

March 2017

Concept testing the migration of tax credits customers to Universal Credit

Report prepared for HMRC

HM Revenue and Customs Research Report 525

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Published by HM Revenue and Customs, April 2019

www.gov.uk/hmrc

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1 Executive Summary

The aim of the research was to explore tax credits customers' responses to an example managed migration journey, testing their reactions and understanding of what they may need to do, the consequences of inaction and how the migration can be made easier for them. The research comprised 36 face-to-face interviews and 4 mini-group discussions with current tax credits customers with stable tax credits claims, making them likely to be part of the managed migration phase to UC.

Awareness of UC and views on the change

Awareness of Universal Credit (UC) was fairly low. Many participants knew little or nothing about it and those who were more aware tended to hold misperceptions about the system, believing that it was only for people who were out of work.

The main question that participants had about UC was whether they would receive the same level of financial support as the current system. Their assumption was that they would likely receive less money in UC and if this was the case, they wanted to know before moving to the system. Participants' views on specific aspects of the UC system largely depended on the participants' work status and the UC related benefits they were claiming:

- **Participants who claimed multiple UC-related benefits** were positive about the idea of simplifying these claims into one system but some lacked confidence in their ability to manage a single monthly payment.
- **Participants who only claimed tax credits** were comfortable with the idea of managing a monthly payment but had concerns how claiming the same benefit as those who do not work might affect the way they are treated both by DWP and society more widely.
- **Part-time workers** wanted to know how work search requirements would apply to them. They wanted to know how the age of their children would impact this. There were concerns about being asked to work more, because they had childcare responsibilities.
- **Self-employed workers** initially had very positive reactions to UC. They thought the system sounded more responsive to changing working hours and income levels and assumed that UC payments would make their income more stable.

Communication needs during migration

There was no clear preference on who should communicate the change to customers. Joint branding between HMRC and DWP was seen as a sensible approach as the change would involve claims with both departments. Participants' expectations and needs at each stage of the concept migration journey were as follows:

1. **Raising awareness:** Participants thought that raising awareness is a good idea although they will expect personalised communications soon afterwards. TV and radio advertising, leaflets and social media were suggested as appropriate

channels. Participants wanted to know what UC is, as well as how and when it will affect them. They wanted to be informed about UC six months before they are asked to register a claim so they have time to prepare.

2. **First personalised communication:** Participants expect this to be a personalised letter which will outline the entire migration process, explain what UC will mean for them in terms of claim management and the amount they receive. They want to know what practical support will be available to help them through migration as well as guidance with any other actions they might need to take such as opening a bank account.
3. **Notification to register:** Participants expect to receive a letter outlining what they need and an SMS reminder before the deadline to ensure they do not forget. The length of time given to register must balance the need to provide reasonable time with the need to create a sense of urgency. Between 2-4 months was suggested by participants although the length of time needed will depend on what evidence customers will need to gather. Outlining this in the previous communication will help to reduce delay.
4. **Registering a claim:** The key concerns here were around online confidence and internet access. Reassuring customers that they can access the website on a smartphone may reduce the need for customers without a computer to need further support although those with low confidence may need face-to-face support with the process.

Views on specific aspects of migration and UC claim management

A wait for their first UC payment: This was a concern for all customer types. Participants wanted information at the start of the migration process about the wait for their first payment so they would have a chance to increase their income or reduce spending. They also wanted information on any loans available¹ to help them manage the wait.

Overpayments: Participants said they would prefer to go into UC debt free even if this meant receiving reduced tax credits payments in the run up to migration. However, in light of the wait for their first payment, participants generally said they would need to continue to receive tax credits for as long as possible and repay the debt from their UC award.

Work search requirements for part-time workers: These participants tended to have children and had taken work to fit around these responsibilities. While some participants were open to increasing their income, they did not think they would be able to find more or better paid work. There was a reluctance to work more as it

¹ Advance payments might be available depending on a claimant's financial situation. More information available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/596901/universal-credit-and-you-march-2017.pdf (page 7)

would mean seeing their children less and with the increased childcare costs they assumed it would not be worthwhile.²

Claim management responsibilities for self-employed customers: These participants thought reporting monthly earnings could be burdensome and that the Minimum Income Floor would mean they would not get the stable income they had initially assumed UC would provide. Further, being tested for gainful self-employment was a concern for those who experienced peaks and troughs and they hoped the system would take a long-term view of their income.

² Claimants of UC may be able to get help with childcare costs. More information available at: <https://www.gov.uk/government/publications/universal-credit-and-your-family-quick-guide/universal-credit-further-information-for-families> (Section 5)

2 Background and Methodology

This report contains findings from qualitative research conducted with tax credits customers to concept test the migration of tax credits customers to Universal Credit. The research was undertaken by Ipsos MORI Social Research Institute on behalf of HM Revenue & Customs (HMRC). In this introductory section we set out:

- Research context
- Research objectives
- Methodology and sampling
- Interpretation of data

2.1 Research context

Universal Credit (UC) is a key element of the government's Welfare Reform Agenda; replacing six benefits including Working Tax Credits and Child Tax Credit³, with one claim which is paid monthly in arrears and managed online. The UC system went live in April 2013 and is being introduced in phases. The change to UC is currently in the natural transition phase which means that only tax credits customers who live in a UC area and who have experienced a significant change of circumstances⁴ have moved to the new system.

Whilst natural transition will continue in 2019, HMRC will also need to begin the process of managing the migration of the remaining tax credits customers who have not had a significant change of circumstances. This stage is known as managed migration and it will affect around 1.3 million tax credits customers who will need to register a claim for Universal Credit in order to continue to receive financial support.

A key difference between natural transition and managed migration is the level of control which HMRC and DWP have over when individual customers register for UC. As natural transition is triggered by a customer's change of circumstances, it is not possible to predict which customers will be affected or when, which has limited the amount of time that customers have to prepare for the change. Managed migration will allow HMRC and DWP to trigger the migration of different customer groups, for example by location or claim type and this means there are greater opportunities to prepare customers for their migration.

2.2 Aims and objectives

The overarching aim of the research was to explore tax credits customers' responses to an example Universal Credit migration journey, testing their reactions and

³ Universal Credit will replace: Child Tax Credit, Working Tax Credit, Jobseeker's Allowance, Income Support, Employment and Support Allowance, and Housing Benefit.

⁴ This includes tax credits customers who have moved out of work or have joined a household claiming UC.

understanding of what they may need to do, the consequences of inaction and how the migration can be made easier for them.

The key objectives of the research were to:

1. Identify how to prepare customers and orientate them for the change.
2. Identify the best channels and timescales to communicate the stopping of tax credits and the move to UC.
3. Understand how to best support tax credits customers who need help with the migration to UC.
4. Identify key concerns, motivations and potential customer behaviours in response to the migration process to shape future delivery.
5. Understand the needs of customers in relation to moving to UC, to influence HMRC and DWP delivery and inform the design of an accessible customer service.

2.3 Methodology and sampling

The research adopted a qualitative approach in order to explore in-depth, tax credits customers' information and support needs as well as their concerns and likely behaviours during migration. The research comprised two elements:

- **36 face-to-face interviews** with current tax credits customers. These interviews covered a broad range of customer types including; type of tax credits claimed, length of tax credits claim, other UC-related benefits claimed, working status and household structure.
- **Four mini-group discussions (5-6 people)** with specific types of tax credit customers. The aim of the mini-groups was to explore the specific views, concerns, support needs and likely behaviours of the following customer types during migration to UC:
 - Customers who only claimed tax credits;
 - Customers who claimed tax credits and at least one other UC related benefit;
 - Customers who worked part-time; and,
 - Customers who were self-employed.

The in-depth interviews took place between 25th January and 20th February 2017 across London, Glasgow, Newport and Manchester. The mini-groups took place on 15th and 16th February 2017 in London and Manchester. Please see Appendix A for further details regarding the methodology and sampling used in this project.

Semi-structured discussion guides were used in the interviews and mini-groups to ensure all relevant topics and key issues were explored consistently, while also enabling the moderators to delve deeper into any issues of particular importance for the participant. The key topics covered included:

- Initial awareness of UC;
- Reactions to the four stages of the concept migration journey:
 - Raising awareness;
 - Preparing customers;
 - Notification to register; and,
 - The UC registration process.
- Views on financial aspects of UC and conditionality and UC claim management.

The discussion guide can be found in Appendix B.

Analysis of the findings was conducted throughout the fieldwork period using a thematic framework approach, alongside regular analysis sessions with the interview team. Analysis was conducted on a thematic basis, at a case-by-case level, and then across specific groups including self-employed, full-time/part-time and unemployed customers to explore the similarities and differences between them.

2.4 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.

3 Awareness of Universal Credit and initial reactions to the change

This section explores participants' awareness and views of UC. It covers the level of knowledge participants already had of UC, and their initial reactions to UC after receiving more information about it.

Awareness of UC varied and included participants who had heard of UC and had some knowledge of it; those who had heard of it but knew little about it; and those who had not heard about any upcoming changes. In the case of those who demonstrated awareness of UC, they had typically heard about it through a friend, family member or colleague and their view of UC tended to be more negative (based on the information they had been given). Among those who had heard of it, but knew little about it, there was the assumption that UC was a change to out-of-work benefits and would only affect people who are out of work, rather than those who were currently working, such as them.

