Universal Credit, their tax credit award is finalised for the part tax year during which they were entitled to tax credits, rather than waiting until the end of the tax year. This process is known as "in-year finalisation".

**JSA:** Jobseeker's Allowance. A benefit paid to those seeking work which will be replaced by Universal Credit.

**Managed migration:** A process whereby existing benefit and tax credits claimants are prompted to claim Universal Credit on a systematic basis.

**Natural migration:** A process whereby existing benefit and tax credit claimants are prompted to claim Universal Credit as a result of experiencing a significant change of circumstances, such as a loss of a job or moving in with a partner who is already claiming Universal Credit.

**Overpayment:** when the amount of tax credits paid for a tax year to a person or persons exceeds the amount of the tax credits to which the person is entitled, or persons are jointly entitled, for the tax year. These can happen if: (i) the customer experiences a change in circumstance; (ii) the customer or Tax Credit Office has made a mistake; (iii) the customer does not renew their tax credits on time.

**Renewals:** this is a process in which a claimant reviews the information used to decide their award for the previous tax year and for the current year. This happens between April and 31 July, during which time the in-year finalisation process for those who have moved to Universal Credit is postponed, to avoid confusion.

**TCs:** Tax Credits; include Child Tax Credit and Working Tax Credit

**UC:** Universal Credit. Universal Credit is a single monthly payment for people in or out of work, which replaces: Income-based Jobseeker's Allowance, Income-related Employment and Support Allowance, Income Support, Child Tax Credit, Working Tax Credit and Housing Benefit.

**Work Coach:** a member of staff who supports the claimant in seeking work or better-paid work while claiming Universal Credit.

**Work Search:** As a requirement of receiving Universal Credit some claimants undertake Work Search activity which is activity relating to looking for work or looking for better-paid work. This may include – but is not limited to – any of the following: registering with Universal Jobmatch or a recruitment agency, applying for suggested vacancies, preparing a CV, attending or completing a training course. This may also involve attending regular interviews with **Work Coach** to discuss progress.

**WTC:** Working Tax Credit. Working Tax Credit is a benefit which is designed to top up the income of those who are in work and on a low income.

## Summary

As Universal Credit (UC) rolls out some tax credit customers who experience a change in circumstances will claim UC. This research was conducted to understand the customer journey from stopping a tax credits claim due to claiming UC, to explore understanding and information needs and test draft communications with current tax credits and UC customers.

The research consisted of 34 in-depth interviews with former tax credits customers who had moved to UC and 6 discussion groups with a mixture of current and former tax credits customers.

The research found that participants who had already transitioned to UC had a low awareness of UC before they made a claim and that this inhibited their understanding of some phases of the transition from tax credits to UC. They did not tend to have information on key aspects of the transition, such as how long the gap in payments would be or that the change to UC was a permanent one.

The key aspects which customers who had already transitioned to UC wanted information on were:

- The benefits which UC did and did not replace.
- Clear guidance informing that UC was a permanent replacement and they would not be able to return to tax credits.
- More precise information on the time between the last tax credits payment that a customer would receive and their first UC payment.
- Information regarding advance payment of UC including eligibility, application process and the repayment options.
- Information regarding the impacts of future changes of circumstances, such as a return to work.

Overall participants wanted information that was more personalised to their circumstances and was more specific regarding the financial impact of the transition. The timing of information was also deemed crucial; participants wanted to receive clear and succinct information as early as possible and in advance of changes that were likely to impact them.

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## Key Findings

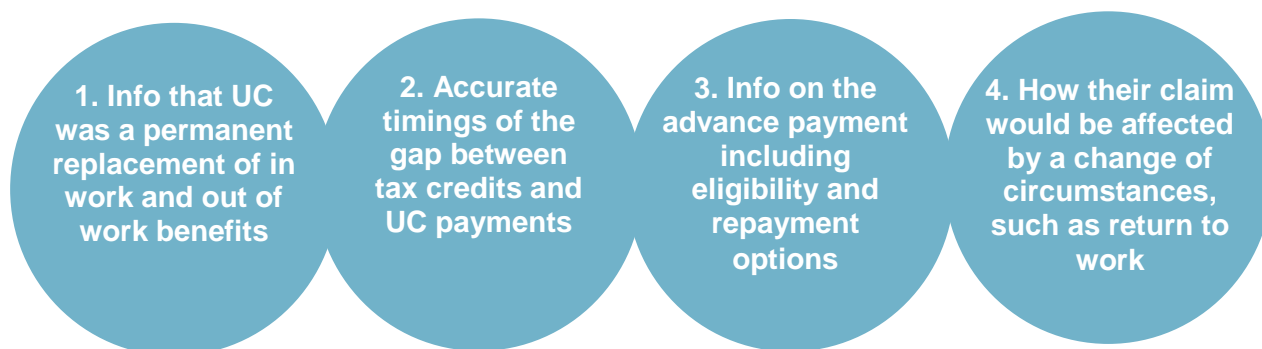
The aim of the research was to understand the customer journey from stopping a tax credits claim due to claiming Universal Credit (UC), in order to identify customers' information and support needs. The research was conducted in two phases. At Phase One, 34 former tax credits customers who had transitioned to UC were interviewed about their experiences of the transition and their support needs. At Phase Two, 6 discussion groups were held with current and former tax credits customers to test draft information from HMRC and DWP.

### Experiences of participants who have transitioned to UC

At Phase One, we found that participants who had already transitioned to UC had a low awareness of UC before they made a claim, and this inhibited their understanding of some phases of the transition from tax credits to UC.

The channel through which customers were first prompted to make a claim for UC also affected their understanding of the system. Participants who initially tried to claim on the telephone or at a jobcentre had received a face – to face or telephone explanation which aided understanding, by providing the opportunity to ask follow up questions about aspects which they were unsure of. Participants who had applied online did not understand UC as fully as they did not have this opportunity.<sup>1</sup>

Participants who had already moved to UC felt that the following information would have been useful during their transition:



It seemed that participants only found out about these details as and when they were affected by them. For example, participants found out about the impact of returning to work once this had happened rather than beforehand. This limited participants' ability to plan and manage their UC claim as effectively as possible, and may also mean that they were not aware of the potential benefits of returning to work, or increasing the amount they worked.

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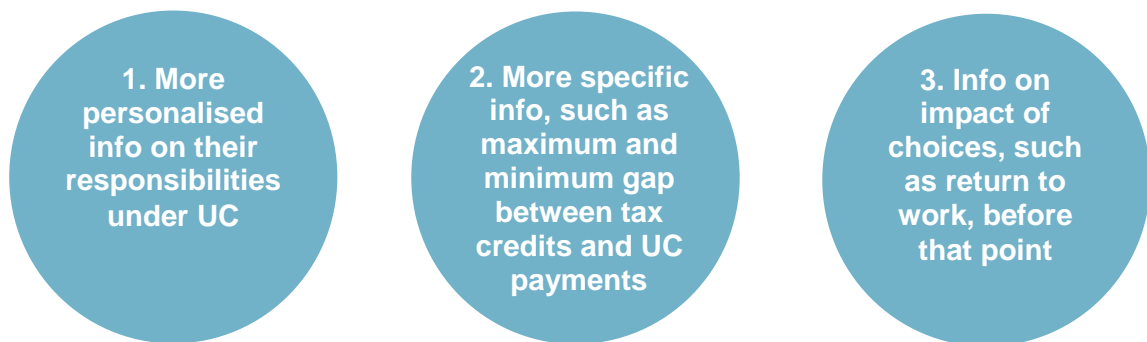
<sup>1</sup> In November 2014 a fully digital service for new UC claimants was introduced in a limited number of postcodes and is gradually being expanded. This offer is known as the full UC service and all claimants are required to register for UC online and manage an online account for the life of their claim. Due to the relatively small number of full service claims at the time of research these claimants were excluded from the sample.

There were also some points, for example the importance of completing the tax credits finalisation form which had not been understood well by participants at any point during or after transition.

### **Responses to draft information tested**

At Phase Two, participants were keen to have access to information on UC as early as possible, so that they could plan for the transition. Participants wanted a paper copy of key information, but were happy to receive links to additional supporting information online.

The key areas that participants needed more information on were:





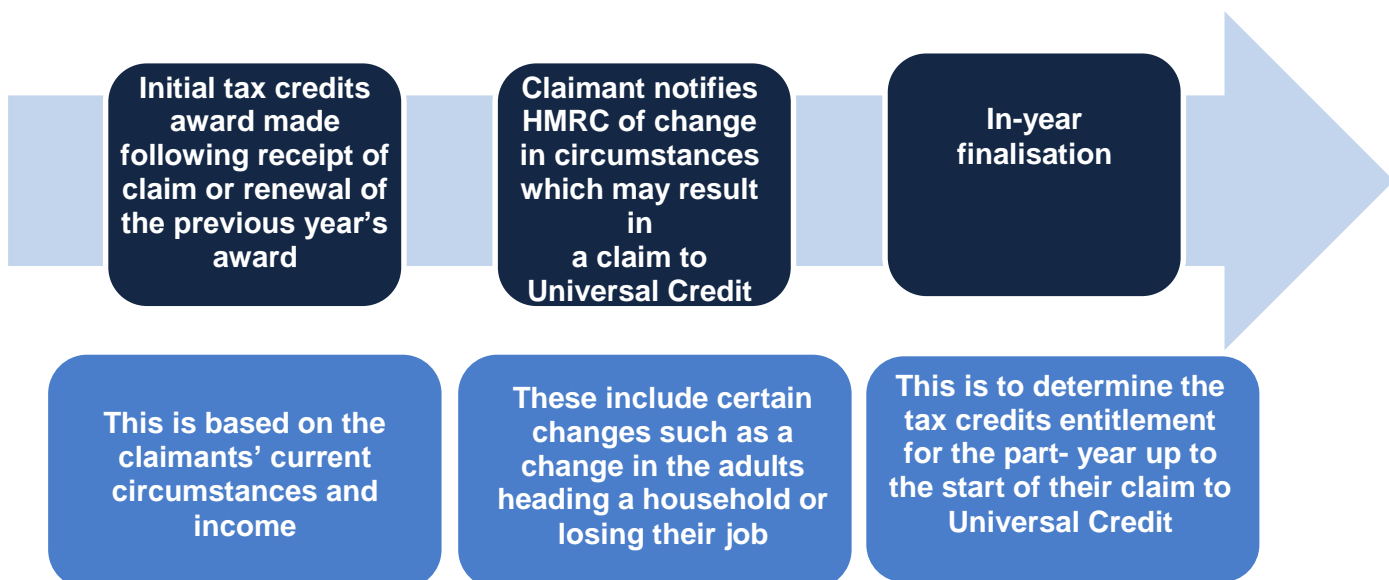
## Research Objectives and Methodology

### Introduction

The introduction of a streamlined benefits system in the form of Universal Credit (UC) should make the process of claiming and managing benefits simpler as claimants will only need to deal with one department and make one claim. UC is a new benefit that is designed to support people on a low income or out of work and is claimed instead of Working Tax Credit (WTC), Child Tax Credit (CTC), Housing Benefit, income based Jobseeker’s Allowance (JSA), Income Support and income related Employment and Support Allowance. However, the transition to this system presents a number of challenges to claimants and the departments currently administering these benefits. One of these challenges is that tax credits customers will transition to UC in several phases, meaning that HM Revenue & Customs (HMRC) and the Department for Work and Pensions (DWP) will need to continue to adapt the information and support they offer to be appropriate to each phase of transition.

The research covers the *natural migration* phase of the transition of tax credits customers to UC. Natural migration affects some customers who experience a significant change of circumstances that would require making a new claim for financial support, such as loss of a job or moving in with a partner who is already claiming UC. These customers may need to make a claim for UC and, when their claim is accepted, their tax credits payments will be stopped and their part-year award will be in-year finalised (see figure below):

Figure 1: Natural migration process



Previous studies conducted on behalf of HMRC have already highlighted some of the issues which transition may present; principally, that there is a lack of awareness and

understanding about the impending change among customers, meaning that they may be ill-prepared when they are affected.<sup>2</sup>

Once UC full service has been further established for new claims, the Department for Work and Pensions can begin to move existing benefit and tax credits claimants over to UC on a systematic basis in a process known as *managed migration*<sup>3</sup>. The planned migration of tax credit customers to UC will provide DWP and HMRC with the opportunity to communicate with tax credits customers about UC in advance of their transition.

## Aims and Objectives

The aim of the study was to explore, through two phases of research, the customer journey from tax credits to UC, in order to help HMRC and DWP identify the information and support needs of tax credits customers to help ensure a smooth transition to UC.

The research questions were as follows:

1. Prior to their transition from tax credits to UC, how aware were customers of UC, including how it might affect them and what would happen when they made a claim?
2. What issues, if any, did customers experience during their transition from tax credits to UC, especially in relation to financial management? What information or support might have helped them with this?
3. What were the key points in the journey from making a claim for UC to receiving the first payment? What did customers do during this time and how did they feel about the process? What information, advice or support did they need and what did they receive?
4. How satisfied were customers with their experience of transition from tax credits to UC? Where could improvements, such as communications, be made before and during the transition journey to smooth the process for customers?
5. What do customers think of the guidance and communications products designed to support them through transition? Do they understand these products and think they will be helpful for customers? What are customers' channel preferences (especially digital channels)? Which, if any, groups have specific needs?

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<sup>2</sup> Hall, S, Leary, K & Greevy, H: *Qualitative research to explore the information needs of tax credits customers during their transition out of the tax credit system*, HM Revenue & Customs Revenue and Customs Research Report 189 (Ipsos MORI 2012)

<sup>3</sup> More information regarding Universal Credit is available at GOV.UK website:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/518023/uc-and-tax-credits.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/518023/uc-and-tax-credits.pdf)

## Sampling and Methodology

The research adopted a qualitative approach in order to explore the views of customers in depth and map the diversity of experiences in terms of the transition to UC. The research aimed to understand the diversity of customer experience and information and support needs throughout the transition, rather than the prevalence of any particular experience, which is why a qualitative rather than quantitative approach was deemed most appropriate. The research was conducted in two phases:

- Phase One consisted of **34 face-to-face interviews** with former tax credits customers who had transitioned to UC.
- Phase Two consisted of **three discussion groups** with current tax credits customers and **three discussion groups** with customers who had transitioned from tax credits to UC<sup>4</sup>. A total of 38 participants took place in the discussion groups.

Please see Appendices A and B for further details regarding the methodology, and sampling and recruitment strategies used in this project.

## Interpreting qualitative data

Qualitative research is illustrative, detailed and exploratory. It offers insights into the perceptions, feelings and behaviours of people rather than quantifiable conclusions from a statistically representative sample. Owing to the small sample size and the purposive nature with which it was drawn, findings cannot be considered to be representative of the views of tax credits customers or specific types of customers; instead the research has been designed to explore the breadth of views and experiences. The word 'participant' has been used throughout the report to refer to customers who took part in the research.

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<sup>4</sup> The sample did not include any claimants who had made digital claims via the Full Service.

## Awareness of Universal Credit

This section explores participants' awareness and understanding of Universal Credit (UC) at the time of making their application. It also outlines the expectations participants had of how making a UC claim would impact upon their existing tax credits claim.