“It wouldn’t apply to me...because Universal Credit, as far as I’m aware, is for when people are receiving Income Support or Jobseeker’s Allowance, and at the moment that’s not happening.”

2 parent household, Employed part-time, WTC and CTC, London

Participants were shown a video developed by the Department for Work and Pensions (DWP)⁵, which introduced people to Universal Credit and covered the following aspects:

- UC is for people who are out of work or on a low income;
- UC replaces existing benefits such as Job Seeker's Allowance (JSA) and Housing Benefit with one single monthly payment;
- The claim is made online – people have the option of accessing the internet at local places to do this;
- If you earn more, you receive less UC and vice versa;
- Those who work more than 16 hours a week can still receive UC⁶;
- Parents who work only a few hours can get help towards childcare costs;
- A claimant commitment will be part of the UC claim, which requires claimants who are able to work to take steps to find employment.⁷

⁵ <https://www.gov.uk/guidance/universal-credit-toolkit-for-partner-organisations>

⁶ If a claimant is below the income threshold, then UC is available regardless of the number of hours worked. This message is intended to stress that, unlike JSA, you do not need to stop claiming if you work more than 16 hours a week.

⁷ There is further information on the claimant commitment at:

<https://www.gov.uk/government/publications/universal-credit-and-your-claimant-commitment-quick-guide/universal-credit-and-your-claimant-commitment>

The views below are those discussed by participants after seeing the video introducing these concepts to UC. For further detail on participants' views on specific aspects of UC claim management and conditionality, please see section 6.

On viewing this information, participants were fairly receptive to UC as they thought it could support and encourage people to find or return to work with increased confidence. Participants with little awareness of it thought it seemed more straightforward for everything to be rolled into one payment. However, those who had heard of it before, had heard of people who were previously receiving Housing Benefit and were struggling with the change in budgeting.

There were clear differences in how the migration to UC was viewed by customers claiming different types of benefits and with different working statuses.

Those **who claimed multiple benefits considered UC to be a more straightforward process**, as they would only need to deal with one department and keep one claim up-to-date. Participants who were already used to dealing with Jobcentre Plus were also more open to the idea of attending meetings there and to agreeing a claimant commitment.

"Now I run around like a headless chicken; Housing Benefit deals with housing, then I've got Council Tax. It's all different sections. I personally think it could be a good idea for it to be all joint in one, it saves some pressure and leaves me with less calculations."

Single parent, Unemployed, CTC and other benefits, London

However, these participants were also the most concerned about the change in frequency of their payments. They were worried that they would **not be able to budget effectively with a single monthly payment** and feared that they may run out of money for essentials before their next UC payment. This was a particular concern for those claiming Housing Benefit who were worried that they might spend money allocated for housing on other costs, resulting in rent arrears. As they lacked confidence in managing their finances, they felt that it was preferable for their housing support to go directly to housing authorities.

"To have that big amount of money sitting there could be quite tempting for me...my sister didn't know. She's worked all her life and she's just had a baby and she got it straightaway, and she didn't know that it was her rent and she's spending it. So she got into arrears...but at the time she didn't know nothing. There was no explanation to it."

Customers claiming tax credits and other benefits discussion group

In contrast, participants who **received tax credits and no other UC related benefits were more comfortable with receiving a single monthly payment**. This was because their lower award amount and access to another source of income made the change less daunting. They were also more likely to have experience of managing a monthly wage or tax credits claim, making them more confident in their ability to manage a single UC payment.

While these participants were less worried about the practical aspects of the change, they did have concerns about changing to a new system and the **potential stigma** of claiming the same benefit as people who were out of work. **These participants did not see themselves as benefit claimants.** They felt that they were claiming a top-up support on their income, which was different to claiming a benefit like JSA. They were especially **worried about how they would be viewed or treated both by society in general and by UC staff in particular** because they were claiming the same benefit as people who were out of work. This meant that they were less keen on the idea of having to go to the jobcentre because of how they might be treated by staff - having heard of, or experienced, poor treatment from Jobcentre Plus staff in the past.

“Does it really, oh I'd feel terrible about that, I'd feel terrible...it's a grim place and meeting the support officers in the jobcentre, have disdain for anyone who walks through the door.”

Single person, Self-employed, WTC, London

“If I didn't have a choice in it, I'd have to do it wouldn't I really, so if they told me that I had to go in for an appointment, I would have to go in...”

2 parent household, full-time employed, WTC and CTC, Manchester

For both **part-time and self-employed participants**, the main concerns were about how conditionality would be applied to them.

Participants working part-time were worried that UC might change how part-time workers, especially parents, will be viewed. They wanted to know how work search requirements would apply to them and how the age of a child would impact on these requirements.

There was a feeling that they were doing the right thing both for their family and for society by caring for children and working where possible. This policy suggested to them that working around childcare responsibilities was no longer seen as good enough. These participants **took pride in being working parents** and they were concerned that if they did not increase their work income, both the UC system and society more widely would think they were not working hard enough.

“When I first started working I worked 35 hours but had to reduce to 30 hours to collect my daughter from school...so they got to look at the bigger picture... you've got to come home, got to cook, got to bath the children, help with their homework... you don't want to work all the hours that God sends.”

Single parent, Employed part-time

Self-employed participants thought that UC would be more responsive to fluctuating income and working hours. These participants felt that UC could make it simpler to

claim support as they would not need to move in and out of JSA claims. They also assumed that if they earned less this would be balanced out with an increased UC payment, and thus guarantee a more stable income.

These views were in line with the findings of previous research⁸ where SE customers who transitioned to UC said that the system was better suited to their unstable working patterns.

However, there was a concern that conditionality might impose additional burdens on self-employed customers and they wanted to know what conditionality would mean for them. Specifically, they were worried there may be additional administrative tasks and demands that they would struggle to fit around their working hours, such as frequent visits to the jobcentre.

Finally, irrespective of customer type, **participants' key concern was whether they would be receiving less money through UC, including less support with other costs such as childcare and prescriptions.**

"I'd heard that if they changed the tax credits to Universal Credits that the money... it would be lowered...[I'm] struggling to survive on what I've got now and I'm thinking, well, if they drop this this is going to make it even worse...And then are you still going to get the same benefits with it...are you still going to get that bit of help with say childcare and the other little things that they can add to or that helps people.

Single parent, CTC and other benefits, Newport

Participants claimed tax credits and other benefits because they required financial support and they said they would struggle to manage if the amount of support that they receive will reduce. There was a feeling that any changes in welfare policy might involve a reduction in their financial support and this was a key concern for participants.

"Although it's a very nice advert and makes it look very pretty, I'm fairly sure the government just wants to cut back the payment."

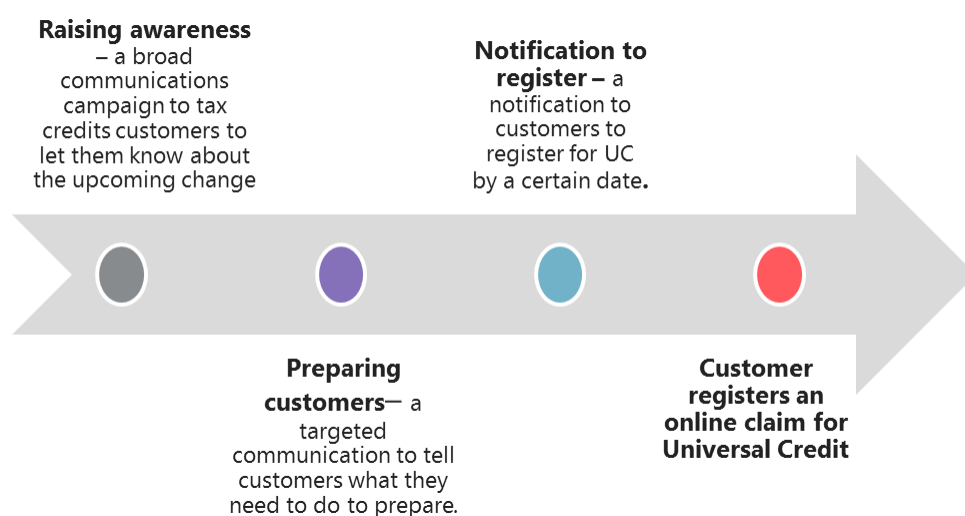
Customers claiming tax credits and other benefits discussion group

⁸ <https://www.gov.uk/government/publications/stopping-tax-credits-and-the-transition-to-universal-credit-qualitative-research-to-explore-the-customer-experience>

4 The migration journey

4.1 Overview

This section will outline customer views on the migration journey from tax credits to UC. All participants were current tax credits customers, and as such had not been through the migration journey themselves. Instead, they were talked through a hypothetical customer journey in order to understand their views on the different stages and what support and information needs they anticipated having throughout. There were four stages to the journey presented to participants (as outlined below) and this chapter covers each in turn.



- The first stage, **raising awareness**, was a broad communications campaign which would let customers know about the system change from tax credits to UC. At this stage the information would be general and not designed to provide any personal information to customers.
- The second stage, **preparing customers**, would then be targeted communication which sets out the steps that customers need to take to get ready for UC. This information may include steps such as getting a bank account, or an email address.
- The third stage, **notification to register**, would be a communication that lets customers know that they need to register a claim for UC online, within a certain timeline.
- The fourth stage would be the **UC registration** process itself, where customers register their claim for Universal Credit online.

The communication needs of customers were tested throughout this journey; exploring the information participants needed, why they needed it, the channel through which they would prefer to receive it, and the timing of the communication. These are outlined in each relevant section below. There were some common

themes throughout the journey, which included the principles of **communicating early, providing targeted information and emphasising the benefits of UC.**

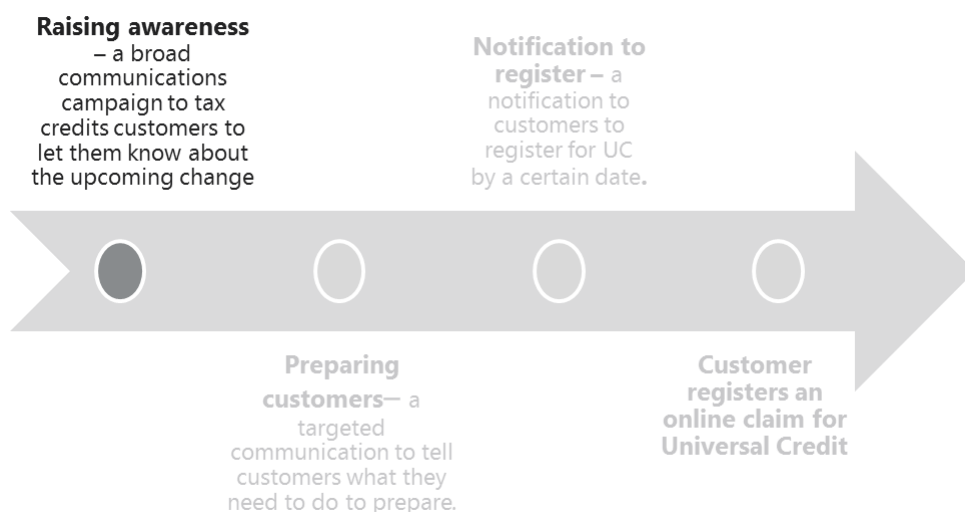
Throughout the journey, participants **wanted information as soon as possible, and to receive an overview of all of the stages early on.** For example, participants wanted information on what they would need to register a claim before they received a notification to register so that they could prepare in advance. Throughout, participants wanted information earlier in order to help them plan and prepare for the next stages.

It was important that the **information is targeted**; outlining the impact of UC with respect to the individual's circumstances. Whilst the broad communications were useful to highlight that the changes were happening, participants wanted to know what UC would mean for them personally. **The key questions were about how much money they would receive under UC and what their responsibilities would be.**

There was a lack of understanding about what the purpose of UC was, with some assumptions that it may be to reduce the amount of financial support provided. It is therefore important for communications to outline **why the changes are being introduced and what the benefits were.** This information would help customers understand the changes and potentially encourage engagement with the process.

4.2 Stage 1: Raising awareness

The first stage of the migration journey presented to participants, was a broad communications campaign designed to let customers know about UC.



What information did customers need?

At the Raising awareness stage, it was seen as important to provide a simple message outlining that the change was happening, when it was happening, and where to go for further information. In particular, this broad communications campaign would be useful for those who had not heard anything about UC before.

Those who already had an awareness of UC, felt that a broad communications campaign would not give them much more information than they already had. These participants were eager to learn about how UC would affect them personally, including when they would need to make a claim and how much money they would receive in UC. They said that a general communication might prompt them to seek further information in order to answer these questions and they would be likely to call the tax credits helpline for this unless they were signposted elsewhere for personalised information.

In order to prevent calls about UC to the tax credits helpline, participants will need personalised information soon after any broad communication that says they will be moving to UC. The key information participants wanted to know was:

- how will they be financially affected;
- how do they apply for UC and;
- what they will be asked to do as part of UC.

How should information be provided?

It was expected that information would be communicated through mainstream channels used in the past; such as on television adverts or radio. These were seen as effective ways of communicating with lots of people; some also recalled previous adverts, such as for tax credits renewal or self-assessment.

“If it’s on the TV or radio, most people do listen to these things”

Single parent, Employed part-time, CTC and WTC, London

The high cost of some of these options was acknowledged, and other methods suggested included adverts in local papers, information leaflets in places such as the jobcentre or library, and information provided online through social media. However, some participants had seen information on UC of this type before and had ignored it, assuming that they were not going to be affected by the change. This was because they were in work and had assumed that UC was a new out-of-work benefit and that it would only impact them if they lost their job. Therefore, there is a risk that unless customers are in some way targeted they might not understand that the changes are going to affect them. With this in mind, it would be important for communications to make it clear that all tax credits customers will be affected.

This information was wanted as early as possible in the process, although it was understood that information provided too early could be forgotten about. On the whole, it was felt that providing it about six months before customers would need to register for UC seemed reasonable. This time was felt to be necessary, especially for those who were receiving benefits other than tax credits and were concerned about the change to monthly budgeting. This time would allow customers to take steps to prepare and to start thinking about any changes that they might make to their budget or working hours.

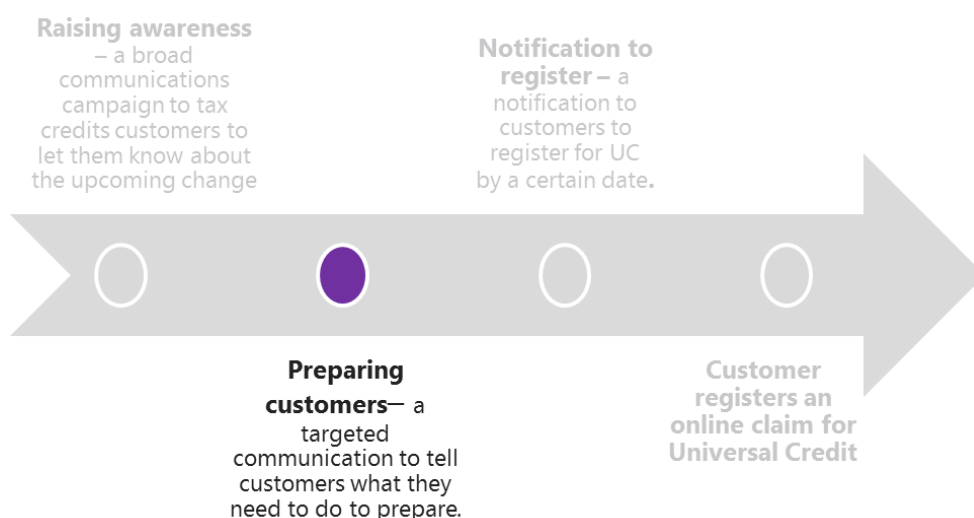
“I’d like the breakdown on everything of how much I’m going to get, my wages, and if it’s worth me staying at my job, because some, because if I’ve got time I might think, oh, I’d be better off if I was doing full time. I’m 24 hours at the moment. Maybe, then it’d give me a chance to start looking for something else.”

Customers claiming tax credits and other benefits discussion group

The time needed for this depended on exactly how the change was going to affect them, and for some it was difficult to gauge this until they knew the financial impact of the change. If moving to UC was going to significantly reduce their income, then participants wanted longer to prepare for this in order to start thinking about how they might be able to adjust their income or outgoings. Participants who were not used to managing a monthly income, for example, if they were not in work and receiving other benefits, also wanted more time to adjust to monthly budgeting and start reorganising their bills.

4.3 Stage 2: Preparing customers

The second stage was the first personalised communication which customers would receive about UC, outlining what steps they might need to take to prepare for UC. These steps could include actions such as getting a bank account, setting up an email address, and ensuring that their tax credits claim information is up to date.



What information did customers need?

The steps to prepare (outlined above) seemed reasonable to participants, and the main action they would need to take would be to check their tax credits claim information. However, for a small number of participants who did not have photo identification or a bank account, they were concerned that it would take them a while to organise and could pose some issues for them. These customers thought that it would be useful to receive guidance on what they would need to do if that was the case, such as step-by-step guidance on how to get a bank account.

At this stage in the journey customers wanted information that outlined the whole migration journey, rather than just the steps that they would need to take to prepare. This information would be helpful to answer the questions that participants had on migration and on UC itself. The desire for this information was driven by the importance of the financial support delivered through tax credits to participants. The extra income was highly important to them and therefore they wanted to know early on what they would need to do to register their claim for UC, and what it would mean for them once they had moved to UC.

Understanding the financial impact of the change to UC was one of the most important aspects at this stage. Key information included what their likely UC payments would be, and if the financial support they would receive was likely to be significantly reduced. Participants also wanted it to be made clear at this stage if the migration journey would involve any gaps in their payments, so they could plan for any waiting periods and feel in control of the situation.