On the whole, **participants had limited awareness of UC at the time of submitting their application**, citing word of mouth and media channels as their only sources of information on UC prior to this point. They tended to have heard about UC at the point that they were claiming for other benefits and were instead told that they would need to claim UC.

At both phases of the research, understanding of how UC worked was also generally weak, and particularly so for current tax credits customers. **Those who had heard of it knew that it was being introduced but understood little else about it or how it worked.** Those with the least awareness were participants with no previous history of claiming benefits other than tax credits. These customers may not have seen themselves as claiming welfare benefits and therefore may not have thought that upcoming benefit changes would affect them. To illustrate, participants who had transitioned onto UC either as a result of leaving or being made redundant from their full-time jobs, tended to view tax credits as distinct to other welfare benefits. As a result, they had little understanding of what would happen to their tax credits claim.

**Participants who had been claiming other benefits such as Housing Benefit had, in some cases, picked up announcements on the news relating to UC.** They seemed to be more engaged with news relating to benefit changes, as they understood that it would affect them directly. For example, some participants had heard reports that benefits such as Housing Benefit were being phased out. However, this awareness tended to be at an abstract level (rather than related to their specific claims), meaning participants may have heard of UC but did not necessarily know that they might be soon making an application for it, or what the impact on their tax credits claim would be if they did.

The main exception, however, were **self-employed participants** who tended to move between benefit claims more frequently (for example between WTC and JSA and Housing Benefit). They were more aware that welfare changes would affect them and as a result had **taken more notice of upcoming benefit changes.** These participants had heard about UC from friends, family members or former colleagues. Some self-employed participants could see a possible period of unemployment ahead and in response to this had already discussed their options with friends or family. These conversations would often then serve as the trigger for them to look into UC, looking online on the gov.uk website for further information and guidance.

***“I was looking online because my brother in law, he was out of work at the time and he was giving me advice...I started looking online at HMRC for what I could actually claim.”***

Male, 32, Single UC claim

Some self-employed participants had therefore already consulted information sources on whether or not they were eligible for the award beforehand. This meant that, when making their application, they tended to know that it was for UC although they did not necessarily know the impact that it would have on their tax credits claim. Some of these participants also contacted Citizens Advice in order to query or follow-up on some of the information they had found and read online. While awareness for these participants was higher, this did not necessarily translate into improved understanding of how UC worked, which was generally weak across participant types.

There were, however, particular challenges in understanding for certain participants who might have heard about UC but had assumed that the changes would not be relevant to them. For example, in cases where a person's partner was making a new UC claim, they did not immediately understand that their tax credits claims would be affected. This was because these participants saw their partner's claim for UC as support for their partner being out of work, but saw their tax credits claim as an explicitly child-related benefit.

## Communication of Universal Credit

This section covers participants' views on the possible communication channels which could be used to inform tax credits customers about Universal Credit (UC). These were tested throughout the customer journey with participants who had already transitioned to UC as well as participants still claiming tax credits.

Participants were eager to have **information on UC prior to, and at the point of making a claim**. They felt that this would have helped them prepare financially; particularly for the gap in payments when they transitioned. It was also important that they receive information in a way that ensured they would not miss it; this meant that they tended to **want a copy of the information sent to them by post or handed to them** at the jobcentre. For some, this was because they did not have computer access at home and were worried that they might not have access to important information when they needed it.

***"I had to go to work ... all the time, use their computer to do everything because I didn't have internet or a computer at home."***

UC customer, Employed Group

Even participants who had computer access were concerned about only receiving information digitally, and felt that it was **reassuring to have information in the post**. Post represented the conventional way in which they would receive important information regarding their tax credits claim, and as such expected to receive information on UC in this way.

***"I'm really computer literate but I still like to receive something in the post."***

UC customer, Employed Group

On reflection though some participants could see the **advantages of receiving information digitally**; such as ease of access to it, especially at a later date. Participants suggested that it might be best to receive information both digitally and through the post, to maximise chances of seeing the information, engaging with it, and being able to locate it at a later date if necessary. **Some digital channels were felt to be more appropriate** for receiving information about UC than others. Email and online chat functions were felt to be appropriate, but social media was not.

Participants were concerned about the **security of receiving sensitive personal data via email**. This meant that they did not want information about their finances sent via email, but felt it would be useful to receive general information, or signposted to a site for additional information in this way. However, some participants were worried about possible scams via email and would be concerned about opening any information sent to them from HMRC.

***"Post and then if you want more information then you can look at it online."***

Current tax credits customer, Unemployed Group

Participants were receptive to more interactive online channels, such as a **chat function on the UC website**. Those who had been able to ask questions during the process of claiming for UC, for example, over the phone or at the jobcentre, had understood UC better. This suggests that such a function may help customers who claim online, giving them the chance to ask questions so that they could more fully understand how UC works.

However, participants felt that certain modes such as **social media were inappropriate**. For example, participants did not want to communicate with government departments via Twitter. Participants were not keen on using social media in this way; they viewed it as something where they could engage with people and things that they were interested in, and not for information about welfare benefits.

***“Definitely not social media...that’s like our little haven.”***

Current tax credits customer, Unemployed Group

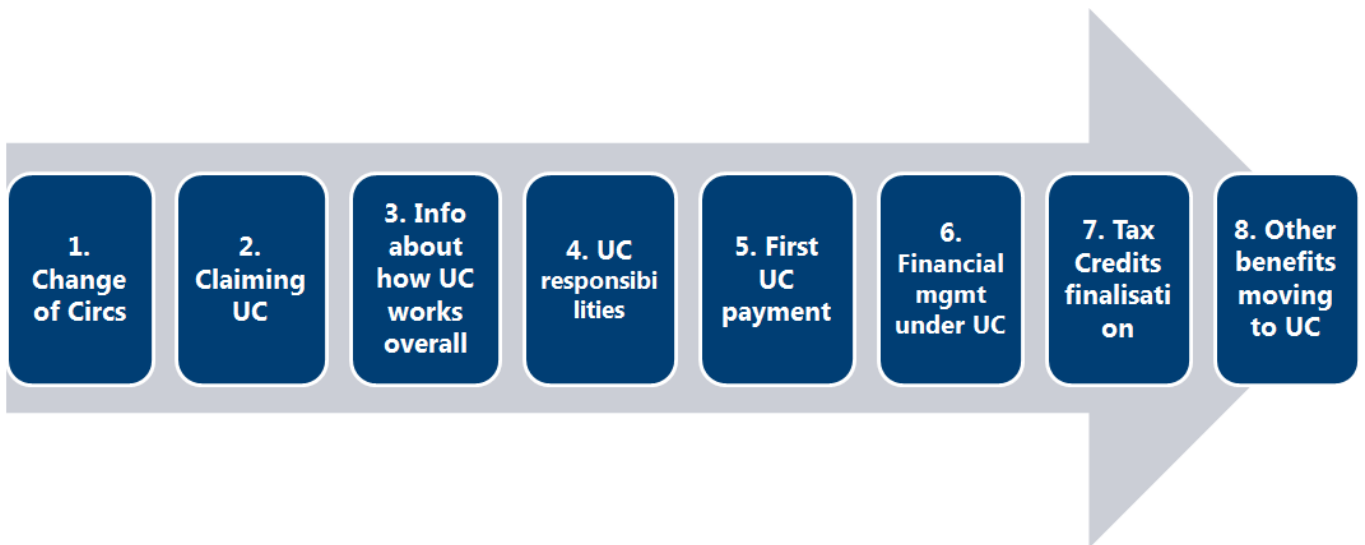
In addition, some participants were also concerned that if they interacted with government departments via social media this would enable the government to access private information about them. Alternatives such as online chat functions were felt to be more appropriate contact modes.

## Tax Credits to Universal Credit Customer Journey

This section outlines the stages of a typical customer journey from tax credits to Universal Credit (UC), describing the experiences of participants who have transitioned to UC and where relevant reactions to the draft information tested with participants who have transitioned to UC and participants still claiming tax credits.

The customer journey from tax credits to UC had eight key stages. Participants did not always experience these in the same order, however a typical journey followed the key steps: the change of circumstances that prompted the change, making the UC claim, information about how UC works, information about their responsibilities under UC, the first UC payment, financial management under UC, the tax credits finalisation process and the finalisation of any other benefits as they also transferred to UC. From the participants' perspective the major milestones were their change of circumstances, making their claim and receiving their first UC payment. Aspects of the process such as tax credits finalisation were less clear to participants; they were unsure if they had received the relevant forms and if they had reviewed them and sent them back, as will be outlined in section 7.

**Figure 2. The eight stages of the participant journey**



### 1. Change of Circumstances

#### Experiences of participants who have transitioned to UC

At the time of research tax credits participants had only transitioned to UC as a result of a specific change of circumstances. As such, participants had all moved to UC as a result of one of the following changes:

- Leaving employment (e.g. made redundant, left because of health reasons, went on maternity leave, had to resign to cover childcare).



- Moving in with a partner who is claiming UC / moving home to an area where UC had already been introduced.
- A change in the household, such as a partner moving out or a child turning five years old, impacting their conditionality for UC<sup>5</sup>.

The specific **change of circumstances experienced affected participants' expectations** of what this would mean for their eligibility for welfare benefits and, as such, impacted their journey. For example, **participants who had left employment** tended to expect that they would need to make a claim for JSA. Therefore, their route tended to be contacting the jobcentre or going online to claim JSA. When they realised that they could no longer claim JSA they understood UC to be a replacement for it. This was because participants who had gone online to claim JSA had been redirected to the UC application form, prompting them to think of UC as a direct replacement of JSA. For participants who had contacted Jobcentre Plus staff, they had initially gone thinking they were 'signing on' to JSA – it was only at this point had they found out that they could no longer claim JSA and had to make a claim for UC.

**For participants whose partner had moved out**, their journey was triggered by a need to apply for additional support. As the partner who left tended to be the one in work this meant that they then expected that they would need to claim Income Support or JSA. They were also then re-directed to UC, and thus saw it as a replacement for the benefit that they had tried to claim.

Participants who had **moved in with a partner** who was already claiming UC had a particularly poor understanding of how UC worked. In these cases, the partner had already had their introduction to UC and the participant joining their claim said that they had not received any information on it either before or after joining the claim. This meant that the implications on their tax credits claim were not always understood, and in some cases participants had not known that their partner had added them to their UC claim.

The findings therefore suggest that such customers would benefit from receiving information about UC at the point they join a partner's claim. As they did not expect to be moved to UC they did not seek out information on it at this point and did not understand that they were being transitioned to UC until they received notification that their tax credits claim had ended.

**At the point when participants experienced a change in circumstances they did not feel that they had received much information on UC, and wanted to know how it worked and what it meant for them.** Participants who gained more information had proactively sought this information, for example, by searching online (gov.uk website), or had spoken to staff at Jobcentre Plus.

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<sup>5</sup> Under Universal Credit, conditionality requirements are determined by individual capabilities and circumstance. Lone parents or lead carers in a couple with a child aged over one but below age five are required under their Claimant Commitment to keep in touch with the labour market. Further information regarding Universal Credit conditionality is available here: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/48897/universal-credit-full-document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48897/universal-credit-full-document.pdf)

**The key information needs at this stage were:**

- Clear information explaining that UC replaces out-of-work benefits such as JSA, but also replaces in-work benefits such as WTC.
- Clear information on the benefits that UC is not replacing.
- Clear information for the partner of a UC claimant; outlining what this means for them and the impact on their tax credits claim.

## 2. Claiming Universal Credit

### Experiences of participants who have transitioned to UC

The specific channel that participants used to make their UC claim affected the level of information that they received about UC as well as the extent to which it was understood.

The main channels to claim UC were:

- Attempted to claim a legacy benefit such as JSA online and re-directed to UC site.
- Informed about UC at the jobcentre and went home to apply online.
- Informed about UC at the jobcentre and then applied online there.
- Called to update HMRC on a change of circumstances and were transferred to claim UC over the phone.

Participants who had initially **tried to claim JSA online but were then re-directed to the UC site** struggled to understand why this was the case. Indeed, for some, it prompted concern that there was an error with the website. It also coloured the way participants viewed the benefit, as they saw it as a replacement for JSA, and so they did not understand that UC replaced both in-work and out-of-work benefits.

This group tended to find the online application for UC simple and straightforward and reported no substantial issues with completing it.<sup>6</sup> Any problems experienced typically related to technical difficulties, such as the site crashing. However, the ease of being able to apply online quickly may have meant that these participants did not engage properly with UC or look for additional information on how it worked or what the impact may be on their tax credits claim.

***"The online application was basically just like tick and click the correct boxes... It wasn't nothing like difficult, you know, ticking and clicking"***

Male, 32, Single UC claim

These participants could not recall receiving any information before or during their application, implying that either they did not receive any or that it did not make any impact on them. This suggests that information may need to be provided during the application process in a way that customers cannot miss to ensure claimants understand how UC works at the time they apply. One example of providing such information could be staged pop-up boxes displaying information on aspects of UC which customers have to confirm that they had read before continuing. For example, information explaining that it is a permanent replacement

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<sup>6</sup> This finding relates to the online system being used when UC was first introduced. A different interface is being used for UC full service.

and they will not be able to return to tax credits after applying for it. Requiring customers to say that they had read the information may encourage them to engage with it before applying for UC.

**Participants informed by Jobcentre Plus staff about UC tended to have a slightly better understanding** of it and what the process would be. This group had tried to apply for other benefits such as JSA in person and at this point had learnt that they would need to apply for UC. Their overall understanding seemed to be better as they had received a face-to-face explanation of UC and were able to ask questions on how it worked.

***“So when I lost my job then I go back to the jobcentre then I book an appointment for me to renew the Jobseeker. So when I went there ...they said to me that, you are not entitled to Jobseeker again...I said, why? He said, because you are entitled to Universal Credit...I said, how did that work?”***

Female, 35, Single UC claim

At this point participants either went home to apply for UC online or completed an online application at the jobcentre. Those that did the latter had a better understanding of UC as they had any further questions answered as they completed their application. This suggests that an online chat function might be helpful to those applying online so that they could also have this additional support.

**Participants who claimed UC over the phone also seemed to understand more about how UC worked than those who had tried to claim JSA online.** These were participants who preferred to handle their tax credits claim over the phone and when they experienced a change of circumstances had called HMRC to update their claim. These participants then learnt about UC during their phone call and tended to be transferred during the call to make a UC claim. The explanation that participants received during this telephone call seemed to improve their understanding of UC, compared to those who had tried to apply online and received no telephone or face-to-face explanation. These participants were also prompted by the UC call centre staff to think about what questions they wanted to ask at their first jobcentre appointment which meant these participants were more prepared for this.

**At this point, participants tended to be unsure how UC would work for them, and had questions around the payment such as when their first payment date would be and how much they could expect to receive.** However, shortly after claiming participants were invited to their first appointment at the jobcentre, and it was at their first appointment that they received further guidance on how UC would work for them.

**Participants in joint claims however, did not always feel that they had this information at their first appointment.** Participants who were making a joint UC claim but were not required to look for work felt that they were not included in the process, and the information was primarily directed at their partner. This caused complications for them as they felt that they did not know the responsibilities required of their partner, even though their joint finances could be affected should their partner fail to meet them.

***“(My partner) had an interview with his job search person and I wasn’t allowed to sit in there because it was all to do with his job search. I said, but he's caring for me and my children, I need to know because we’ve been messed about with the jobcentre.... And at the end of it he said right..., now I can explain what you need to know and he just turned round and said your Child Tax is going to stop, so is your Housing Benefit and Universal Credits is going to give it to you each month.”***

Female, 29, Joint UC claim

**The key information needs at this stage were:**

- Ensuring that customers claiming UC online are engaging with information about UC as fully as those claiming via other channels. This could be via prompted information sent to them during the online application process, or through an online chat function.
- Ensuring that all customers claiming are prompted to think about questions to ask during their first jobcentre appointment.
- Participants expected information about first payment date and expected amount to be given at this stage.
- Detailed information on each partner’s responsibilities so that claimants who have joined a partner’s claim or are the lead carer, are fully aware of what is expected.

### 3. Information about how Universal Credit works overall

#### **Experiences of participants who have transitioned to UC**

Participants who had already transitioned to UC felt that there were two key messages around how the transition to UC related to tax credits that they had not clearly understood:

- That their tax credits claim would end from the point that they claimed UC, and
- That the move to UC was a permanent one.

**Participants did not always realise the exact point that their tax credits claim would end.** Some did not find this out until they were directly notified by HMRC or the time at which they expected their next tax credits payment. Whilst some understood that tax credits payments would be replaced by UC, there were different expectations about when the transition would occur, with some participants thinking that they would receive tax credits payments up until their first UC payment.

There appeared to be differences in understanding depending on which tax credits claim type participants were transitioning from. Participants who, prior to the transition, had been in work, and therefore claiming Working Tax Credit (WTC), understood that their tax credits claim had ended, and had understood this at an earlier point in the transition process

Participants on WTC, tended to have had experiences of moving in and out of work, and thus of moving between in work benefits (WTC) and out-of-work benefits (JSA). As such they understood that if they left work they would no longer be eligible for WTC, and expected their WTC payments to finish. However, some of these participants had been told by HMRC that when they moved out of work, they would receive run-on payments of WTC for four weeks after their claim ended and so they were surprised when these payments were stopped after making a claim for UC. This misunderstanding most likely reflects the way in which a transition to JSA would work. There is a run on period of WTC payments when a customer moves from WTC to JSA so that those moving frequently in and out of work don't need to move between tax credits and JSA, however this run on period does not apply to a transition from WTC to UC.

Participants claiming Child Tax Credit (CTC) did not realise that their CTC would end until later in the process. These participants saw CTC as a separate benefit paid towards the care of their children which did not relate to whether or not they were in work. As some participants saw UC as an out-of-work benefit, they expected to continue to receive CTC payments towards their children as well as any out of work benefits. They were therefore surprised when their CTC payment stopped.

Due to the same assumption that CTC was paid towards the care of children separate to any in work and out-of-work benefits, those claiming CTC on a joint claim did not realise that if their partner claimed UC this would have an impact on their tax credits claim. They did not realise that their claim had ended until they received notification from HMRC that this was

the case. As the CTC claim was often handled by the lead carer, and not the person who was looking for work, the partner who handled the CTC claim tended to have had less contact with Jobcentre Plus staff about UC. This lack of contact with the Jobcentre may have contributed to the lead carer not receiving as much information about UC and not understanding that their CTC claim would finish.

In some cases, participants felt that Jobcentre Plus staff had only explained the process to their partner who was searching for work. The lead carers felt that they had not received information about how UC worked and did not know what their partner had been asked to do to ensure they would receive their joint UC payments. These participants learnt that their CTC claim was ending on receipt of a letter from HMRC to say that it had finished, or on the date that they expected their next CTC payment to be made.

***“I was quite confused at the time because the first I knew of it was when I got a letter from tax credits saying they were ending...and Universal Credits said it’s because it’s a joint claim...that they’d automatically shuffled me over to it as well...”***

Female, 35, Joint UC claim

**The message that transitioning from tax credits to UC is a permanent change was not well understood.** This confusion applied to both previous WTC customers and CTC customers. In particular, those who had believed that they would need to apply for JSA originally, and thought that JSA had been ‘re-branded’ as UC, thought that UC was an out-of-work benefit. These participants did not realise that UC would be paid both in work and out-of-work and that they would not be eligible for WTC once they returned to employment.

**The impact of returning to work on a UC claim was generally not known. Participants did not usually realise at the time of making their claim that their UC claim would remain open, until it became apparent at the point in which they returned to employment.** Remaining on an open UC claim was seen as a positive thing for participants whose work was unstable and often took temporary positions. They were pleased that they would remain on UC and would not need to claim again if their employment ended. However, others felt that they were worse off financially claiming UC rather than earning and claiming WTC and as a result had asked to return to claiming WTC and were then unhappy to find out that this was not possible.

### **Responses to draft information tested**

At Phase Two, communications materials were tested to see if participants who had transitioned felt that they would have been useful, and to see if participants who had not claimed UC yet understood them. Two key documents were tested to see if participants understood the explanation of how UC worked overall, and the impact of UC on tax credits (Document 1A and 1B; please see appendix for details).

From these communications participants understood that:

- UC was a replacement of a number of in work and out-of-work benefits.

- UC was being introduced in stages across the country.

However, within each of these messages participants felt that the language and content could be improved.

Firstly, whilst initially picking out the message that UC replaced other benefits, **participants felt that at other points the language suggested that both systems would exist at the same time.** This confused participants who were claiming tax credits as this suggested that it was not a replacement of the tax credits system, and instead both systems might exist in tandem.

***“I get a bit confused just by this...’once you move from tax credit to Universal Credit you may be unable to return to tax credit.’ So to me that’s confusing me because I feel like once Universal Credit appears, tax credits is going to no longer exist - but here to me it looks like it’s still going to exist. “***

Current tax credits customer, Unemployed Group

**This suggestion, that both systems would exist, undermined the message that UC was a permanent replacement of tax credits.** Participants inferred that if both systems were still running then they might be able to transfer back to tax credits, especially if their circumstances changed again.

Secondly, whilst the message that UC replaced in work and out-of-work benefits was understood, further clarity on this was needed. Participants were unsure about whether benefits which were not mentioned would be paid in addition to UC.

***“Make it a little bit clearer and maybe also list what it doesn’t cover – I’m thinking, is it going to cover my Council Tax Benefit or not?”***

Current tax credits customer, Unemployed Group

It was felt that it would be clearer if a **list of the benefits which UC replaced** was given in a bullet point list format, followed by a list of benefits which UC was not replacing and could be received in addition to UC.

The message that UC was replacing other benefits like Housing Benefit worried participants who were receiving additional support. These participants wanted to know what UC would mean for them, and whether they would still get the same level of financial help with their housing costs. Participants who had already transitioned to UC felt that the information could more clearly state that there would still be support towards housing costs under UC and what this might entail.

**The message that UC was being introduced in stages was understood by participants.** However, they were confused why this was included in the information. This was not felt to be relevant to them. They thought that they would only receive this information if UC had been introduced in their area- so it would be better to make the information personalised. For



example, 'UC has been introduced in your area'. The fact that some areas had UC and others did not also added to a sense of unfairness as participants questioned why it had already been rolled out in some areas and not others.

**There were several other key areas which participants felt were missing from the information tested.** The message that tax credits would end immediately had not been understood. Both participants who had transitioned to UC and those who were still claiming tax credits felt that this point needed to be made very clearly.

In addition, participants who had already transitioned to UC felt that there needed to be a more consistent message on their responsibilities regarding ending their tax credits claim. Participants who had moved to UC felt that if it was not clear whether customers needed to actively claim UC they might expect that they would get moved to UC without needing to do anything.

***"I think when people just see that, you don't need to do anything unless your circumstances change, people just think, oh, it's just getting switched over."***

UC customer, Unemployed Group

**The key information needs at this stage were:**

- Clear guidance, particularly for those joining a partner's claim, that UC replaced CTC as well as WTC, and the dates that their CTC payments would finish.
- Clear guidance that customers could not return to tax credits even if they returned to work.
- Information about the impact of returning to work when claiming UC; including information about the claim staying open and the impact on UC payments.
- Clear information setting out which benefits would be replaced by UC and which were still available in addition to UC.
- Information on the support available through UC, for example that there is support available for childcare and housing costs.
- Clear guidance on a tax credits customer's responsibilities regarding ending their tax credits claims.

## 4. Information about Universal Credit responsibilities

### Experiences of the Claimant Commitment

The Universal Credit (UC) Claimant Commitment sets out the responsibilities of a UC claimant; what they have agreed to do to look for or prepare for work. The Claimant Commitment is agreed between the UC Work Coach and the UC claimant, typically during their first meeting at the jobcentre. **Overall, participants had a good understanding of the Claimant Commitment, although their experiences of it were strongly shaped by the relationship they had with their Work Coach.** Participants indicating they had a good rapport with their Work Coach generally found it easier to meet their responsibilities, as they found they could approach their Work Coach easily, and were subsequently motivated to see them on a weekly or fortnightly basis to update them on their work search status.

Where participants got on less well with their Work Coach, their experiences overall were less positive, with participants sometimes skipping appointments or meetings as a result of how stressful they found the interaction. This had mixed outcomes with some feeling unmotivated to find work, but others feeling motivated to find a job as soon as possible to minimise their interactions with their Work Coach.

**Experiences of the Claimant Commitment were also largely driven by the extent to which participants felt that their Claimant Commitment took into account factors personal to them, such as their childcare responsibilities or individual work aspirations.**

Those who felt that their Claimant Commitment was in line with what they could achieve had a more positive experience. Participants who acted as the main carer for young children were pleased that their individual circumstances had been taken into account and they had an appropriate level of responsibilities to look for work. Initially, on receiving the information about UC, some had assumed that the 35 hours a week job search would apply to them and had been concerned about how they would meet this.

***“I expected to go there and feel pressured to work. It's not that I am avoiding work but I had children to look after them and I will work when [son] starts school this September. ...She said she understood where I was coming from and told me the help they could give me in September with childcare, CVs and so on. And I've signed up for the government job-match scheme.”***

Female, 31, Single UC claim

Participants with specialised work experience or skills (such as translation skills) did not feel that their Work Coach was able to support them in seeking a relevant job. Meeting the Claimant Commitment was quite challenging for these participants, as the availability of relevant jobs was low and they struggled to evidence their work search. In addition, they felt

patronised when they were advised to apply for and take up jobs that did not make use of their specialist skills.

***“I don’t want to be pushed again to any unqualified job and it’s quite humiliating. I have to come every week. I have to report what I’ve done online and, personally, to be around people much younger than me, maybe they’re less qualified than me, it’s not very nice.”***

Female, 51, Single UC claim

There was mixed guidance on whether activities like training could be counted towards their work search. Those who could include these in their work search felt supported by their Work Coach, but others had to pursue aspirations such as studying for a HGV licence in addition to 35 hours work search. These participants felt overwhelmed by their responsibilities, and did not feel that their Work Coach took their work aspirations seriously. As such they had a poorer relationship with their Work Coach and did not seek guidance or support from them.

### **Responses to draft information on the Claimant Commitment**

During the second phase of the research, draft documents outlining UC responsibilities were tested with participants who had transitioned to UC and participants who had not moved to UC and were currently claiming tax credits. In line with Phase One findings, participants remained unclear on which responsibilities were relevant or applicable to them.

**Participants were keen to learn more about the specific details entailed by each responsibility.** For example, more information on what work search activity would entail. They had a preference for receiving these in a list format since they felt this helped break down the responsibilities and indicate what is required step-by-step. The use of icons alongside the list aided comprehension and understanding; having intuitive icons accompanied by short and succinct bullet points helped convey the overall message and ensure these were registered among customers.

However, participants remained unclear about what their individual responsibilities were. Across both documents tested (please see Appendix 2A and 2B), participants with young children who were not seeking work were unsure which responsibilities would be relevant to them and tended to assume they would be exempt:

***“I think they would accept/waive the responsibilities until the kid is 5 years old.”***

Current tax credits customer, Employed/self-employed Group

Participants suggested that their individual responsibilities could be more clearly indicated on the document. Alternatively, they suggested that the document was personalised so that it filters out any responsibilities not relevant to them, which may increase their engagement with them.

Alongside information regarding their specific responsibilities and what each of these entails, **participants wanted clearer guidance on the implications of not meeting their responsibilities.** This was especially the case for participants who had already transitioned to Universal Credit, who thought that information regarding sanctions should be clearly stated on the document. For example, they suggested that rather than saying ‘in order to receive your payment’ (see top of documents 2A and 2B), participants suggested that it should mention that failing to do so could lead to sanctions.

Participants also **wanted to know the likely point they would receive this information during their transition.** Participants were generally confused to see the documents at this point in their hypothetical journey, as they expected to be aware of their responsibilities prior to claiming. Participants felt that the overall guidance should be given early on in the transition, so that customers could become aware of their individual responsibilities upfront and could make an informed decision prior to moving to UC.

Participants were unsure how they would be informed of their responsibilities. They welcomed the online link to further information and the reference to the Work Coach (both on document 2B), which they found to be a reassuring point of contact:

***“I feel reassured that someone is going to be there with me to support me during this big change.”***

Current tax credits customer, Unemployed Group

Customers who were claiming tax credits only and were unfamiliar with the jobcentre, were unsure about how to go about finding out about their responsibilities. Some assumed that HMRC would need to inform them upon leaving the tax credits system.

***“I don’t have a jobcentre, so it would have to come from tax credits, otherwise I wouldn’t have a clue what to do.”***

Current tax credits customer, Unemployed Group

**Joint customers echoed similar concerns as they were not sure how they would become aware of their responsibilities and whether these would even be relevant to them as joint claimants.** These concerns were exacerbated by some of the terminology used on the documents, which added to participants’ confusion about understanding and meeting their responsibilities. Both current and former customers were unfamiliar with the term “Service Centre”, with current tax credits customers equally unsure about the term “Claimant Commitment” and what this entailed.

**One other important information need at this point was the date of the first UC payment.** Including a message with the clear payment date was considered useful by customers, who were drawn to the box in the top right-hand corner of the document. This was because participants found it helpful to know when to expect the payment every month and therefore how to plan and budget accordingly, in line with their responsibilities under UC.

### **Experiences of evidencing work search**

At Phase One, participants encountered difficulties evidencing their work search, with the use of job sites being a key factor driving participants' experiences of the Claimant Commitment. While IT literate participants found themselves at an advantage in being able to look for work and satisfy their responsibilities, those less confident with the use of IT found the Commitment "daunting" as they perceived online skills to be a barrier in performing and evidencing their work search.

Participants had developed tools to help them evidence their job search, such as logging details of their search on a spreadsheet or diary. However, they sometimes found this requirement to evidence their work search to be at odds with their ability to actually find work. For example, self-employed customers in particular reported finding this difficult due to the lack of job postings in their field. They also had difficulties picking up last-minute shift work owing to their work search responsibilities. For contractual and shift workers without regular work patterns, they found it hard managing their workload alongside having to make the regular jobcentre appointments, as they could not predict the availability of last-minute work.