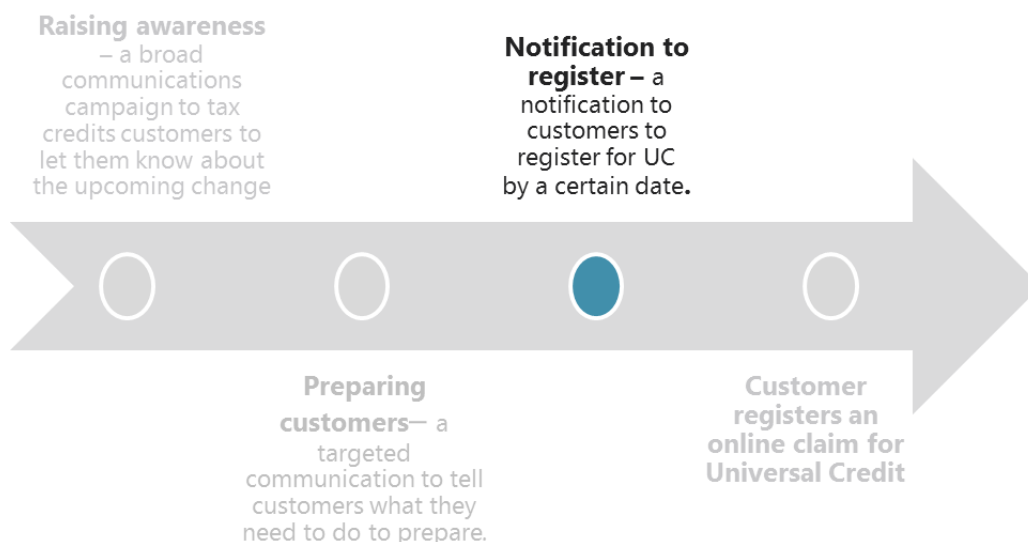
How should information be provided?

It was expected that this type of information would be received through the post and this was said to be the preferred way to receive important and personalised information, as it would alert them to the communication's importance. Participants did not think that it was significant whether the communication was sent from HMRC or DWP; they said that they would read it either way. However, it was felt that if the information was jointly branded as HMRC and DWP this would help them to see that the system was moving from one department to another. Participants also thought that it would be useful for this letter to be followed by an SMS reminder alerting them to the information and reminding them what they needed to do.

A period of one month was seen as a reasonable amount of time to ensure details were up to date on their tax credits claim. It was said this could be done in less time if required, but overall one month was seen as reasonable. However, those who had to complete more significant steps, such as setting up a bank account, felt that they would need up to three months to do this.

4.4 Stage 3: Notification to register

The next stage in the migration journey would be the notification to customers that they need to register a claim for UC online.



What information did customers need?

Participants understood that the notification was important, and they wanted it to be made clear through the design and format that they should pay attention to it. It was understood that if the claim was not registered by the deadline then they would be penalised in some way, or their payments might be late. However, not all had fully understood that their support would be completely stopped if they did not register a claim. Participants wanted this notification to make it clear that not claiming would not just have an impact, but that all support would finish.

“It’s got to be hard hitting, yeah, so all you’re trying to get across is, if you don’t make your claim by this date, you aren’t getting any money... because, if you say it’s affected, people might think, well I’ve got a bit more time, if you say it will stop, then they will know.”

Part-time employed discussion group

There were differing expectations about what information might be needed to register a claim. At one side of the spectrum it was expected that completing the UC claim would be like completing a tax credits auto-renewal, with the online form being pre-populated with all their information and customers simply being required to check it and confirm. On the other hand, concerns were expressed that registering a claim would involve providing years’ worth of payslips and income information, and apprehension was expressed about how difficult this might be for them.

These expectations could be managed by providing detail on what evidence customers need to register a claim. For example, they thought that a checklist of all the information they would need to provide would be helpful. Participants also felt that it would be useful to have this evidence list at an earlier stage in the process to help them prepare, for example with the *Preparing customers* communication.

How should information be provided?

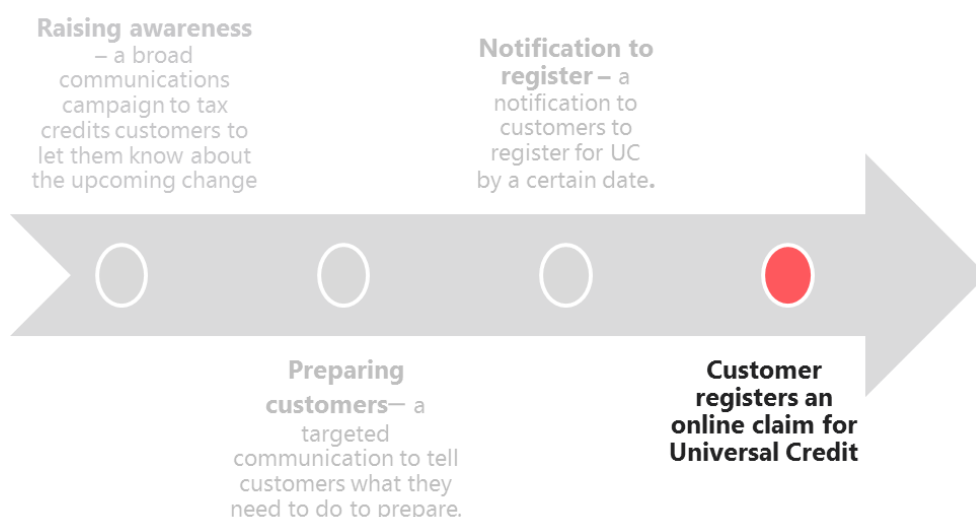
It was expected that this type of information would be provided through the post, and it was thought that a jointly branded letter from HMRC and DWP would be clearest. In addition to receiving the information through the post, it was seen as useful to have follow-up SMS reminders alerting them to this information, and an SMS reminder a week before the deadline so that they did not miss it.

The time given for registering a claim would need to be sufficient to get the necessary information to claim, whilst still giving a sense of urgency. Participants thought they would be given four months to register a claim; in line with the time that they are given to complete a tax credits renewal. This length of time would allow for any delays caused by personal issues or busy schedules and it would give them time to sit down and find the relevant information. If necessary, participants expected that they could do this in less time, but the timeframe they needed depended on what information was required to claim. If the information would be difficult to access, such as payslips from previous years, then more time would be needed. Ideally, communication earlier in the process, flagging what information was required to register, would allow more time to prepare and make it easier for customers to complete the process within the timeframe.

Whilst there was an expectation that customers would be given up to four months to register a claim, there is a risk that this timeframe might give the impression that completing the registration is not urgent, and could potentially be forgotten about. A shorter time period of between two and three months may create a greater sense of urgency, and be acceptable to participants, provided they know what evidence they need prior to receiving their notification.

4.5 Stage 4: UC registration process

The final stage is registering a claim for UC online.



What support will customers need?

Views on the registration process depended on levels of confidence online and online access, with all participants thinking that they would need some additional level of information or support. In cases where participants were confident online

and had experience of managing online products, such as bank accounts or government products, technically they thought the form should be simple to complete.

However, even those who were confident online had experienced difficulty understanding questions on tax credits forms and thought that completing the form online without any guidance would be difficult. There was an openness to additional information through drop-down information boxes on the form and step-by-step guidance.

“I think like when I’ve had things and they’ve had forms to show you what to do on each page, it’s quite good. So maybe one of their booklets.”

2 parent household, Employed full-time and part-time, CTC, Manchester

There were experiences of not knowing how to answer questions in relation to an individual’s specific circumstances, for example how to record multiple jobs and income sources correctly. As such, it was suggested that personalised support might be needed, such as through live web chats. Otherwise it was felt that they would need to call a helpline to receive this type of support.

“Sometimes the questions are ambiguous. They really are ambiguous...I called HMRC’s helpline.”

Single person, Self-employed, WTC, London

“Sometimes on websites they have those chat things available... they’re pretty good.”

2 parent household, Employed full-time and part-time, CTC, Manchester

Those with very low online confidence were not typically confident in accessing or managing any other financial products online. If they needed to do something like that online, they would ask a friend or family member to help. These participants wanted to have face-to-face support to help them complete their claim. They thought that this might be provided in locations such as libraries. Those who had received support in jobcentres before (for example if they had claimed JSA in the past) also thought that this would be another location where they could receive face-to-face support. However, they also wanted to know if they would be able to register the claim and receive support in private as they knew that they would need to input sensitive financial information.

Participants who felt confident about completing the registration process alone but did not have continuous access to the internet would also benefit from knowing about places they could go to get online access. Finally, participants who only access the internet on their mobile phone wanted to know if it would be possible to complete in this way, as they had experiences of trying to do similar things in the past and being unsuccessful as the site had not been optimised for mobile.

5 Financial aspects of the migration journey

Two key financial elements of the migration journey were tested as concepts with participants:

- **A wait for their first UC payment**, where customers would not receive any financial support for the period between registering for a UC claim and receiving their first UC payment.
- **Overpayments recovery**, a concept was proposed whereby if customers were advised of a 'stop date' sufficiently in advance, their current year tax credits position could be recalculated. Depending on the payments they had already received, subsequent payments could be stopped early or reduced in order to minimise the amount of debt transferred to DWP for recovery against UC payments.⁹

5.1 A wait for the first UC payment

After registering their claim for UC, customers may have a wait for their first UC payment of at least 35 days from their final legacy payment and the first UC payment. This is because all UC payments are made monthly in arrears, so there would be a minimum of a one month wait between customers claiming UC and receiving the first UC payment.