***"Trying to explain that [I'd found some work] to the jobcentre, they were like, well if you don't make your meeting it's like they'll stop your payments £10 odd a day or whatever it works out at. And I thought, well so I'm supposed to say I can't go to work?"***

Male, 35, Joint UC claim

While understanding of in-work conditionality was limited, the fear of sanctions meant that participants tended to comply with the terms of the Claimant Commitment, without fully grasping the rationale or principles behind it. Joint claimants found the fear of sanctions particularly stressful, as they were constantly worried about being sanctioned at any time without knowing whether or not their partner was meeting the terms set out in the Claimant Commitment. They did not know the level at which sanctions might be imposed, but were worried that their partner's actions could potentially prevent them from affording the things that they needed for their children.

### **Responses to draft information on evidencing work search**

At Phase Two, participants welcomed guidance on how to meet their work search responsibilities. However, as at Phase One some participants found the work search quite daunting and were still unsure how they would achieve it.

Customers **liked knowing exactly what was required as part of their work search responsibilities**. With the draft documents tested (3A and 3B) they found the icons with explanations a helpful way of illustrating this. Using intuitive icons helped to illustrate the

ways in which they could fulfil their work search responsibilities, with explanations reinforcing their understanding of the key messages. The messages helped highlight ideas that participants were unaware of. For example, former customers were pleasantly surprised to learn that certain activities, such as networking with friends and family and researching transport links counted towards their work search.

**However, current tax credits customers tended to view the communication as a list of obligations, rather than a guide.** They assumed that they needed to complete all of the activities in order to fulfil their obligations. The reason they felt like this tended to be driven by a few factors including the message that ‘this list is not exhaustive’, coupled with the clock layout. The overall message for these participants was that they would need to fill up their time completing each rather than any of the activities included in the work search materials. The effect of this meant that these customers found the document daunting and overwhelming.

In particular, participants with **other responsibilities, such as childcare** were concerned by the level of obligation that might be required of them. They wanted more personalised information on what they would need to do; such as activities for the lead carer depending on the age of their children.

**The key information needs at this stage were:**

- Personalised guidance on work search responsibilities for those, who have, for example, childcare responsibilities.
- More detailed descriptions of each of the responsibilities of the Claimant Commitment, for example what ‘work search activity’ was.
- Further guidance on whether activities such as training could contribute to work search.
- Clearer guidance on the likely sanctions from not meeting UC responsibilities.
- Ensuring that this information is received well before they have signed their Claimant Commitment so that they had time to process the information and knew what they were agreeing to before signing it.

## 5. The first Universal Credit payment

### Experiences of participants who have transitioned to UC

**Participants learnt key information about their UC payments (how much it would be and when the payments would be made) at different points along their journey by;**

- Proactively seeking information on likely payment amounts by checking what they might be eligible for on the UC website;
- Finding out when claiming for UC (if they had applied via telephone); or,
- Finding out at their first jobcentre appointment or when they received a letter from UC stating their likely payment.

Participants who found out what they could expect to receive earlier in the process found it easier to plan their finances accordingly. In contrast, those participants who had found out what their first payment would be through a letter from DWP had, in some cases, received this information only just before their first payment was made. This meant that they had been worried during this time waiting for their letter for when their payments would begin and were unsure how long they would need to manage for until then. In these instances, participants tended to phone up the UC service centre to check how long they would need to wait in order to receive their first payment.

The main concern for participants was **how they would cope financially whilst waiting for their first UC payment**. Participants tended to have a six or seven week gap between their last tax credits payment and their first UC payment, but for some it was up to ten weeks. There were participants who were in very challenging financial positions during this time and had to borrow from friends and family, or went into debt or rent arrears whilst waiting for their first payment.

There is an advance payment which claimants can apply for to help them during this period. This payment is then recovered from their UC payments over a set period of time. The advance UC payment was seen as a useful tool to help during this period, and those who had applied for it tended to receive it immediately. However not all participants recalled being offered it and neither did they know they could ask for it.<sup>7</sup>

***“Things are very, very difficult for me to continue in that place and I don’t have no job... so my (ex) partner ...he gave me £800 to pay my rent for two months because they refused to pay me.”***

Female, 35, Single UC claim

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<sup>7</sup> Since the research was conducted, DWP have raised awareness of benefit advances by providing new posters & leaflets in all Jobcentre Plus offices, along with refreshed guidance for DWP staff and a revised entry on gov.uk.

Participants who had known that there was an **advance payment** did not always have enough information about it, to know whether they could take it on. For instance, the possible repayments that would be required worried participants; some assumed that they would need to pay the full amount back in full from their first UC payment. Consequently, these participants saw the advance payment as something that would just make things harder for them the next month. Even those who knew that they could pay it off in instalments were still unsure of how much exactly they would be required to pay off and whether they could afford it. With more information on how the repayments worked, these participants said they would have accepted a larger advance payment.

***"They take it out in really small increments over a long period of time, so it doesn't actually leave you short...which was why we didn't take the whole allotment we were offered...we were very concerned that if we took the whole amount it would reduce the following payments so much we would really struggle".***

Female, 33, Joint UC claim

Participants had also found out about the advance payment at a point where they decided it would no longer be helpful. For example, participants had called towards the end of their six or seven week gap as they wanted to know when they could expect their first payment. At this point they had found out that an advance payment was possible, but they were also told that their first payment would be due shortly, and as such decided not to take the advance payment.

### **Responses to draft information tested**

At Phase Two, documents explaining the UC payment were tested with customers who had transitioned to UC and current tax credits customers who had not moved to UC. The question around the likely timeline between tax credits payments stopping and the first UC payment remained, as did the questions on advance payments.

The **timelines** mentioned in the stimulus were unclear to customers. In the web page document (1B) tested, participants quickly skipped to the 'waiting period' section and sometimes missed the information in 'How you'll be paid'. This meant that some of them only read the phrase that there would be a 7 day waiting period, and so they thought that this would mean that they only had a 7 day period between tax credits stopping and UC payments starting. Others were unsure whether to add this on to the 6 weeks mentioned in the 'How you'll be paid' section or whether the 7 days was included within 6 weeks.

Participants felt that the overall timeline should be made much clearer. They felt that a worst case scenario and best case scenario timeline would be preferable if an accurate one could not be given. This was so that they could plan to manage their finances for the length of time they would need to live without receiving tax credits or UC payments.

The next question for participants was **how they would manage financially during this gap in payments**. Participants who were still claiming tax credits questioned whether they would receive a backdated payment to cover the gap in payments. They also wanted to



understand how the advance payment would work. The information states that “If you get an advance, your future monthly payments will be reduced to make up for this” (1A).

Participants wanted to know how exactly this would work; how long they would be paying it off, the likely reduction, and if they would be able to choose a repayment plan that they would be able to manage financially.

**The key information needs at this stage were:**

- Knowing the likely amount that they would receive as soon as possible made it easier for participants to manage their finances accordingly.
- Participants wanted more precise information on the likely length of the gap between tax credits payments ending and UC payments starting. They wanted a maximum and minimum timeline so that they could plan for the worst case scenario.
- Participants were anxious about how they would cope financially during the gap. They wanted information that explained that they could claim an advance payment and how this could be paid back. Participants had in some cases not known that the advance could be paid back in instalments and had refused it because of this.

## 6. Financial management under Universal Credit

### Experiences of moving to monthly budgeting

Participants were generally confident managing their budget, making use of a range of tools to help them do so. Tools included mental accounting, keeping a diary or log of expenses, and using online banking to monitor monthly outgoings. While participants making use of diaries and logs reported that they enjoyed doing so to help “keep on top of finances”, participants keeping a mental note tended to feel less confident in their budgeting approach and were generally more financially cautious following the transition to UC. In contrast, those using online banking did not report a noticeable difference in terms of their approach to budgeting, given that they were used to regularly checking in on their incomings and outgoings.

**Participants previously receiving monthly wages generally felt well equipped to manage financially under UC.** This was because they were able to anticipate the adjustments they would need to make in order to manage their monthly budget, such as curbing spending on non-essential items or anticipating shortfalls and putting in place arrangements accordingly.

**The move to monthly budgeting was particularly challenging for those claiming multiple legacy benefits, who had to substantially rethink their approach to budgeting under UC.** Prior to the transition, participants reported that they had viewed their tax credits and other benefits as different income streams, which they used to pay off certain bills (for example, using CTC payments to pay off the gas and JSA for the electricity bill). Splitting up their income in this way was reassuring to these participants, since doing so meant that their bills were paid on time, and the maximum time that they would need to manage before their next payment was usually two weeks.

Similarly, participants who were previously in work but paid weekly, or fortnightly, also found the move challenging. This was for some partly due to a lower income on UC than when they were in work. These participants also reported finding it more difficult to rely on a single payment that must “stretch” for the month, as they were still thinking in terms of a weekly budget and not used to budgeting with a lump sum in this way. In particular, some of these participants who had also previously been claiming Housing Benefit had fallen behind on their Council Tax and rent payments whilst waiting for their first UC payment. These participants found it difficult to catch up on payments in addition to the change in budgeting and as such were continuing to struggle with budgeting their UC payment.

There were mixed recollections about whether budgeting support had been offered. On the whole, participants could not remember specific support regarding budgeting being mentioned. Of those who had heard of it they were generally unsure what it would involve and did not expect it to be useful to them. This included participants who were struggling with the move to monthly budgeting and so may have benefitted from budgeting support. In some cases, particularly if a participant had outstanding overpayments of tax credits, they had taken up the offer of budgeting support and found it helpful.

**One response to the challenges of moving to monthly budgeting was for participants to rearrange how and when they paid their bills, ensuring that as much as possible was paid immediately after receiving their UC payment.** For example, participants said that they paid all their bills upfront, sometimes switching to pre-pay tariffs, to be able to calculate their available budget for the remainder of the month.

***“It is a bit daunting to have that much in your bank straightaway...as soon as I get January’s money, I took my rent out straightaway...and then I paid the rest of my bills, and then got food and then at weekend it was like, right we’ve got this bit left over the course of the month, the course of the weeks, and just split it up in weeks”***

Female, 29, Joint UC claim

This allowed participants to know that they had paid their bills and to then budget on a weekly basis as they had done before. Part of budgeting in this way has involved making adjustments under UC to the way in which food and household items are purchased. For example, participants reported “bulk purchasing” food and baby items at the start of the month to ensure that these costs are budgeted for. In some instances, this incurred additional one-off costs of a freezer /storage unit.

**Rearranging how bills were paid was not easy for everyone.** Participants with longstanding direct debit arrangements found monthly budgeting more challenging under UC, reporting that they often struggled to ensure there was sufficient money to pay these off as a result of the **fixed nature of their direct debit agreements**. On the whole, participants were able to amend the dates of these payments so it posed a short term issue rather than a long term one. However, this was further complicated when participants then returned to work and started to receive a UC payment at a different time in the month to when they received their wages. This meant that some had to again rearrange their direct debit payments.

### **Experiences of receiving UC payments**

**The regularity of UC payments allowed participants to manage their budget well. When participants received their payment on the same day every month they were able to plan when all of their bills could come out and ensure that these were settled, once they were sure the payment had arrived.** If the UC payment was not paid on the date expected this caused concern for participants and meant that they would call up the UC Service Centre to see when it would be paid.

**Participants also found it easier to manage financially when their awards were consistent from month to month.** Prior to transitioning onto UC, self-employed participants reported feeling frustrated in having to close their existing claim and submit a new benefit claim each time their work hours/patterns fluctuated; resulting in them being moved in and out of the benefits system. Being on an open UC claim has, in some respects, made this experience easier for them, since it has minimised the gaps in payments they previously experienced, in between submitting a new claim and receiving their new award.

***“It doesn’t stop, it just continues, which is really good because every time it was half term I had to make a claim, and it was annoying...it takes over 5 weeks.”***

Female, 52, Single claim

In another respect, however, participants with fluctuating work patterns (such as part-time or self-employed workers) found it difficult to budget, since they were unsure as to the level of income they were going to receive. They felt that access to their likely award level before the date of the UC payment would enable them to budget more effectively.

***“Well it doesn’t help that you only get the letter the day before, don’t you? Sometimes it’s even on the same day that your credit goes in and you get the letter saying how much to expect. So you have a ballpark figure but if your wages change – which they have with you on occasions – you don’t know what it’s going to be.”***

Male, 35, Joint UC claim

**Some participants who had previously claimed CTC experienced particular challenges moving to a joint UC claim**, owing to having to adapt to the changes in how their awards are administered and managed under UC. In these cases, families would tend to be receiving multiple income or benefit streams. Whilst the CTC payment tended to be paid to the lead carer, other payments such as JSA or the family income would have been paid to the main person in employment or seeking employment. The lead carer had in the past received the CTC payment and had been responsible for managing this income and spending on their children. In joint claims customers did not feel that they had a choice about which account the UC payment was made to and their perception was that it was paid to the person who first made the claim. Participants were not aware if there were alternative methods to receive payment available. In practice, this meant that the payment was made to the person looking for work and that the lead carer (usually mothers) were no longer financially independent in the same way<sup>8</sup>. Some participants reported several issues with this such as no longer knowing what income was coming in, no longer having access to this income, and not understanding what the requirements of UC were. Not knowing the requirements of UC made these participants feel vulnerable that they might lose their joint UC payments if their partner was sanctioned but they did not know what their partner was expected to do.

***“I’m very much in the dark...they deal specifically with the person required to look for work and as the full-time carer of the children and not yet being expected to interact with them and look for work on an active basis, I have no idea what we receive on a***

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<sup>8</sup> UC Claimants receive one monthly payment directly into one account of their choice, which could be a joint account or a single account in either their name or their partner’s name. If there are any issues with accessing payments paid into their partner’s account a claimant can discuss alternative payment arrangements by calling the Universal Credit helpline. Alternative payment arrangements are considered on a case by case basis, and they allow for the household payment to be split where this is the right approach for the couple. Further information can be found at [www.gov.uk/government/publications/universal-credit-and-couples-an-introduction/universal-credit-further-information-for-couples#receiving-universal-credit-payments](http://www.gov.uk/government/publications/universal-credit-and-couples-an-introduction/universal-credit-further-information-for-couples#receiving-universal-credit-payments)

**monthly basis on Universal Credit.”**

Female, 33, Joint UC claim

The effect of administering payments in this way for joint claimants has often meant having to relinquish control of the budget and needing to rely fully on the partner to keep on top of expenses and provide them with an allowance. These participants were not aware if alternative arrangements, such as splitting the payment between partners, were available.

Participants were unsure what would happen to their UC claim should their circumstances change. This was illustrated by the fact that in some instances participants thought that their UC payments would stop should they find new work, suggesting that they tended to view UC as being an out-of-work, rather than in-work, benefit.

Self-employed participants had a better understanding of the impact on their UC claim, meaning that they anticipated their claim to fluctuate in line with their earnings. However, they were unclear about the tapering system and were not sure at which point the top-up on earnings would be capped.

**The key information needs at this stage were:**

- Participants who struggled with the transition to monthly budgeting tended to be those who were used to weekly budgeting; either through benefit payments or a weekly income. This suggests that they may benefit from some informal budgeting support.
- Knowing what their payment was going to be each month helped participants budget accordingly.
- Participants who are the lead carers may be less financially independent due to the way the UC payment is administered. Some participants who had an independent income as a tax credits customer no longer had this when their partner claimed UC. Information about whether the payment can be split between two bank accounts may help these customers.

## 7. Tax credits finalisation

### Experiences of participants who have transitioned to UC

After making their UC claim, participants would have been sent information from HMRC regarding the finalisation of their claim. The finalisation pack sets out the requirements involved in finalising a tax credits claim in the year in which it has ended, following notification that a claim has been made to UC and UC notification of that claim has been received in HMRC<sup>9</sup>. Customers are required to check that the information is correct so that any overpayments or underpayments could be calculated.

This stage of the process was not recalled well by participants. The participants who did recall reviewing the finalisation forms were participants who said that they typically kept and filed everything from HMRC. They understood that the process was important and wanted to ensure that their claim was correct.

On the whole though, participants struggled to remember if they had received the finalisation forms and they were unsure whether they had done anything about them. Participants said that they did respond to urgent communications from HMRC but they tended to look less closely at correspondence which seemed to be information or guidance rather than something demanding urgent attention.

***“Depends if it’s really important... I’ll sit there and read a letter from HMRC because it might be about my debt...but not if it’s only like a welcome or information thing”***

Female, 35, Joint UC claim

However communications relating to overpayments stood out for participants and they were able to recall the details of these. Participants recalled reading the letters carefully as they wanted to know what they would be expected to pay HMRC. Some participants already knew about these overpayments, for example if they related to a previous year and they were already repaying these. These participants expected that they would be notified by HMRC on their tax credits claim ending. They were unsure how the repayment would work, but expected that it would need to be paid off separately, and kept separate from their UC payments.

***“Yeah ...we got this through the door, ending of your tax credits and there was, I think there was these and a few other leaflets and then I think there was a letter inside it to say, oh you need to pay us some money back because you were overpaid because we’d gone to Universal Credit, so we had to pay them a, an amount back because of the overpayment.”***

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<sup>9</sup> More information on in-year finalisation available at HMRC website:

<http://www.hmrc.gov.uk/manuals/tcmanual/tcm0346200.htm>

Male, 32, Single UC claim

This notification was the first time that some participants learnt about the debt. In these cases they were angry that the overpayment had occurred and felt that it must be related to the move to UC. This suggests that customers would benefit from receiving finalisation materials earlier on in the transition, in order to avoid a possible overpayment.

### **Responses to draft information tested**

In light of these findings, revised finalisation materials were drafted by HMRC and prototype banner messages were tested with participants during the second phase of the research. Participants were asked their opinions on the three banner messages that were tested<sup>10</sup>, including their overall understanding of in-year finalisation, the clarity of the language used and whether they had any suggestions for how to improve the messages.

**In line with the findings from the first phase of the research, participants struggled to grasp the concept of finalisation, which inhibited their overall understanding of the test materials.** Recall of the finalisation process among participants who had transitioned to UC was very low, while participants yet to transition did not understand what it entailed or why it would be required. Participants had assumed - from reading the banner messages - that the materials were informing them that their tax credits payments were going to stop. Participants found this confusing since they recognised that at this point in their transition their payments would have already stopped and were not clear why further information/materials would be issued.

***“Hang on; I’ve just done all this information, what other information do you need from me?”***

Current tax credits customer, Unemployed Group

Participants welcomed the explanation that their tax credits had ended because they had claimed UC. While overall understanding of finalisation was low, participants found that including reference to UC in the banner message helped them join the dots and make the connection between their tax credits award and their UC claim – something that former tax credits customers did not initially grasp during their prior experience of finalisation.

***“When they just stopped it [tax credits] I had no clue. I was like, I didn’t know it was anything to do with it, so that just makes it clearer, you’ve got a new claim [for Universal Credit] so your tax credits isn’t going through anymore.”***

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<sup>10</sup> Banner message 1 (White text on green): *Ending your tax credits award because of a claim for Universal Credit: please read this pack carefully. The information we need is different from your normal tax credits renewal.*

Banner message 2 (Black text on yellow): *Important: Your tax credits have stopped - please read this pack*

Banner message 3 (White text on black): *Important: This is new - Act now*

UC Customer, Employed Group

**While participants found this useful, they were nevertheless still unclear what they were required to do as part of finalisation and why.** Participants generally did not take into consideration any debts that might have been accrued under tax credits in the form of overpayments. Upon probing, participants not yet on UC just assumed any debts would be transferred to UC and deducted from their monthly payments.<sup>11</sup>

***“I think they would just take it out of the Universal Credit payment...”***

***...I think so too otherwise they wouldn't get it off most people.”***

Current tax credits customer, Unemployed Group

While participants who had already transitioned to Universal Credit were conscious of overpayments, they too found this unclear from the finalisation letter prototypes. As a result, participants across both customer types suggested clarifying the language used and including direct reference to overpayments at the top or front of the letter. Doing so would likely alert them to the consequences of not engaging with finalisation, which resonates with the wider findings of Phase Two and the importance of highlighting any sanctions or consequences that might be incurred to customers upfront.

**Building on this, participants also wanted clearer guidance around the specific actions needed in order to finalise their claim.** On the whole, they understood the urgency conveyed by the banner messages – especially where an instruction or order was given, such as ‘Important’ or ‘Act now’ – although they were less clear what specific steps they needed to follow in order to finalise their claim from reading the message.

***“It doesn't make it clear...what do you mean, ‘ACT NOW’, like do what?”***

UC Customer, Employed Group

In terms of format and appearance, participants found the overall prototype messages more engaging than existing finalisation materials and were readily able to acknowledge and recall their importance. Large, bold fonts were particularly effective, especially when coupled with short sentences, which participants found key in terms of conveying the overall sense of importance:

***“If it was that important they wouldn't put that many words in, because no one's going to read that.”***

UC Customer, Unemployed Group

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<sup>11</sup> At the time of the research overpayments of tax credits were not being recovered by UC. The process of recovering tax credit overpayments from UC began in April 2016.



Participants were more likely to skip over the banner message when smaller fonts or longer sentences were used and so risk missing key information regarding finalisation.

**Participants across customer types also responded positively to the use of colour in the banner messages, with brighter colours being most effective at captivating their attention and alerting them to engage with the process.** Alongside the visual appeal, participants also associated the choice of colour with how important the message was and, consequently, what actions they may be required to take. Overall, participants reported a preference for the yellow background, which, in contrasting with the black font, made it less likely for them to skip over it or ignore the request entailed by the message:

***“Yellow’s like a warning, like sort it.”***

UC Customer, Unemployed Group

**While participants reported a preference for bright colours, getting the right balance is crucial in alerting customers to take an appropriate course of action.** Although some participants suggested red might be a good choice of colour for the banner message, previous research conducted by Ipsos MORI on behalf of HMRC indicates that it is likely to increase the incidence of avoidable follow-up calls. This is because the colour ‘red’ is perceived by customers as a high-level alert which requires immediate action on their behalf. Where customers are unclear what specific action is required, they are then inclined to phone HMRC in order to query the information received.

**The key information needs at this stage were:**

- Ensure that customers understand the link between making a UC claim and the tax credits finalisation pack.
- Clarity on the specific action required by customers. Using key verbs like 'CHECK' and 'COMPLETE' may help guide customers through what they need to do in order to finalise their claim.
- Outline the consequences of failing to act on the information. This might be done by referring to any possible underpayments or overpayments that could arise from not finalising the tax credits claim and making sure this is clearly stated.
- Providing information regarding possible overpayments or underpayments early on in the process may help prompt customers to expect that there will be a finalisation process, and to understand that they may have overpayments so that they can plan for this.

## 8. The transition of other benefits to Universal Credit

### Experiences of participants who have transitioned to UC

The transition from benefits such as Jobseeker's Allowance (JSA), Employment and Support Allowance (ESA) or Income Support, to UC had not caused significant issues to participants who had already transitioned to UC. Participants who had also been claiming an out-of-work benefit such as JSA or ESA understood that these claims would end when they claimed UC. Their main concern was whether they would receive less overall as a result of the move to UC.

The main exception however was the transition from Housing Benefit to UC. Participants previously in receipt of Housing Benefit had experienced logistical issues with ensuring that their housing element would be paid. Participants wanted more information on what happened to Council Tax benefit as a result of the move to UC, with participants unsure if they would get this in addition to their UC payment. Participants were also unclear about who to contact regarding these queries. They felt that they were passed between departments; when speaking to the UC Service Centre they were told to contact their local authority and vice versa.

The responsibility for paying rent was a key change for those previously claiming Housing Benefit for social housing costs. For some they felt that the responsibility was a positive change that gave them more control over their finances. In particular, participants who had experienced difficulties in the past with inaccuracies on their Housing Benefit payments felt that this was much better for them.

***“I don't have to apply, they give me that money and I pay them (Council Tax and rent)... sometimes they'd get it wrong and they (Housing Benefit) would overpay me... most of the time they'd get it wrong...now I know what I've got to pay.”***

Female, 52, Single UC claim

Those who were less confident managing their finances were worried about what would happen if they could not pay their rent. One strategy these participants had employed was to pay their rent as soon as receiving their UC payment. Another strategy those who were worried had employed was to ask for their payment to be sent from UC directly to their landlord.

Another area that participants required further information on was the transition of eligibility for other benefits such as access to free prescriptions, dental costs, milk tokens and free school meals. In some cases, participants had not been able to access these after claiming UC as UC was not listed as an out-of-work benefit when they were trying to make a claim. In other cases, the participant had not been able to find information about whether they would still be able to access this support and this was a key information need for them.

### **Responses to draft information tested**

The findings at Phase Two reflected those at Phase One. Participants were highly concerned about which benefits exactly would be replaced by UC, and which they may still receive in addition to UC. In particular, as Council Tax benefit was not listed in the information tested with participants they wanted to know whether they would still have access to this or not. Participants were eager to know as if they were no longer eligible for it and it was not included in the UC payment then they assumed that they might be worse off as a result of claiming UC.

#### **The key information needs at this stage were:**

- Clear information on the benefits that UC replaces, in particular whether Council Tax benefit is replaced by UC or whether it would be paid in addition to UC.
- Clear guidance on who to contact regarding transition of housing payment issues.
- Clear guidance on accessing other benefits such as support with medical prescriptions, dental costs, free school meals and milk tokens.

## Conclusions

Overall, customers are unprepared for the move to UC. **They are still not aware of UC or how it will affect them.**

**This means some are making a claim for UC without being aware of the full conditions of UC (such as waiting period or conditionality).** Customers seem to be finding out about UC as and when it affects them. For example, finding out the impact of work on UC when they get a job. It means they are not overburdened but also cannot prepare as well as they might be able to otherwise.

**The timing of information is crucial.** Participants wanted information as early as possible. This was so that they could plan their finances accordingly, so that they knew what they were agreeing to before committing to it, and so that they would know what the impact of changes in the future might mean for them.

**Understanding of information was improved when delivered through more personalised channels.** For example, participants who had claimed over the telephone and had UC explained to them had understood what UC meant more clearly than participants who had claimed online<sup>12</sup>. This suggests that interactive services such as online chat functions may improve customers' understanding.

**Throughout, participants wanted information that was more clearly related to their individual circumstances.** This was particularly the case for those who had joined their partner's claim or had childcare responsibilities and wanted to understand what UC meant for them. They did not feel that this was provided with the information tested.

**Participants also wanted more specific and detailed information on the most important financial aspects.** Information regarding aspects such as the gap between payments, the conditions of the advance payment, the likely impact on UC payments when returning to work needed to be available. Information such as the best case and worst case scenario for a gap in payments could help customers to plan as effectively as possible to manage the transition.

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<sup>12</sup> The online interface is different for UC Full Service.

## Appendix A: Methodology

The research was conducted in two phases: the first phase consisted of 34 face-to-face interviews with former tax credits customers who had transitioned to Universal Credit, the second phase of the research consisted of six discussion groups with current and former tax credits customers.

For the first phase, there were two main groups interviewed; those whose transition to UC was triggered by moving out of work, and those whose transition was triggered by moving into a joint claim with a partner who had applied for UC. The groups were also split by customers who were and were not previously in receipt of other benefits (i.e. in addition to tax credits). The second phase consisted of six discussion groups which and comprised both Working Tax Credit and Child Tax Credit customers. Three discussion groups were conducted with former tax credits customers who had transitioned to UC, and three with current tax credits customers. Former tax credits customers were incorporated in the research design at this phase to test the draft communications materials and to see if these would have helped them. Current tax credits customers were included in order to see whether the communications would make sense to participants fresh to the UC process.

In-depth interviews were deemed to be most appropriate for the first phase given the sensitive nature of the research area around personal relationships, household finances and debt. Depth interviews provided the opportunity for interviewers to build rapport with customers and to explore in great detail the experiences of customers in their transition and their particular information needs at each step during this process. For the second phase, focus groups enabled the optimum environment for discussion of communications materials. This is because focus groups facilitate interaction between group members that allows participants to challenge each other, re-evaluate and reconsider ideas, enabling idea generation and creativity<sup>13</sup>.

Interviews with tax credits participants for the first phase took place in January and February 2016 across a range of locations<sup>14</sup>. All participant interviews took place face-to-face in participants' homes and lasted approximately one hour. Focus groups took place in March and April 2016, with a total of 38 participants. Six groups were held across three locations, two each in London, Manchester and Liverpool. As is common practice in qualitative research, individual participants who took part in Phase One received £30 from Ipsos MORI as a gesture of appreciation for their time, and those taking part as a couple or with a friend or family who help them manage their claim received £50. Focus group participants received £45 as a thank you for their time.

Analysis of the findings was conducted throughout the fieldwork period using a framework

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<sup>13</sup> Kitzinger, J. (1994) 'The methodology of focus groups: the importance of interaction between research participants', *Sociology of Health* 16 (1): 103-21.

<sup>14</sup> The majority of interviews took place in London and the North West of England. A more detailed breakdown is available in Appendix B.

approach, alongside regular analysis sessions with the interview team. Representatives from HMRC and DWP also attended one of these sessions for Phase One. For Phase Two, the two research groups (current customers and former customers) were analysed separately, and within these groups analysis was conducted on a thematic basis. Analysis was then conducted across the groups (for example: self-employed, full-time/part-time and unemployed customers) to explore the similarities and differences between them.

## Appendix B: Sampling and recruitment

A sample of former tax credits customers who had recently transitioned to UC was provided by HMRC. All customers on the sample were sent an advance letter, detailing the purpose and scope of the research and offering them the opportunity to opt-out of the study. These participants were recruited for both the first and second phase by Ipsos MORI's specialist in-house interview telephone team. In addition to this, Ipsos MORI used free-find recruitment techniques to recruit current tax credits customers to take part in the second phase of the research.

The sample provided by HMRC was drawn from tax credits customers who had made a claim for UC up until mid-November 2015. Customers based in full service areas were removed upfront from the sample, as the number of tax credits customers moving to UC full service was very small at that point. Only customers who indicated at the recruitment stage that they had made a new claim for UC or had joined someone's existing claim and had started to receive Universal Credit payments were eligible to take part in the research.