All participants were concerned about the wait for their first UC payment, and did not know how they would manage without receiving any payments for that time. Participants who had some prior knowledge of UC, or had been through benefit system changes in the past had expected that there might be a changeover period. However, those with no prior knowledge of UC had not expected a wait for their first payment, and some thought that there would be a seamless financial transition between tax credits and UC.

On learning about the wait for their first payment, it was assumed that although they would have to wait for the money, the first payment would be effectively double their regular payment to cover the wait. As such, although it was seen as difficult to manage for this month, participants thought they could catch up when they received this payment. After learning that the payment arrears would mean that they would not receive a higher amount, concern was expressed about how they would manage.

“And, so there will be a transition where you will lose money at some point? ...So will that be backdated?”

Self-employed discussion group

There were three main responses to the wait for the first UC payment and these responses affected the type of information and support that customers wanted:

⁹ There is more information available at: <https://www.gov.uk/government/publications/tax-credits-debt-in-universal-credit/tax-credits-debt-in-universal-credit--2>

- **The first group of customers felt that given enough notice, they could plan for and manage the wait.** These participants were typically in work, or in a couple which meant they were not as reliant on their tax credits income, as they had other income sources (from paid employment or other benefit sources). In these cases, they felt they needed between three and six months to start making changes to be able to manage during the waiting period. They felt that it would be difficult to manage but that they could take steps such as increasing income, trying to reorganise when their bills were due, or overpay on bills such as rent to try and build up a reserve.

“You have to juggle around, move things. I guess your food bill would drop that month. And tell the kids that next month we’ll be alright but this month we’re suffering”

2 parent household, Self-employed, WTC and CTC, Manchester

- **The second group of customers were more reliant on their tax credits income and more concerned about how they would manage.** They were typically in work and thought that they would need to try and increase their income to manage. They might think about borrowing money from friends or family or cutting back on spending. Similarly, they felt that they would need at least three months, ideally longer, to start preparing.
- **The third group did not think that they could manage a wait for their first payment.** They were typically not in work, not in a couple, and most relied on their tax credits income. They could not see any way of increasing their income and felt that they were already struggling with their budget and could not manage without anything coming in for one month.

“I don’t have anyone I can go to who I can say can I borrow this amount of money and pay you back... the Council (housing) won’t care”

Single parent (mother), Unemployed, CTC and other benefits, London

These participants did not think that any amount of time would allow them to make changes that would help them to manage this period. Instead, they wanted to know if financial support would be available. They also wanted to know if the information about the changes to the benefits system would be flagged to the Local Authority and Housing Association to ensure that they knew about the changes so that there might be some awareness and leniency if tenants could not meet their rent payments during this time.

Expectations of whether there would be financial support available to help customers manage immediately after migration were also discussed. Participants assumed that it was unlikely that there would be any ‘free’ financial help offered, and any financial assistance would be in terms of a loan, and as such did not want anything which would make it harder for them to catch up. These assumptions were based on previous experiences of financial help, such as an Emergency or Crisis Loan.

“I don’t want to be beholden to anyone so I don’t want to borrow money and then have to pay it back, that doesn’t work for me personally. It is only going to go one way...you would just have to grin and bear it.”

Single parent (mother), Full-time, WTC and CTC, Newport

Participants felt that it would be very helpful for financial support to be given to those who are on the lowest incomes or who are going to lose the most, and will therefore have the biggest change to adapt to. Whilst short-term support would ease customers through the migration period the overarching concern was about how much customers might lose through the change and how they would manage in the long-term if their level of support was going to be significantly reduced.

Overall it was highly important that early warning was given of the wait. Ideally it would be communicated when customers receive their first personalised communications, at stage two of the journey. This early warning would allow customers who could make budgeting changes to start increasing their income or cutting back. In cases where participants did not feel that they could manage regardless, the extra time would not necessarily benefit them, but they would still want to know. It would also be important for the information to highlight whether there would be any loans available during this time and how these would be repaid.

5.2 Overpayments

Tax credits customers may have outstanding overpayments that HMRC will review as part of the managed migration process.¹⁰ Customers may have tax credits overpayments from historical overpayments, overpayments from the current year. The process for how these overpayments will be collected as part of managed migration is not yet fixed.

Initially, the idea of beginning a new system with a debt was not an appealing one; participants would like to start afresh. Participants had a preference - if they had overpayments - for HMRC to finish their payments early and for them to manage for a few weeks until their UC payments started. This response was given under the assumption that the overpayment debt would not be substantial and could therefore be re-paid within a few weeks

“I would prefer to have a clean slate. Never carry any debt over!”

2 parent family, both unemployed, CTC and other benefits, London

However, in light of the wait for their first UC payment, the view changed and it was felt that whilst participants might be able to manage for a few weeks to repay their

¹⁰ More information regarding tax credit customers moving to UC, including overpayment transfer, is available at: <https://www.gov.uk/government/publications/universal-credit-and-tax-credits/universal-credit-and-tax-credits>

For technical (detailed) information about transfer of tax credit overpayments to UC as part of natural migration is available at: <https://www.gov.uk/government/publications/tax-credits-debt-in-universal-credit/tax-credits-debt-in-universal-credit--2>

tax credits debt, they could not cope if this was followed by another month waiting for their first UC payment.

In particular, those who were most reliant on their tax credits income wanted the stability of the payments throughout this period, and would rather repay any overpayments from their UC payments. It was also noted that some times of year, such as Christmas and summer holidays, were more difficult because of increased living costs and there were concerns about coping if the migration was at these times. This was also the case for those in industries affected by seasonal variation, such as construction, who knew that their income would significantly decrease at certain times of year.

“I’d rather it come off in instalments then I’ve got to physically find the money...If they’re asking me to repay in July or August and children are on holiday and uniforms to buy... that would ruin my summer.”

Single parent, Unemployed, CTC and other benefits, London

Those who were less reliant on their tax credits income, for example those who were in work, thought receiving no tax credits payments during the migration period would still be difficult for them, if followed by a month without support. It was suggested that a reduction in their tax credits payments would be a compromise so that they were repaying some of their tax credits debt without losing this income entirely during this period.

“It would be better to clear up and then start fresh [...] but it depends on the amount [...] they can’t be taking all of it, you’ve got a mortgage, food bills”

2 parent household, Self-employed, WTC and CTC, Manchester

6 Conditionality and UC Claim Management

UC includes the concept of conditionality; whereby claimants have to meet certain requirements in return for receiving UC payments. UC claimants may be asked to take steps to get ready for work, to search for work or to increase their hours. The specific conditions required of each UC claimant will depend on their individual household circumstances and characteristics.¹¹

6.1 Initial responses to conditionality

Conditionality was familiar to those who were claiming JSA (or had claimed in the past) and had to meet work search commitments as part of this. However, conditionality was a new concept to those who were in work. The assumption was that if you were in full-time employment or working part-time, that this would not be applicable. It was seen as applying only to those who were out of work.

Broadly, the rationale behind conditionality was understood and supported, with it seen as fair to apply conditions to receipt of benefit and encourage those who could work to do so. Although participants assumed that it would take into account individual circumstances, such as childcare responsibilities, so did not always think it would apply to them.

“People should not have money for nothing.”

Single parent (mother), Employed full-time, WTC and CTC, Newport

There were some concerns, especially for those that were receiving housing support, about the implications of conditionality if all benefits payments have been rolled into one. It raised the question of whether not meeting their conditionality could lead to a benefit sanction which would be applied to their housing support.

“Does it mean though, obviously if there is something wrong or they need some information just on one of the sides of the benefits do they cut it all out then?”

Self-employed discussion group

6.2 Responses of part-time workers to conditionality

The concept of conditionality was unfamiliar to parents who were working part-time around childcare responsibilities, or working part-time for other reasons. These parents felt that they were currently doing the right thing by working and looking after their children. It was assumed that any conditionality would take childcare responsibilities into account and that they would not be asked to prioritise work or work search above these responsibilities. This assumption was true of parents with children of all ages. Parents with young children (under the age of three) did not

¹¹ There is more information available at: <https://www.gov.uk/government/publications/universal-credit-and-your-claimant-commitment-quick-guide/universal-credit-and-your-claimant-commitment>

think that they would be asked to do anything. Parents with older children also did not think conditionality would apply, for example some parents of children aged 12 or older wanted to be there when their children were home from school and had arranged their work around this.¹²

“I think that’s unfair because at the end of the day, they’ve already said that we have to go out to work so therefore it should be a choice of part time or full time... Besides the point I’ve got my children to look after”

Single parent, Employed part- time, WTC, CTC and other benefits, Newport

There were two main responses by part-time workers to the idea of increasing their working hours or income; they either were open to the idea of it, but were not able to; or they were not open to the idea of it because of the increased emotional and financial costs. On the whole, those who were open to it had considered increasing hours or finding better paid work before. They had not been able to find better paid work, or find more hours. Some had attempted to increase their hours at their current role, but their employer was not able or willing to do this.

“It makes sense but, if you could get a better paid job, wouldn’t you have done it?”

Part-time employed discussion group

“I can’t ask for more [hours], I’m contracted for 12 and they already told me in the induction day that is what you given...you can’t ask for it.”

2 parent household, Employed part-time, WTC and CTC, London

Those who were not open to the idea of increasing hours were worried about the impact this would have financially on them, and the impact it would have on their family. They had organised to work around their child’s school day and did not want to give this up.

“It’s hard, my little one, he’s only three and he goes to school nursery full time but, because he’s only three I still like to make sure in the morning I’m there dropping him off to speak to the teachers and I’m there at 3 o’clock, picking him up, making sure he’s been OK, instead of having a childminder come and pick him up.”

Part-time employed discussion group

The overriding reason for not wanting to increase hours was the emotional cost of seeing their children less, but it was also a dual concern that with the added costs of the extra childcare it would not be worth doing additional hours. They would see their children less and they would be working longer for no extra money.

“I’d like to do more hours and earn more money but, on the other hand, if I did, then I’d probably end up the same...And I’m losing out on other things

¹² There is more information about the actual requirements depending on the age of the child available at: <https://www.gov.uk/government/publications/universal-credit-and-your-family-quick-guide/universal-credit-further-information-for-families> (Section 7)

...And if you do more hours, you're missing out on being with the children doing that as well."

Part-time employed discussion group

In addition to childcare responsibilities, there were numerous other reasons why participants were working part-time; including for their physical or mental health, or to fit with caring responsibilities for a disabled partner or parent. Some had intentionally reduced their working hours due to a difficult period, such as after a relationship breakdown to spend more time with their children.

"I took less hours through work because it worked financially for me to work a little bit less because of the cost of childcare and where my child was up to...going through a tricky time with the divorce."

Single parent (father, but not primary carer), Employed part-time, WTC, Manchester

6.3 Responses of self-employed participants to UC claim management

For those who are self-employed, UC will require that they need to complete certain steps; depending on their circumstances UC will need to check whether they are "gainfully self-employed". They will need to report their earnings each month and may be subject to a "minimum income floor".¹³

- Gainfully self-employed means that for anyone who is self-employed and required to work, DWP will make an assessment to see whether the work that they are doing meets what they can be treated as self-employed, for example that it's their main employment and a source of earnings.
- All claimants will be required to submit their earnings at the end of each month online or by telephone. DWP will use this information to assess their award.
- The Minimum Income Floor (MIF) is where DWP will assume a level of earnings based on how much someone would expect to earn if they work full-time on the National Minimum Wage for someone their age. DWP will compare a self-employed claimant's income with the assumed level of earnings and use whichever figure is higher when calculating the amount of UC the claimant is eligible for.

On first learning about UC, self-employed participants thought that it would be a beneficial system for them, as it would provide stability of claiming and a more stable income. They assumed that the UC payments would increase if they had earned less in a month. On learning more about how conditionality would apply to self-employed claimants though, participants were less positive about it.

"Maybe a monthly thing might be better because you might get a little bit more help in January, February, whereas December you don't actually need it..."

¹³ There is more information about UC and self-employment at: <https://www.gov.uk/government/publications/universal-credit-and-self-employment-quick-guide>

we'd need specifics to see whether it's a good thing or a bad thing because it could be either way."

Self-employed discussion group

There were mixed reactions to the concept of being gainfully self-employed. Participants could see the rationale behind such an assessment. They thought that it would require them to provide evidence such as payslips or receipts which would be similar to the type of information that they needed to provide to complete their self-assessment tax return. As such, they did not feel that it would provide them with an extra burden.

"Because you have to do it anyway, don't you, to HM Revenue & Customs whether you're claiming benefits or not, you still have to do that, so I suppose you'd have it anyway."

Self-employed discussion group

However, participants were concerned about how this assessment would be implemented. Their concern was that if they experienced peaks and troughs in their workload then they may not be considered to be gainfully self-employed during these periods when they were working less. They wanted to know how the assessment was made and if their status was assessed across a sustained period of time, such as a year.

"It's worrying...if you don't earn as much...they might say you're not classed as self-employed anymore...I'd like to think a sensible person would look over a period of time."

Self-employed discussion group

Reporting earnings each month was seen as posing a higher burden than providing evidence of self-employment and would require more work than currently. Some did not think it was reasonable to do every month and felt every six months would be more reasonable. However, views on this depended on what was involved in the process of reporting. If it was as simple as signing into their account and putting in their earnings for the month it would be more straightforward and may even help them to keep track of their earnings.

"If it was easy; just put your password in, put your earnings in and press send. I don't want anything more technical than that."

Self-employed discussion group

The MIF was seen as the most problematic aspect of conditionality, and was thought to remove the main benefit of UC for them; the stability of income. The MIF would mean that if a claimant earned less than the minimum wage in a month then it would be assumed that they had still earned the minimum wage. Therefore, they would not be given any additional help if they had a worse than average month. Equally, if they earned more than the minimum wage, they also would not receive any benefit from this, as their UC payment would be calculated based on the higher of the two figures (their income and the minimum wage).

Participants could not understand why they would be asked to report earnings each month, as this had led them to believe that their UC payment would be reflective of their income each month. Whilst the UC payments would be in some ways responsive to earnings, participants would not get the additional support that they thought they might if they earned less in one month.

“So what’s the point in sending your wages in every month...So it’s like what they do now, you can’t get any more?”

Self-employed discussion group

7 Conclusions

Overall, participants' awareness and understanding of UC are still low, despite UC being introduced as part of natural transition in some of the areas where fieldwork was conducted. Those who were unaware of it wanted information to let them know that UC was coming and how it would affect them, so that they could start to plan for it. Participants were unsure why UC was being introduced and information outlining the rationale for it and the possible benefits to them may help them feel more positive and confident about the change.

Early communication about the impact of UC on customers' incomes was seen as vital. Participants were concerned about the financial impact of UC, in particular whether the level of financial support that they will receive will reduce, and whether there will be a gap in payments. Those who were not used to budgeting monthly, for example those receiving multiple benefits from different sources typically paid weekly or fortnightly, were also concerned about the change in budgeting and wanted time to prepare for this. Customers wanted information on the wait for their first payment and the amount that they would receive in UC so that they could take steps to make changes to their budgeting arrangements, alter their outgoings, and increase their income, if possible.

Information on the process of registering a claim for UC will allow customers to prepare for the migration. Participants have a diverse range of expectations in terms of the level of information that they would need to register a claim; from assuming that it involves confirming their details to needing to provide detailed data on their income and tax history. . **Those who were not confident online also wanted to know whether support in making the claim would be offered. Communication about the process, ahead of when customers need to register, would set the expectation and ensure a smoother transition.**

Understanding the requirements of UC during the migration process was important to participants, as they wanted to know that they would be able to meet these. In particular participants wanted to know the extent to which their individual circumstances would be taken into account. For those who were working part-time around childcare and other responsibilities they wanted to know how much they would be asked to work. Knowing what is about to happen will allow them to **feel in control** of the process and also mean they will **be better prepared** for it.

8 Appendix A

8.1 Methodology

This research comprised of 36 in-depth interviews with current tax credits customers. The aim of these interviews was to gain insight into tax credits customers' information and support needs as well as their concerns and likely behaviours during the migration journey.

The in-depth interviews took place between 25th January and 20th February 2017 across London, Glasgow, Newport and Manchester. Each interview lasted for up to one hour and was conducted at a time which suited the participant.

Additionally, 4 mini-groups with specific types of tax credits customers were conducted. Their purpose was to explore the specific views, concerns, support needs and likely behaviours of the following customer types during migration to UC:

- Tax credit only customers;
- Customers who claimed tax credits and at least one other UC related benefit;
- Customers who worked part-time; and,
- Customers who were self-employed.

The mini-groups took place on 15th and 16th February 2017 in London and Manchester. Each mini-group included 5-6 participants and lasted for 90 minutes.

As is common practice in qualitative research an incentive was offered as a gesture of appreciation for the participants' time and contribution to the research. Customers who participated in an interview received £30 cash for taking part and £50 was offered to couples who participated in an interview together. Customers who participated in a mini-group received £45 cash as a thank-you for their time and to cover any costs incurred by attending the group.

A thematic framework approach was used to analyse the findings of the fieldwork, which was complemented by regular analysis sessions with the interview team. Analysis was conducted on a thematic basis, at a case-by-case level, and then across specific groups including self-employed, full-time/part-time and unemployed customers to explore the similarities and differences between them.

8.2 Sampling & Recruitment

A free-find approach was used to ensure that interviews and groups were conducted across the UK. Specialist face-to-face recruiters, who worked across the UK and had experience in these type of projects, were used for this study.

Key to the sampling approach was the recruitment of tax credits customers, who were not expected to go through natural migration and who did not expect any

changes in circumstances in the near future, such as leaving employment for example.

To ensure that a range of customers were included, quotas were also introduced. These comprised type of tax credits claimed, length of claim household structure, employment status, age, and income.