To ensure we gathered a complete picture of the transition journey, and fully incorporated the needs that different participants might have, the 34 participant interviews for Phase One were conducted with a diverse range of former participants across a range of different quotas. Some of the quotas were based on the findings from previous research on *Information needs of tax credits participants*<sup>15</sup> which identified factors which influenced how participants felt about transition, as well as their information needs and channel preferences. The first primary quota set was a mixture of reasons triggering the move to UC. The second primary quota aimed for a range of participants who had or had not already been in receipt of other benefits (such as Jobseeker's Allowance, Employment and Support Allowance, Housing Benefit or Income Support). Other quotas included: household structure, employment status, age, household income and language. The final quotas achieved are shown below:

34 x in-depth interviews- former tax credits customers who have made a claim for Universal Credit		
Primary criteria		Achieved
Significant change that resulted in tax credits claim being stopped	Moving out of work due to unemployment or sickness	21
	Moving into a joint claim with a UC claimant	6

<sup>15</sup> Hall, S, Leary, K & Greevy, H: *Qualitative research to explore the information needs of tax credits customers during their transition out of the tax credit system*, HM Revenue & Customs Revenue and Customs Research Report 189 (Ipsos MORI 2012)



	Other change (e.g. partner moving out or change in eligibility for other benefits)	7
Other benefit history	Previously in receipt of other benefits that transitioned to UC (i.e. Housing Benefit, JSA, Employment and Support Allowance or Income Support).	18
	Not previously in receipt of any other benefits that transitioned to UC	16
<b>Secondary criteria - minimum quotas</b>		
Household structure	Two parent household	10
	Lone parent	10
	Couple without children	1
	Single person without children/without children under 18	13
Employment status	Employed full or part-time	11
	Self employed	2
	Unemployed	21
Age	18-25	6
	26-39	18
	40+	10
Household Income	Under £12.5k	23
	£12.5 - £20k	8
	Over £20k	3
Language	Speaks English as a second language	6

For Phase Two, the 6 focus groups were conducted with a range of former Child Tax Credit (CTC) and Working Tax Credit (WTC) customers and the quotas were broadly reflective of those used in the first phase:

### Current customers

3 x focus groups- current tax credits customers who have not transitioned to Universal Credit		
	Quotas	Achieved
<b>Employment status</b> (NB This includes taking into account partner's status)	Employed full or part-time	11
	Self-employed	2
	Unemployed	9

<b>Age</b>	18-25	3
	26-39	12
	40+	7
<b>Household Income</b>	Under £12k	9
	£12-20k	12
	Over £20k	1
<b>Household structure</b>	Two parent household	5
	Lone parent	11
	Couple without children	1
	Single person without children	5
<b>Tax credits claim</b>	Working Tax Credits (WTC)	6
	Child Tax Credits (CTC)	10
	Both WTC and CTC	6
<b>Length of time claiming tax credits</b>	Less than 2 years	3
	2 years or more	19
<b>Other benefit history</b>	Currently in receipt of other benefits	17
	Not currently in receipt of other benefits	5
<b>Housing status</b>	Renting – private sector	8
	Renting – social sector	10
	Home owner	4

## Former customers

3 x groups former tax credits customers former tax credits customers who have made a claim for Universal Credit		
	Quotas	Achieved
<b>Employment status</b>	Employed full or part-time	7
	Self-employed	1
	Unemployed/ training	8
<b>Age</b>	18-25	2
	26-39	9
	40+	5
<b>Household Income</b>	Under £12k	15
	£12 - £20k	1
	Over £20k	0
<b>Household structure</b>	Two parent household	3
	Lone parent	7
	Couple without children	0
	Single person without children	6
<b>Significant change that resulted in UC claim</b>	Moving out of work due to unemployment or sickness	11
	Moving into a joint claim with a Universal Credit claimant	2
	Moving to a new home/ other	3
<b>Previous tax credits claim</b>	Working Tax Credit (WTC)	6
	Child Tax Credit (CTC)	4
	Both WTC and CTC	6
<b>Length of time claiming tax credits before moving UC</b>	Less than two years	11
	2 years or more	5
<b>Other benefit history</b>	Previously also in receipt of at least one other benefit	7
	Not previously in receipt of JSA/ Housing Benefit, Employment and Support Allowance or Income Support.	9
<b>Housing status</b>	Renting – private sector	3
	Renting – social sector	9
	Not renting / other	4

## Appendix C: Research materials

<b>C)i. Phase One - Former customers interview guide</b>	
<b><u>Welcome and introduction</u></b>	
<p><b><u>Personal Background and Tax Credit history</u></b></p> <p><b>I'd like to start by learning a little about you.</b></p> <ul style="list-style-type: none"> <li>- Can you just tell me a bit about you and your household?  PROBE: How long have you lived here? Are you renting or do you own/ have a mortgage? Who do you live with? Do you have children? How old are they?</li> <li>- Are you working/ studying at the moment? What kind of work do you do/ what was your last job? IF STUDYING: How long have you been enrolled onto the course/program?</li> <li>- IF APPLICABLE: What about your partner – what kind of work do they do?</li> </ul> <p><b>Are you currently claiming Universal Credit?</b></p> <ul style="list-style-type: none"> <li>- And can I check, do you have a single or a joint claim?</li> <li>- How long have you been claiming UC for?</li> <li>- IF NO LONGER RECEIVING PAYMENTS: When did your payments stop?</li> <li>- Are you receiving payments for support with any other costs e.g. help with Council Tax from the council?</li> </ul> <p><b>What benefits were you claiming before Universal Credit?</b></p> <ul style="list-style-type: none"> <li>- Were you claiming working tax credits or child tax credits or both?</li> <li>- How long had you been claiming tax credits for? <b>(Moderator note: Use timeline to plot this)</b></li> <li>- Was it a single or joint claim?</li> <li>- Were you in receipt of any other benefits?</li> </ul> <p>PROMPT: Housing Benefit, Jobseekers Allowance, Employment and Support Allowance or Income Support?</p>	<p>(5 minutes)</p> <p>Welcome orientates participant, gets them prepared to take part in the interview.</p> <p>Outlines the 'rules' of the interview (including those we are required to tell them about under MRS and Data Protection Act guidelines).</p> <p>(5 minutes)</p> <p>Warm up participant , allow them time to speak and gather some background info (about current situation of participant)</p>

<p><b><u>Financial management</u></b></p> <ul style="list-style-type: none"> <li>- Can you tell me how easy or difficult you find it to manage your household finances?</li> <li>- Who takes responsibility for this in the household? Why is that?</li> <li>- Do you use a budget to manage your finances? Why/why not?</li> <li>- If so, how do you do this? Weekly, monthly?</li> <li>- Has the way you manage your money changed over time? If so, how?</li> </ul>	<p>Briefly explore customers' Universal Credit and tax credits history for context – will set parameters for rest of interview.</p> <p><i>(Note: Claimants would not 'stop' claiming UC but if they went into work and earn more than a certain amount their payments might stop so they might feel that they are no longer on UC if they don't receive payments anymore).</i></p>
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1. Customer journey	Timings and notes 30 mins
<p><b>We understand that you had a change of circumstances which meant that you had to claim Universal Credit.</b></p> <ul style="list-style-type: none"> <li>• Can you tell me what the change was?</li> <li>• When did this happen? NOTE THIS ON TIMELINE</li> </ul> <p><b>I'd like to understand what happened when you claimed Universal Credit, including what happened to your tax credits award. We'll be mainly talking about the time up until just after you first received a Universal Credit payment.</b></p> <p><b>Please could you tell me briefly about your experience? We will then come back to talk about each step in more detail.</b></p> <ul style="list-style-type: none"> <li>• When and how did you first hear about UC?</li> <li>• Who did you hear from (DWP/HMRC)?</li> <li>• When did you first make your claim for UC?</li> </ul>	<p>This section explores the customer transition journey from when the change occurred up until the first UC payment.</p>

- (If previously in work) when was your last wage payment?

**(Moderator note: Use timeline to plot each of their steps including any communications from HMRC/DWP. Refer to notes on the expected process, but don't assume that it will follow this).**

**Thinking about your experience overall ...**

- How easy or difficult was moving from tax credits to UC? Why?
- How happy or unhappy were you with the information you received? Why?
- How happy or unhappy were you with the support you received? Why?
- How did you feel when you realised you would leave tax credits?
- How did you feel about moving from HMRC to DWP? Makes any difference? Why/ why not?
- WHERE THEY CLAIMED OTHER BENEFITS - How easy or difficult was it to move from other benefits to UC

**Step 1: Change of circumstance**

**If you could think back to the time of the change what did you do at that point?**

**Did you tell anyone about the change? Who? Why them?**

- What did you know about reporting a change? Were you aware of what needs to be reported?
- What made you report at the time that you did?
- How, if at all, did you think reporting the change would affect your tax credits?
- How did you report the change?

**IF THEY CONTACTED HMRC:**

- What did HMRC tell you?
- Did they discuss what would happen to your tax credits?
- Did they say the amount you were entitled to would change?
- When would the change happen?
- How long did you expect your tax credits to continue? Prompt for 4 weeks.
- How did you feel about this?

*Note: The usual UC process will be completing an online application for UC, then booking an appointment to verify identity at local jobcentre. After this tax credits claim will be stopped).*

*Note – the interviewee could have reported the change to HMRC; DWP or both. Alternatively – if they were on ESA or IS, they might have been told to claim UC by the Job centre*

**MODERATOR NOTE:** customers receive a 4 week run-on payment when a WTC claim is stopped but these

**IF NO LONGER WORKING: Did you initially try to make a claim for any new benefits? E.g. JSA, Housing Benefit**

- Where did you go/ Who did you speak to? Why them?
- What were you told?
- How helpful did you find this?

**Information about UC**

**How did you find out about Universal Credit?**

- Where/ who was this information from? HMRC/DWP, web/ charity/ friends or family?
- When did you find out about it?
- What did it tell you?
- What format was it in?
- What did you think about it? How clear was it? How useful was it?
- Did you have any questions or concerns that weren't covered?
- Did you think you would be better off/ worse off on UC?

**Thinking back, what information did you actually need to help you understand / claim UC?**

- How does that compare to what was available / easy to find?
- What would be the best way to access this information? Email, online, f2f, leaflets, text message? Any other format?
- When did you need to have this information?

**Step 2: Making UC claim**

**After you had found out about UC - what did you do next?**

- PROBE: Did you wait to see what would happen? Look for further information or advice about UC?  
IF applicable: Did you think that you would claim UC or were you unsure?

**When did you make your claim for UC?**

- Was there anything in particular that made you do it at that point?

**How did you find making the claim?**

payments end as soon as UC claim is accepted

- Did you know what you needed to do?
- If applicable: Where/who did you find this out from?
- How long did you expect the process to take at that point?

**Can you talk me through the different stages of making the claim?**

**Online UC application:**

- How did you find doing this?
- Were there any problems with accessing or using the UC site?
- How clear was the application form?
- Did you know you needed to include information about housing and childcare costs in your application?
- Did you have any questions or concerns at this point?
- Did you receive any support with this from anyone? Who?

**Interviews with DWP Agent/ Work Coach:**

- Explore first meeting with Work Coach, **prompt on:** how and when this was set up, how useful they found it in terms of understanding the transition
- And did you have any further meetings with your Work Coach?
- Ask what was discussed with the Work Coach – **probe around:**

Your work aspirations
Your work history + the type of work you are currently looking for
Your personal circumstances
How you are going about your job search
Support that you might need or might be available (e.g. digital support, budgeting support, work coaching, financial support)
What you would be required to do to get your UC payment
What would happen next in terms of jobcentre meetings

- Was any information provided at these interviews? E.g. do they remember receiving a 'Welcome Pack'/ leaflet/ anything else? Views about?
- IF YES: How clear did you find this? Did you know what to expect in terms of next steps with HMRC/DWP?

NOTE – Work Coach support for claimants – Work search support to assist claimants move towards and into work. Referral, via Local Authority Delivery Partnership, to Personal Budgeting Support (financial and budgeting advice/support) and Assisted Digital Support (digital competence/skills).

NOTE - First visit to the jobcentre includes two meetings, one to verify the claim, and the other with their Work Coach to discuss work and what they are required to do'



- Did you have any questions or concerns at this point? Did you ask anything? What? How satisfied did you feel with your answer?
- Did you receive any support with this from anyone? Who?

**At this point did you know what the impact of claiming UC would be on your tax credits award?**

- PROMPT: What did you think the impact would be?
- Did anyone talk to you about what would happen to your tax credits award / payments?

**When did you find out that your UC claim was successful?**

- How did you find out about this?
- Were you given a first payment date?

**Did you have any more interviews with a work coach before you received your first payment?**

- How many did you have?
- What was discussed in these interviews?

**Step 3: UC payment**

**When did you receive your first UC payment?**

- How long was this after starting your initial claim? And how long after finding out that it had been successful?

**Did you receive any information about the payment from DWP?**

- Did you know how much you would receive?
- Did you know what was/ was not included (e.g. housing costs, childcare etc.)
- How did you get this information (eg award letter, estimation/assumption)
- Was the payment what you expected? If not, what did you do?

**Step 4: Information about tax credits**

How long had you been receiving tax credits previously?

What did you understand about would happen to your tax credits claim when you first started the process of claiming UC?

- What made you think this?
- Did anyone / anything tell you this (e.g. HMRC / DWP / letters, word of mouth, etc)

NOTE – claim might have been made by phone

**(Moderator note: ‘Welcome pack’ is usually emailed by the Service Centre to the claimant)**

And how did this change during the process of claiming UC?  
Were you aware of all the implications for your tax credits claim at the start of the process or did you find out more later on?

- What did you find out later?
- How did you find out about this?
- How did this make you feel?

**Did you realise your tax credits payments would stop?**

- IF YES: When (in relation to your UC claim) did you find this out? (knew it already, initial discussion, meeting with work coach, at first payment, etc)
- IF YES: Where did you find this out from? HMRC/ DWP/ Third party advice like Citizens Advice/ friends / family/ (social) landlord?
- What were you told?
- How did you feel about it?

**(Moderator note: they should receive a letter telling them about payment)**

**When did you think that your tax credits payments would stop?**

- PROMPT: The day you claimed UC? / a few weeks after UC claim? / On the day UC payments started?
- What made you think this?
- What information had you found about this (if any)?
- Did HMRC tell you when your payments would stop?
- Did you know your payments would stop before they stopped?
- Did your expectations this match up with when the payments actually stopped? If not, did this make any difference to you? In what way?
- Is there any more information that would have been helpful?

Did you know that you couldn't claim UC and tax credits at the same time?

- IF YES: How did you find this out?
- IF YES: When did you find this out? (i.e. was it before, during or after UC claim?)

**How long after your tax credits payments stopping did you receive your first UC payment?**

**Step 5: Tax credits finalisation**

**(show card/letters that customers would have received)**

**What communications did you receive from HMRC during this change?**

**Do you remember receiving a finalisation pack from HMRC?\_ SHOWCARD X** *(This would be an in-year award notice of tax credits payments, notes and a declaration form)*

- When did you receive the pack?
- What did you do with the pack when you received it?
- Did you realise that you might need to provide information to HMRC
- Did you notice the dates on the form [NOTE - would have been for part of a year]
- Did you understand why the dates were for part of a year only?
- Did the dates make sense to you?
- Was what you needed to do clear?
- Did you refer to the guidance notes in the pack? If yes, how helpful did you find them?
- Did you need any support with understanding it?
- Who did you ask for help?

NOTE: Did they understand this correctly?

**ONLY FOR PEOPLE WHO NEEDED TO COMPLETE THE DECLARATION - How did you find filling in the declaration form?**

- Did you understand what you needed to do? Were there any parts that you struggled with?
- When did you return the completed declaration? Straight away or some time afterwards?
- Did you get any support on this? Who did you ask for help from? Which parts did they help you with?