36 x in-depth interviews- tax credits customers		
Employment status	Full-time employed	11
	Part-time employed	8
	Self-employed	6
	Unemployed	11
Type of tax credits claimed	CTC only	14
	WTC only	8
	CTC and WTC	14
Claim other legacy benefits (JSA, ESA, Income Support or Housing Benefit)	Yes	15
	No	21
Housing structure	Two parent household	15
	Lone parent	17
	Couple without children	1
	Single person without children	3
Length of time claiming tax credits	1-3 years	14
	4+ years	22
Age	18-29	6
	30-44	15
	45-60	15
Location	London	13
	Manchester	9
	Glasgow	8
	Newport	6

4 x discussion groups – tax credits customers					
	Employment status	Tax credits claim type	Age	Gender	Household
Tax credits only customers	x3 Full-time	x1 CTC only	x5 30-44	x4 Female	x3 Two parent family
	x2 Unemployed	x1 WTC only		x1 Male	x2 Single parents
		x3 CTC and WTC			
Tax credits customers claiming other benefits	x1 Full-time	x2 CTC only	x1 18-29	x4 Female	x2 Two parent family
	x2 Part-time	x1 WTC only	x2 30-44	x1 Male	x3 Single parents
	x2 Unemployed	x2 CTC and WTC	x2 45-60		
Part-time customers	All part-time	x6 CTC and WTC	x2 18-29	x3 Female	x2 Two parent family
			X2 30-44	x3 Male	x4 Single parents
			x2 45-60		
Self-employed customers	All self-employed	x6 CTC and WTC	x2 18-29	x3 Female	x3 Two parent family
			x2 30-44	x3 Male	X3 Single parents
			x2 45-60		

9 Appendix B

9.1 Discussion guides

The interviews and mini-groups were conducted using semi-structured discussion guides. Below the discussion guide for the depth interviews can be found. This guide was adapted for the mini-groups to reflect their specific type. Use the timeline at the back to help map customers' expectations, questions and concerns at each stage of their journey.

Sections	Timings and notes
<p><u>Welcome and introduction</u></p> <ul style="list-style-type: none"> - Thank participant for taking part. - Introduce self, Ipsos MORI. - Role of Ipsos MORI – independent research organisation (i.e. independent of GOVERNMENT), gather all opinions: all opinions valid. - Remind that there are no right or wrong answers. - Commissioned by Her Majesty's Revenue and Customs (HMRC) the department who administer tax credits to conduct the research. - Explain outline of the research. We are speaking to a range of tax credits customers to explore upcoming changes that affect them to see what information and support they might need - Researcher to explain that we are not experts in this area and can't give any advice/ information on their benefit claim - Confidentiality: reassure that all responses are anonymous and that information that can be linked back to individuals will not be passed on to anyone, including back to HMRC or any other Government Department. - Reassure that their tax credits claim will not be affected in any way by taking part in the research. - Length: 45-60minutes. - Get permission to digitally record – transcribe for quotes, but no-one will be identifiable from this. 	5 mins
<p><u>Personal background and benefits history</u></p> <p>I'd like to start by learning a little about you.</p> <p>Please can you just tell me a bit about you and your household?</p> <ul style="list-style-type: none"> • 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? <p>Are you working/ studying at the moment?</p> <ul style="list-style-type: none"> • What kind of work do you do? • How many hours do you usually work? • How long have you been in that job? • Have you moved in and out of work recently? • IF NOT IN WORK: what was your last job? When was that? Why did you stop work? • IF STUDYING: How long have you been enrolled onto the course/program? 	5 mins

<p>IF APPLICABLE: What about your partner?</p> <ul style="list-style-type: none"> • What kind of work do they do? • How many hours do they usually work? • How long have they had this job? Have they moved in and out of work recently? <p>And can you tell me about your tax credits claim?</p> <ul style="list-style-type: none"> • How long have you been claiming? • Are you claiming working tax credits/ child tax credits or both? <p>Are you claiming any other welfare benefits?</p> <ul style="list-style-type: none"> • PROBE: Housing benefit / Out of work benefits (such as Jobseeker's Allowance or Income Support) or Employment and Support Allowance? <p>How do you find managing your tax credit claim?</p> <ul style="list-style-type: none"> • Do you usually manage it online/ on the phone/ by post? • Why do you do it this way? • How often do you get in touch with HMRC about your claim e.g. reporting changes, checking information etc.? • How do HMRC let you know about important information to do with your claim? <p>Can you remember the last piece of correspondence that you received from HMRC?</p> <p>What was it? What did it say?</p> <p>And thinking about that last correspondence from HMRC, what did you do after receiving it?</p> <p>PROMPT: Did you read it straight away/ did you leave it unopened for a while? Why?</p> <p>What did you do after reading it?</p> <ul style="list-style-type: none"> • What did you think you needed to do? Did you take any action? • Why/why not? <p>Have you ever needed information/ support on your tax credits claim in the past?</p> <ul style="list-style-type: none"> • Who/ where did you go for further information? Friends and family / HMRC helpline/ Online/ external advice organisation? • Why did you go here for support? • How useful was it? (what was good/bad about it) <p>How do you find using online services?</p> <ul style="list-style-type: none"> • PROMPT: Managing bank account or other government accounts online/ searching for information or advice online/ using email? 	<p><i>Moderator note: important to capture other benefits claimed so can follow up with them later on what they think the changes might mean for these benefits</i></p>
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<p>Between 2019 and 2022 all remaining tax credits customers will be asked to make a Universal Credit claim. Anyone who wishes to continue receiving financial support will need to make a claim for Universal Credit online.</p> <p>HMRC and DWP are developing the process for moving tax credits customers to Universal Credit and are working out the details now. I would like to walk you through the main points and get your feedback on the process; what information and support you think you would need and at what point.</p>	<ul style="list-style-type: none"> Income Support
<p><u>Stage one: Raising Awareness (Preparation)</u></p> <p>Before the changes come into place HMRC might run a broad communications campaign to tax credits customers generally to let them know about it.</p> <p>What do you think about this idea?</p> <ul style="list-style-type: none"> PROBE: would it be helpful or not? Can you think of any examples of when the Government has done something like this? Is this type of general information useful? In what way? <p>If HMRC run a communication campaign, what information do you think it should provide?</p> <ul style="list-style-type: none"> PROBE: why is this helpful to know? What would it help you to do? <p>How do you think this information would be best communicated?</p> <ul style="list-style-type: none"> PROBE: why in this way? What are the benefits/disadvantages? What channels have you found useful in the past? What are you most likely to pay attention to? How comfortable would you be receiving digital communications from HMRC? What do you think are the advantages and disadvantages of HMRC using digital channels? <p>How long before the changes affected you, would you want this to happen?</p> <ul style="list-style-type: none"> PROBE: (If as early as possible) what if it was a year before, it might be too early? <p>What do you think about HMRC providing general information (rather than personalised) about Universal Credit? The information might include some of the common steps which customers might need to take, like getting an email address.</p> <ul style="list-style-type: none"> What would it allow you to do? How important is this? Can you think of any drawbacks to doing this? 	<p>5 mins</p> <p><i>From other research we know that customers want personalised info- but if HMRC can't tell them exact details such as when it will affect them, and financial impact- is there anything else they want to know?</i></p>

<ul style="list-style-type: none"> Do you think you would notice or pay attention to this if it was included with communications you might already receive about your tax credits claim e.g. renewals pack? <p>How do you think that you would react if you saw or heard something telling you that Universal Credit was about to affect you?</p> <ul style="list-style-type: none"> PROMPT: Would you seek out further information/ speak to friends and family/ call HMRC/ go online IF SO: What information would you seek? And where would you go to get this? <p>Can you recall receiving any additional information recently from HMRC, e.g. through Personal Tax Account or at the tax credits renewal period?</p> <ul style="list-style-type: none"> What did you think of this? Was it useful/ not? Did you take any further steps as a result of the information? 	
<p><u>Stage two: Preparing for the changes (Orientation)</u></p> <p><i>Following the broad communications campaign, tax credits customers will receive information outlining what they need to do to so they are ready for Universal Credit. This may involve steps such as getting a bank account, getting an email address, ensuring that their National Insurance Number is correct on their HMRC correspondence and making sure that their tax credits claim is up-to-date.</i></p> <p>What do you think about this?</p> <p>Why do you think you would be asked to get a bank account/ email address?</p> <ul style="list-style-type: none"> PROMPT: which of these would you need to do? IF applicable: How easy/ difficult would it be for you to do these things? What would you need to do? <p>Why do you think that it is important for your National Insurance number to be correct on your correspondence from HMRC??</p> <ul style="list-style-type: none"> Would you need to update HMRC of any changes? <p>Why do you think you might be asked to make sure your tax credits claim is up to date?</p> <ul style="list-style-type: none"> PROMPT: to ensure paid right tax credits/ to ensure paid right UC / both? How would you feel about being asked to do this? How easy/ difficult would you find doing this? <p>What would you do upon receiving this information?</p> <p>Would you take any other steps?</p> <ul style="list-style-type: none"> PROMPT: Seek further information? / Speak to friends or family? / Contact HMRC? Contact any other government departments? 	<p>5 mins</p> <p>Note: Participants need to let HMRC know about any change of circumstances, such as change of name, address, marital status and employment status.</p> <p>They also need to check that any claims that they have, have the correct National Insurance number. As for example they could have records with a</p>