NOTE – the dates should run from 6 April to the day before the interviewee claimed UC. Did anyone make that link?

**Did you receive a Final Award Notice from HMRC?**

- If yes: Did you understand this?

**Did you have any further contact with HMRC after this?**

- If yes: Can you tell me what the contact was about?
- If no: Do you think you will need to be in contact with them again about your former tax credits claim or not?

NOTE – not all interviewees would have had to fill in a declaration form – so need to filter out those interviewees who had to respond to HMRC (from

<p><b><u>Overpayments</u></b></p> <ul style="list-style-type: none"> <li>• Do you know if you have any outstanding tax credits overpayments?</li> <li>• What do you think will happen to these overpayments now you have left the tax credits system?</li> </ul> <p><b><u>Step 6: Other benefits moving to UC</u></b>  <b>Only for participants who were claiming Housing Benefit, JSA, Income Support or ESA when they claimed UC</b></p> <p><b>Can you briefly tell me how the move to Universal Credit affected your other benefits (refer to those given at start of interview).</b></p> <p><b>What communications, if any, did you receive about how your other benefits claims would be affected once you had claimed Universal Credit?</b></p> <ul style="list-style-type: none"> <li>• Where did you get this information? Local Authority/ Housing Association? DWP? Someone else?</li> <li>• What information were you given? Was it clear?</li> <li>• Did you receive the information you needed or did you have further questions? Did you look for more information? Where?</li> </ul>	<p>those whose details just needed to be checked)</p>
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UC – claimant responsibilities	Timings and notes 5 mins
<p><b>The following questions are all about your personal responsibilities when claiming UC....</b></p> <p><b>Do you need to do different things to manage your UC claim (in comparison with claiming tax credits)?</b></p> <ul style="list-style-type: none"> <li>• Can you say what these differences are?</li> <li>• Have you heard of a 'claimant commitment'? Can you tell me what this means?</li> <li>• What is your understanding of your responsibilities with UC? i.e. what do you have to do?</li> </ul> <p><i>[prompts: Managing your money between monthly payments? Pay your housing costs (if applicable)? Be able to work and/or search for work for 35 hours a week? Notify the jobcentre of any change of circumstances? (and how to do this)?]</i></p> <ul style="list-style-type: none"> <li>• When did you first hear about these responsibilities? What did you think about it at the time? And now?</li> </ul>	<p>Explore customer awareness and understanding of their claimant responsibilities in UC system</p>

<p><b>How easy or difficult have you/ do you think you will find meeting these responsibilities?</b></p> <ul style="list-style-type: none"> <li>• How comfortable do you feel about talking to your work coach openly if you have been unable to do anything you have agreed to in your claimant commitment?</li> <li>• What do you think might happen if you do not do what is expected of you? .....</li> </ul> <p><b>Has UC made any difference to you in terms of looking for work/ increasing hours of work? Why?</b></p> <p><b>How might your UC claim change if you find work/ better paid work?</b></p> <ul style="list-style-type: none"> <li>• How will this affect your claim?</li> <li>• How will this affect your responsibilities? .....</li> </ul> <p><b>How do you feel about claiming Universal Credit now?</b></p> <ul style="list-style-type: none"> <li>• And how about when you first made the claim, did you feel differently?</li> <li>• How does claiming UC compare to claiming tax credits (and other benefits where relevant. Explore pros and cons</li> </ul>	<p>Note: Try to find out if they are aware that their UC claim will not close if they work/ better paid work.</p>
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Overall experience and summary of info needs	Timings and notes 10 mins
<p><b>Overall, how would you describe your experience of making a claim for Universal Credit and leaving tax credits?</b></p> <ul style="list-style-type: none"> <li>• How well prepared did you feel to cope with this change?</li> <li>• How confident did you feel about what you needed to do and what would happen next?</li> <li>• Were any points particularly difficult or confusing?</li> <li>• What concerns or issues did you have?</li> <li>• For example, concerns about their finances/not enough information, etc.</li> <li>• How did you resolve your concerns?</li> <li>• How well would you say you managed financially during this time?</li> <li>• Has the way you manage your money changed as a result of the transition? If so, how?</li> </ul> <p><b><u>Supports received during the move:</u></b></p>	<p>Brings together journey discussed and establishes key information needs</p>

- How well supported did you feel during the move?
- Can you name the support(s) you received from DWP?
- [Prompt: 1. Financial (advance payment) support, 2. budgeting support, 3. digital support, 4. work coaching]

**Record in details if any of the support above is mentioned**

**If financial support is mentioned:**

- Can you tell me more about this financial support?
- What was this support (**probe: advance payment**)?
- Where and how did you find out about it?
- Was it offered to you or did you request it?
- How much did you receive? What period did this need to cover?
- How helpful was this to you?
- Did you understand the repayment arrangements?

**If budgeting/digital/work coaching support is mentioned:**

- Can you tell me more about this budgeting/digital/work coaching support?
- Where and how did you come across it?
- Was it offered to you or did you request it?
- How helpful was this to you?

**Summary of Information needs:**

**What are your views on the amount of information you received during your transition from tax credits to Universal Credit?**

- PROBE: Was there anything you found particularly helpful or unhelpful?

**Thinking back now, what did you need to know and when?**

PROBE AROUND TOUCHPOINTS AND WHAT WAS NEEDED

- When the change first occurred?
- When making a claim for UC?
- When your tax credits award was stopped?
- While you were waiting for your UC payment?
- Any other points?

**Did you find the right information at those points? Why/ why not?**

<ul style="list-style-type: none"> <li>• How easy or difficult was it to find the information you needed?</li> </ul> <p><b>Any areas of improvement?</b> Are there any information that you think should be more readily available that would have improved your experience?</p> <p>What additional information would have helped you better prepare for the move to UC</p> <p>Is there anything HMRC/DWP could have done differently?</p> <p>What additional support or preparations could HMRC/DWP have provided to support the transition (focusing on the process)?</p>	
<p><b>Conclusion</b></p>	<p><b>Timings and notes 5 mins</b></p>
<p><b>We are coming to the end of the interview, but I just have a few final questions before we finish.</b></p> <p>If someone you knew was about to go through the same change, what advice would give them?</p> <p>Are there any other issues you feel should be raised or any final comments you would like to add before we finish?</p> <p>Thank and check they are still happy for us to use the information they have provided. Explain next steps for the research and close</p>	<p>Establish key points, explain next steps and close interview.</p>

C) ii. Phase Two - Current Customers focus groups guide	Timings and notes 15 mins
<p><b><u>Welcome and introduction</u></b></p> <p><b><u>Warm up exercise</u></b></p> <p><i>Introduce themselves to partner- find out their name, where they are from. Ask them to go round and introduce their partner to the group.</i></p> <p><i>Moderator explain overview of discussion:</i></p> <p><i>HMRC and DWP have drafted some information materials to explain a change which will affect tax credits customers in the next few years. The aim of this discussion is to find out how clear you think this information is and how and in what ways you think that it could be improved.</i></p> <p><b><u>Flipchart exercise</u></b></p> <p><b>What have you heard about Universal Credit?</b> Allow for spontaneous responses then PROBE: Do you know what it is / how it works?</p> <p><b>Where have you heard this from?</b></p> <p>Moderator to explain:</p> <p><i>Universal Credit is a new type of benefit designed to support people who are on a low income or out of work.</i></p> <p><i>It is based on a single monthly payment, transferred directly into a bank account.</i></p>	<p><i>(5 mins)</i></p> <p>Welcome orientates participant, gets them prepared to take part in the interview.</p> <p>Outlines the 'rules' of the discussion (including those we are required to tell them about under MRS and Data Protection Act guidelines).</p> <p><i>(5 mins)</i></p> <p>Allows participants to get used to the group discussion setting and start to feel comfortable.</p> <p>(To set out parameters of discussion and ensure the discussion does not focus on individual experiences/problems with their claim).</p>



Customer journey	Timings and notes 75 mins
<p><i>Moderator to explain case study:</i></p> <p><i>Going to look at an example family and then explain the process that they are going through. I want you to put yourself in their shoes and at each step of the process I want you to think about what information they would need to know. We will also be looking at some information drafted by HMRC and DWP to see if you think this helps explain the process, or if there is anything missing.</i></p> <p><i>Hand around &lt;Family case study&gt;</i></p> <p><i>Mum is Rachel and partner is Bryan. They have 2 children; a daughter aged 18 months and a son who is 4 years old. Bryan works full time at a construction company. Rachel looks after their children full time, but is hoping to go back to work when her daughter goes to school. They have a joint claim. Rachel receives Child Tax Credits in her account and Bryan receives Working Tax Credits.</i></p> <p><b><u>Step 1A: Change of Circumstances</u></b></p> <p><i>There are cut backs at Bryan's work and he is made redundant. He is hoping that he won't be out of work for long but he knows in the meantime that they will need some support. He thinks that he needs to claim Jobseeker's Allowance so drops into their local jobcentre to find out.</i></p> <p><i>This is the information he might receive at this point.</i></p> <p><b>&lt;TEST 1A. UC and Tax Credits document &gt;</b></p> <p><i>Firstly look at it overall</i></p> <p><b>What are the key messages that stand out for you?</b></p> <ul style="list-style-type: none"> <li>• Is anything clear or unclear?</li> </ul> <p><b>What do you think of the layout/ format of the information?</b></p> <ul style="list-style-type: none"> <li>• Is it easy to read?</li> <li>• Could it be improved? How?</li> </ul> <p><b><u>'What is Universal Credit?' paragraph</u></b></p> <p><i>Ask group to read this paragraph and annotate anything unclear.</i></p>	<p><i>(25 mins)</i></p>

**What do you think of this?**

- What is the information telling you? Is the language clear/ unclear? Which parts are unclear? How could it be improved?
- From this, do you think that they would understand what Universal Credit is?

**Who do you think is responsible for running Universal Credit?**

- What makes you say that?

**Which benefits does it tell you that UC replaces?**

- Is it clear what would happen to housing benefit?
- Is it clear what would happen to child tax credits and working tax credits?
- What do you think would happen to Child Tax Credits?

**<Test: Key message 1>**

*When you claim Universal Credit, your Working Tax Credit and Child Tax Credit payments will stop.*

*Universal Credit will eventually replace all of the following:*

- *tax credits - both Child Tax Credit and Working Tax Credit*
- *income-based Jobseeker's Allowance*
- *income-related Employment and Support Allowance*
- *Income Support*
- *Housing Benefit*

*Universal Credit won't replace Child Benefit.*

**Does this make it clearer/ less clear?**

PROBE: What makes you say that?

**'How tax credits are affected' paragraph**

**What is this telling you?**

PROBE: What will happen to your tax credits? When will they stop?

What do you think this means financially?

**What is it saying that you need to do?**

PROBE: If they are currently claiming tax credits do they need to do anything?

***From this information, is it clear whether you can claim tax credits and UC at the same time?***

**What will happen if you move in with a partner who is claiming UC?**

**Do you know whether you can return to tax credits after claiming UC?**

**<Test Key message 3>**

*Universal Credit is being introduced in stages. Whether you can claim depends on where you live and your personal circumstances. As Universal Credit rolls out across more areas, new claims for tax credits will not be accepted from people who live in those areas.*

**Is this clear?**

**What do you think of the language used overall?**

PROBE: Is it clear/ unclear? Which parts?

**Is there anything from this that you still wouldn't understand about what will happen with tax credits?**

**Step 1B: UC Payment**

*Bryan is helped to make a claim but isn't sure about how the payments for UC will work. He has a look online for more information.*

*Do you think that this information will help him?*

**<TEST 1B: Universal Credit web pages>**

*Firstly look at it overall*

**What are the key messages that stand out for you?**

- Is anything clear or unclear?
- Is this different to information that you have seen before? In what way?
- How does it compare to the first document? What's different?

(15 mins)

**'What you'll get' paragraph**

**What is it telling you?**

- PROBE: What does UC payment include?

**Is there anything that isn't clear?**

**How you'll be paid paragraph**

**What is it telling you about how UC will be paid?**

- How often?
- How is it paid? Are there any other options?

**Who would you expect it to be paid to?**

- **PROBE: Do you think that Bryan will receive the money or Rachel or 50/50?**
- **Is this explained on the information anywhere?**

**When will these UC payments begin?**

- What is the waiting period?
- How many days would you expect to wait?
- Is anything about it unclear?

**Is support available?**

PROBE: What kind of support? What makes you say that?

**What will happen to their tax credits?**

- When will they stop receiving tax credits?

**Will they be able to claim tax credits in the future?**

**Is there anything that isn't clear?**

- **PROBE: Do you have further questions about the way UC payments would work?**

**Look back at Test 1A UC and Tax Credits document – 'Universal Credit payments' paragraph**

**Does this help?**

Is anything still not clear?

**What would be the best digital method of getting this message to you?**

PROMPT: via email/ via UC online journal/ / Text message (with a link) chat function on website / social media / online case studies

**<Test: Key message 7>**

*There may be a gap between payments when you move onto Universal Credit. Universal Credit will be paid monthly in arrears, whereas tax credits can be paid in a range of different ways.*

*You can ask for a Universal Credit new claim advance for the first payment of Universal Credit, to help you manage the transition to*

monthly payments. If you get an advance, your future monthly payments will be reduced to make up for this.

**Does this make it any more clear/ less clear?**

**Step 2: Universal Credit responsibilities**

(10 mins)

**Have you heard about the responsibilities which are part of UC?**

**Do you know what the commitments are relating to work?**

**Do you know what the responsibilities are related to money?**

PROMPT: Managing your money between monthly payments?

Pay your housing costs (if applicable)?

*Bryan and Rachel receive some information on their responsibilities that they need to fulfil to get Universal Credit.*

*Do you think they would know what they needed to do from reading these?*

**<TEST 2A: UC Responsibilities>**

**MODERATOR NOTE: ROTATE 2A AND 2B IN GROUPS**

**What are the key messages? Are they clear?**

**What responsibilities does Bryan have? What about Rachel?**

- Do they all make sense?

**What do you think of the layout/ format of the information?**

- Is it easy to read?
- Could it be improved? How?

**What do you think about the label that indicates when you would receive your first payment?**

- Would this be useful?

*Now compare to:*

**<TEST 2B: What you have to do>**

**What do you think of this version?**

**Is it clearer/ less clear?**

PROBE: Why do you think that is?

**Thinking about the 2 documents, is there anything about UC responsibilities that you still don't understand?**

What else would you need to know?

**Step 3: Conducting Work search**

**Have you heard of the UC claimant commitment?**

(10 mins)

**Do you know what it involves?**

**What activities do you think are included as work search or job search activities for UC?**

*Bryan starts looking for work; ringing round other construction companies and asking friends if they know of anything going. He sees a training course which he thinks would help and applies for this. He's unsure exactly what will count towards his commitment and gets the following information.*

(Note: Rotate 3A and 3B between groups)

**<TEST 3A: UC Work search Guide 1>**

**What are the key messages?**

- Is anything clear or unclear?

**Is this different to information that you have seen before? In what way?**

- Is there anything listed there which you didn't realise counted as work search activity?
- Is there anything that you think should be also included on the list?

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**What do you think of the layout/ format of the information?**

- Is it easy to read?
- Could it be improved? How?

*Now compare to:*

**<TEST 3B: UC Work search Guide 2>**

**What do you think of this version?**

**Is it clearer/ less clear?**

PROBE: Why do you think that is?

**Thinking about the 2 documents, is there anything about UC work search that isn't clear?**

What else would you need to know?

**Do you think that you would be able to meet the work search commitment?**

**PROBE: Why/ why not?**

**What would be the best digital method of getting this message to you?**

PROMPT: via email/ via UC online journal/ / Text message (with a link) chat function on website / social media / online case studies

**Why do you think this would be best?**

- PROMPT: Most likely to read it? Most convenient?

**Step 4: Tax credits finalisation process**

*Tax credits will stop immediately. Bryan and Rachel receive some information in the post from HMRC. They receive a declaration form to fill in, and an award review letter which explains that their tax credits claim is finishing.*

(15 mins)

*HMRC are testing 3 different wordings to see which has the most impact to ensure that customers know that they need to look at these forms.*

**<Test A- Award Review letter >**

***(Ending your tax credits award because of a claim for Universal Credit: please read this pack carefully.***

***The information we need is different from your normal tax credits renewal.)***

**What do you think about the banner message?**

- **Would you notice this message?**
- What do you think about the language used? Is it clear/ unclear?

**What do you think it is telling you that you need to do?**

**Do you know why you have to do it?**

**Could it be improved?**

*Compare to:*

**<Test B –Award Review letter>**

(Note: Rotate order of documents A, B and C).

***(Important: Your tax credits have stopped - please read this pack)***

**What do you think of this message?**

**Would you notice it?**

**Is it clearer/ less clear?**

PROBE: Why do you think that is?

Would this message make you read the document?

**Is there anything that you wouldn't understand if you received this version rather than the first one?**

*Compare to:*

**<Test C–Award Review letter>**

***(Important: This is new - Act now)***

**What do you think of this message?**

**Would you notice it?**

**Is it clearer/ less clear?**

PROBE: Why do you think that is?

Would this message make you read the document?

**Is there anything that you wouldn't understand if you received this version rather than the first one?**

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**Bryan and Rachel still have some outstanding tax credits overpayments that they owe to HMRC, what do you think will happen to them?**

**<Test: Key Message 11>**

*From April 2016, if you move from tax credits to Universal Credit, you may have your tax credits debts transferred to DWP. Your Universal Credit payments may be reduced to recover this debt, depending on your circumstances.*



<p><i>HMRC will send you a letter called 'Your tax credits overpayment' (TC1131) if your tax credits debt is being transferred to DWP for recovery. You may get more than one letter if any additional tax credits debt is identified.</i></p> <p><i>Arrange to pay in a different way if: you want to pay back part or all of what you owe now you've stopped receiving Universal Credit</i></p> <p><b>What do you think will happen about the outstanding overpayments that they still owe to HMRC?</b> PROBE: Is this clear?</p>	
<p><b>Conclusion</b></p>	<p><b>Timings and notes 3 mins</b></p>
<p><b><i>We are coming to the end of the discussion, so a few final questions...</i></b></p> <p><b>What do you think is the one key thing that HMRC/ DWP could do to help tax credits customers going through the transfer to UC?</b></p> <p><b>If you could summarise the key message you think tax customers need to help them go through the transfer to UC, what would this be?</b></p> <p><b>What is the best way for you to receive information like this?</b> PROMPT: Online/ email/ SMS messages/ social media PROBE: Why would you say that is? PROBE: If not digital, how would you like to receive this info?</p> <p><b>If the information is online, what is the best way for it to be presented?</b> PROBE: All on one site/ headline information with links to more detailed information?</p> <p><i>Thank for their time. Explain next steps for the research (how the information will be used) and close.</i></p>	<p>(Allows the opportunity for anything not mentioned and brings the discussion to a close.</p>

C)iii. Phase Two – Former Customers group guide	
<p><b><u>Welcome and introduction</u></b></p> <p><b><u>Warm up exercise</u></b></p> <p><i>Introduce themselves to partner- find out their name, where they are from and how they feel about managing government accounts online. Ask them to go round and introduce their partner to the group.</i></p> <p><i>Moderator explain overview of discussion:</i></p> <p><i>So far we have spoken to people about their experiences of moving to Universal Credit and the things that worked well and the things that didn't work well. This research was then used to draft information that we will be testing with you tonight. The aim of tonight is to find out how useful you think this information would have been to you and to see what is still unclear and how it can be improved.</i></p> <p><b><u>Flipchart exercise</u></b></p> <p>(Moderator to ask group to note down up to three words to describe their experience on post-its and to flipchart these)</p> <p><b>What three words would you use to describe your experience of the transfer from tax credits to Universal Credit?</b></p> <p>PROBE: What worked well? What didn't work so well?</p>	<p><i>(5 mins)</i></p> <p>Welcome orientates participant, gets them prepared to take part in the interview.</p> <p>Outlines the 'rules' of the discussion (including those we are required to tell them about under MRS and Data Protection Act guidelines).</p> <p><i>(5 mins)</i></p> <p>Allows participants to get used to the group discussion setting and start to feel comfortable.</p> <p>(To set out parameters of discussion and ensure the discussion does not focus on individual experiences/problems with their claim).</p>

2. Customer journey	Timings and notes 70 mins
<p><b><u>1: Understanding of UC as a whole</u></b></p> <p><b>If you could think back to the point you made your claim for Universal Credit, how much did you know about it?</b></p> <p><b>What did you know about it?</b>  PROBE: Did you know it was paid monthly? Did you know whether it covered housing or childcare costs? Did you know it was for people who were in work?  What information about UC did you wish you had immediately?  What information about UC was unclear? And Why?</p> <p><b>Where did you find out about it?</b>  PROMPT: Jobcentre/ government website/ other websites/ friends and family/ advice charity</p> <p><b>What did you think about this information?</b>  PROBE: Was it clear? Was anything unclear?</p> <p><b>What questions did you have during the process?</b></p> <p><b>Did you know what would happen to your tax credits?</b></p> <ul style="list-style-type: none"> <li>• Who/where did you find this out from?</li> </ul> <p><i>Moderator to explain stimulus testing:</i></p> <p><i>Now going to have a look at some draft information that someone might receive during transfer from tax credits to Universal Credit. There are things that you have probably learnt along the way about UC- but try and imagine you are fresh to it and think about whether this information would help you and what you would still need to know.</i></p> <p><i>Also might be available in a variety of formats- online/ posted to you/ emailed to you/ handed to you at the jobcentre- so think about how you would like to receive it.</i></p> <p><b>&lt;TEST 1A. UC and Tax Credits document &gt;</b></p> <p><i>Firstly look at it overall</i></p>	<p>(25 mins)</p> <p><i>Hand out printed copies of stimulus, and moderator to have a large print one that they can annotate on flipchart.</i></p>

**What are the key messages that stand out for you?**

- Is anything clear or unclear?
- Is this different to information that you have seen before?  
In what way?

**What do you think of the layout/ format of the information?**

- Is it easy to read?
- Could it be improved? How?

**'What is Universal Credit?' paragraph**

*Ask group to read this paragraph and annotate anything unclear.*

**What do you think of this?**

- What is the information telling you? Is the language clear/ unclear? Which parts are unclear? How could it be improved?

**Which benefits does it tell you that UC replaces?**

- Is it clear what would happen to housing benefit?
- Is it clear what would happen to child tax credits and working tax credits?

**Which government department do you think administers Universal Credit?**

- What makes you say that?

**'How tax credits are affected' paragraph**

**What is this telling you?**

PROBE: What will happen to your tax credits? When will they stop? What is it saying that you need to do?

***From this information, is it clear whether you can claim tax credits and UC at the same time?***

***From this information, do you know whether you will be able to claim tax credits after moving to UC?***

**<Test Key message 3>**

*Universal Credit is being introduced in stages. Whether you can claim depends on where you live and your personal circumstances. As Universal Credit rolls out across more areas,*

*new claims for tax credits will not be accepted from people who live in those areas.*

**Is this message clear?**

**What do you think of the language used overall?**

PROBE: Is it clear/ unclear? Which parts?

(10mins)

**Is there anything from this that you still wouldn't understand about what will happen with tax credits?**

**<TEST 1B: Universal Credit web pages>**

*Firstly look at it overall*

**What are the key messages that stand out for you?**

- Is anything clear or unclear?
- Is this different to information that you have seen before? In what way?
- How does it compare to the first document? What's different?
- Does it tell you anything different about what will happen to your tax credits claim when you move to UC?

**'What you'll get' paragraph**

**What is it telling you?**

- PROBE: What does UC payment include support for?

**Is there anything that isn't clear?**

**How you'll be paid paragraph**

**What is it telling you about how UC will be paid?**

- Is it clear that it is monthly?
- When does it say your tax credits will end?
- How long until your UC payments begin?

**Is support available?**

PROBE: What kind of support? What makes you say that?

**Is there anything that isn't clear?**

**Do you still have questions about the way UC payments would work?**

Look back at Test 1A UC and Tax Credits document –  
'Universal Credit payments' paragraph

**Does this help?**

Is anything still not clear?

**What financial support does this section say is available?**

**What would happen if you got an advance payment?**

PROBE: How would you work out how much to ask for?

How do you think you would repay this?

*(10 mins)*

**What would be the best digital method of getting this message to you?**

PROMPT: via email/ via UC online journal/ / Text message  
(with a link) chat function on website / social media / online case studies

**2: Universal Credit responsibilities**

**Do you know what responsibilities you have as part of UC?**

**Do you know how many hours you need to look for work for?**

Does this apply to everyone?

**What responsibilities do you have which are related to money?**

PROMPT: Managing your money between monthly payments? Pay your housing costs (if applicable)?

*(Note- rotate 2A and 2B in groups)*

**Was anything unclear at the time that you claimed?**

**<TEST 2A: UC Responsibilities>**

**What are the key messages? Are they clear?**

**What responsibilities do you have?**

- Are there any new responsibilities listed here that you were unaware of?
- Do they all make sense? If not why not (please explain)?
- Do you know what you need to do?

*(10 mins)*

**What do you think of the layout/ format of the information?**

- Is it easy to read?
- Could it be improved? How?

(Note: Rotate 3A and 3B between groups)

**What do you think about the label that indicates when you would receive your first payment?**

- Would this be useful?
- Where did you find this information out from?

*Now compare to:*

**<TEST 2B: What you have to do>**

**What do you think of this version?**

**Is it clearer/ less clear?**

PROBE: Why do you think that is?

**Thinking about the 2 documents, is there anything about UC responsibilities that you still don't understand?**

What else would you need to know?

### **3: Conducting Work search**

**What does the UC claimant commitment involve?**

**Can you tell me what activities are included as work search or job search activities for UC?**

**<TEST 3A: UC Work search Guide 1>**

**What are the key messages?**

- Is anything clear or unclear?

**Is this different to information that you have seen before? In what way?**

- Is there anything listed there which you didn't realise counted as work search activity?
- Is there anything that you think should be also included on the list?

(15 mins)

**What do you think of the layout/ format of the information?**

- Is it easy to read?
- Could it be improved? How?

Now compare to:

**<TEST 3B: UC Work search Guide 2>**

**What do you think of this version?**

**Is it clearer/ less clear?**

PROBE: Why do you think that is?

**Thinking about the 2 documents, is there anything about UC work search that you still don't understand?**

What else would you need to know?

**How easy or difficult is it for you to meet your work search commitment?**

PROBE: Why/ why not?

**What would be the best digital method of getting this message to you?**

PROMPT: via email/ via UC online journal/ / Text message (with a link) chat function on website / social media / online case studies

**If you find work on Universal Credit, what do you think will happen?**

- PROMPT: Do you leave UC? / Do your payments stop? Do you return to tax credits?

**What makes you think this?**

**<Test DWP Key Message 2>**

***“Once you are claiming Universal Credit you will not go back to tax credits. When you take up a job you can continue getting a Universal Credit payment. Once you earn enough yourself, you won't need Universal Credit payments any more. If you need to come back to Universal Credit within six months of your claim ending, we'll make reclaiming easy for you.”***

**4: Tax credits finalisation process**

What did you know about what would happen to your tax credits?

(Note: Rotate order of documents A, B and C.)



At what point did you find this out?

**Do you remember receiving the forms from HMRC about finalising your tax credits claim?**

**Was it clear what you needed to do?**

**What did you do when you received the forms?**

**<Test A- Award Review letter >**

***(Ending your tax credits award because of a claim for Universal Credit: please read this pack carefully. The information we need is different from your normal tax credits renewal.)***

Does anything stand out as a key message on these documents?

*If not noticed banner- highlight it:*

**What do you think about this message**

- What do you think about the language used? Is it clear/ unclear?

**What do you think it is telling you that you need to do?**

**Would this make you take action?**

**Could it be improved?**

*Compare to:*

**<Test B–Award Review letter>**

***(Important: Your tax credits have stopped - please read this pack)***

**What do you think of this message?**

**Is it clearer/ less clear?**

PROBE: Why do you think that is?

**Is there anything that you wouldn't understand if you received this version rather than the first one?**

**Would this make you read the pack?**

<p><i>Compare to:</i></p> <p>&lt;Test C–Award Review letter&gt;</p> <p><b><i>(Important: This is new - Act now)</i></b></p> <p><b>What do you think of this message?</b></p> <p><b>Is it clearer/ less clear?</b>  PROBE: Why do you think that is?</p> <p><b>Is there anything that you wouldn't understand if you received this version rather than the first one?</b></p> <p><b>Of these examples – which would you be most likely to act upon?</b>  <b>Can you think of an alternative that would prompt you to act?</b></p>	
<p>5. Key message testing</p>	
<p>Moderator to hand out print outs of key messages,</p> <p>Of these messages, which do you think are the most important that HMRC gets across to its customers?</p> <p><b>You cannot claim Universal Credit and tax credits at the same time – this includes both Child Tax Credit and Working Tax Credit</b></p> <p><b>Once you claim UC your tax credits payments will stop almost immediately</b></p> <p><b>Once you move from tax credits to Universal Credit, you may be unable to return to tax credits.</b></p> <p><b>The Universal Credit payment cycle is different from tax credits so there may be a gap in payment when you move to Universal Credit.</b></p> <p><b>Customers who move to Universal Credit will have any tax credits debt transferred to DWP to consider recovery from their on-going Universal Credit payments.</b></p>	

Summing up and conclusion	Timings and notes 7 mins
<p><i>We are coming to the end of the discussion, so one final question...</i></p> <p><b>What do you think is the one key thing that HMRC/ DWP could do to help tax credits customers going through the transfer to UC?</b></p> <p><b>If you could summarise the key message you think tax customers need to help them go through the transfer to UC, what would this be?</b></p> <p><b>What is the best way for you to receive information like this?</b>  PROMPT: Online/ email/ SMS messages/ social media  PROBE: Why would you say that is?  PROBE: If not digital, how would you like to receive this info?</p> <p><b>If the information is online, what is the best way for it to be presented?</b>  PROBE: All on one site/ headline information with links to more detailed information?</p> <p><i>Thank for their time. Explain next steps for the research (how the information will be used) and close.</i></p>	<p>Allows the opportunity for anything not mentioned and brings the discussion to a close.</p>

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