<p>How long do you think that you would need to make these changes?</p> <ul style="list-style-type: none"> • What makes you say that? <p>Would you have any concerns at this point?</p> <ul style="list-style-type: none"> • Is there anything which you think you might want more information about? <p>How would you want to receive this information?</p> <ul style="list-style-type: none"> • By post/ email/ text message? • PROBE: why in this way? What are the benefits/disadvantages? <p>Who would you expect to hear this from?</p> <ul style="list-style-type: none"> • HMRC? DWP? Someone else? <p>SHOW HMG LOGO</p> <p>The information could also be sent from Her Majesty's Government. What would you think if you received information with this branding?</p> <p><i>Universal Credit will be run by DWP and they will be working with HMRC and organisations currently responsible for Housing Benefit to ensure that people have the information they need during this change.</i></p> <p>How might you react if you started to receive letters from DWP about your tax credits claim?</p> <ul style="list-style-type: none"> • Would you pay attention to it? • Would you check if it's correct? How? 	<p>temporary/ pseudo NI number if it wasn't known at the time.</p>
<p><u>Stage three: 'Call to act' communication (Initiation)</u></p> <p><i>After this, customers will receive a notification that they need to register for Universal Credit with DWP by a certain date.</i></p> <p>What do you think about this?</p> <ul style="list-style-type: none"> • PROBE: what do you think this would mean for you? • What do you think registering a claim will involve? <p>How would you want to receive this information? By post/ email/ text message?</p> <ul style="list-style-type: none"> • PROBE: why in this way? What are the benefits/disadvantages? <p>Who would you expect this information to come from? HMRC or DWP?</p> <ul style="list-style-type: none"> • PROBE: What makes you say that? <p>What information would you expect to receive at this point?</p> <ul style="list-style-type: none"> • Guidance on making a claim? Anything else? <p>What do you think you would do?</p>	<p>5 mins</p> <p>Interviewer note: To claim UC they will need to go online and register a claim. Then DWP will decide the start date for their claim (so registering is not the start date for their UC claim)</p>

<ul style="list-style-type: none"> • Register a claim? Seek out further information/ speak to friends and family/ call HMRC/ go online? IF SO: What information would you seek? • Ignore it? <p>How much notice would you expect this letter to give for a date by which you needed to register a claim for Universal Credit?</p> <ul style="list-style-type: none"> • PROBE: Why this long/ what would it mean for you if you didn't have this long? • If you had a month to do this, would it be possible for you? Why/ why not? <p>Do you think you would be likely to claim UC straightaway or wait?</p> <ul style="list-style-type: none"> • What might be the benefit of claiming straightaway? • What might be the benefit of waiting? How long would you wait? Why? <p>What, if anything, do you think would happen if you did not register a claim by the deadline?</p> <ul style="list-style-type: none"> • PROMPT: current claims stop or continue? • Would you think about doing this? <p>Would you have any concerns at this point?</p> <ul style="list-style-type: none"> • What would you be worried about? 	
<p><u>Stage four: UC claim (Act)</u></p> <p><i>The next stage for customers will be to register their claim for Universal Credit online before the deadline given in their letter. They will be given a UC start date after they make their claim.</i></p> <p>How would you feel about making the claim online?</p> <ul style="list-style-type: none"> • Would you be able to do this at home? If not, would you have somewhere else you could do this? Where? • How confident would you feel about doing this? Would you need support? Who would you ask? <p>What guidance or support would you expect to receive at this point?</p> <ul style="list-style-type: none"> • What would be the best way of providing this? • Who would you expect to receive this from? (HMRC or DWP?) <p>Customers may continue receiving tax credit payments between registering their claim for UC and their official UC start date/30 day UC Assessment Period.</p> <p>When a customer registers for UC, HMRC will review their tax credits award to make sure they have not been overpaid. If there is an</p>	<p>10 mins</p>

overpayment, then HMRC might adjust the customers subsequent tax credits payments (ahead of their UC start date) so the customer doesn't incur more debt which will need to be repaid when they move to UC.

At this point, if you were told by HMRC that you had incurred an overpayment that year, would you rather?

- Continue to receive the same tax credits payments and avoid any shortfall in the payments you get leading up to the start of your UC claim start date, and repay later?
- Have your tax credits payments adjusted so you do not receive more than you are entitled to?
- PROBE: What makes you say that?

How would you feel about having an overpayment?

PROBE: Do you think that this would feel different to a debt? In what way?

During the migration process tax credits payments will stop before UC payments begin. It is likely to be at least a 30 day gap between tax credit payments finishing and UC payments starting.

How would you manage your finances during this time?

- Would you do anything to prepare? PROBE: Try to save beforehand? Change working hours/ work overtime? Cut back in some way?
- What would help you prepare for this?
- Would this change the amount of time you would need to prepare?

Depending on your circumstances, you may need to attend an appointment at the Job Centre as part of your claim.

- How would you feel about having to do this?

Have you heard about conditionality in Universal Credit?

- What have you heard? Where did you hear this?
- Or, what do you think it might mean?
- Have you heard about any other requirements that you think are part of Universal Credit?

When a customer claims UC they will also have conditions that they need to meet. Depending on their circumstances claimants may be required to take steps to either find work (unless they cannot work due to illness/ caregiving responsibilities) or to increase their hours.

IF APPLICABLE:

Note: If customers already aware of UC conditionality, may already be thinking about going back to work, or how to increase their hours. Probe on this if applicable, and interviewer to be mindful that potentially sensitive.

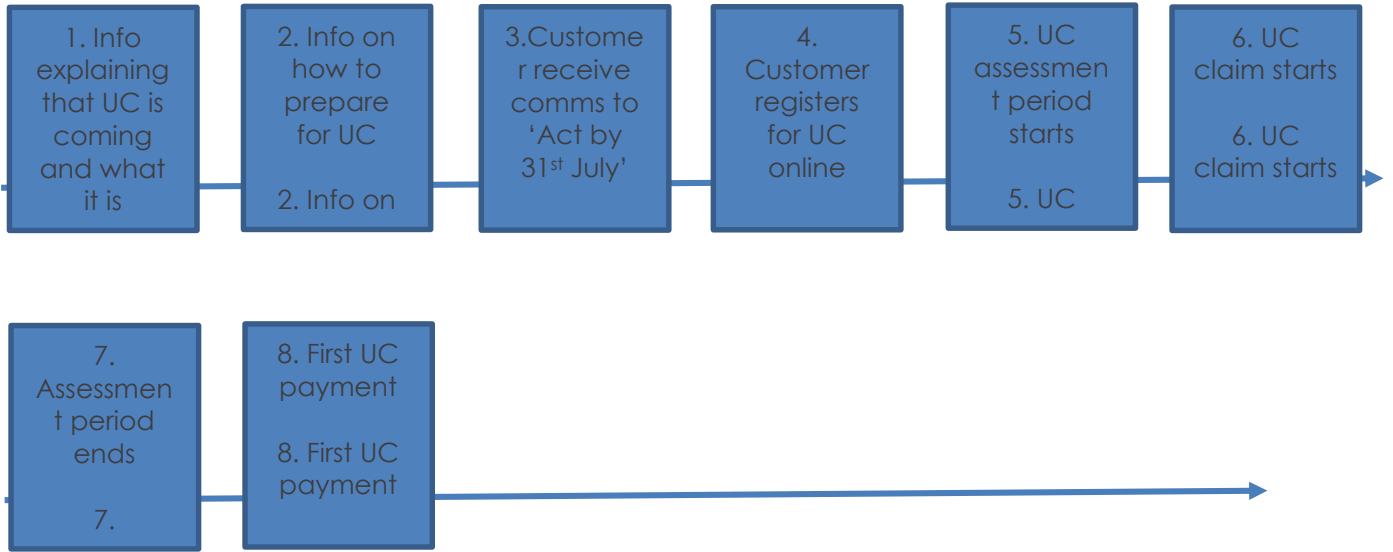
<p>What do you think about the possibility of increasing hours/ finding work?</p> <ul style="list-style-type: none"> • What would this mean for you? • Have you considered this before? What did you think about it? • Have you thought about doing it in the future? At what point? • What support might you need to do this? <p>The amount of UC you are paid may be different to what you currently receive on tax credits - what do you think about that?</p> <p>If the amount is less than you currently receive - would you expect Government / HMRC / UC to offer financial support?</p> <ul style="list-style-type: none"> • PROBE: How long would you expect this to go on for? 	<p><i>For those who can work and are not the primary care giver for a child under three they will be expected to look for full time work.</i></p>
<p><u>Next steps</u></p> <p>Customers will begin to receive UC payments 5-6 weeks after the start of their UC claim.</p> <p>Once customers have begun to start to receive UC payments, can you think of any reason why you might still need to contact HMRC?</p> <ul style="list-style-type: none"> • Do you think you will be required to provide HMRC with any further information? What might they need to know? <p>How do you think you might react if HMRC asked you for further information to finalise your tax credits award?</p> <p>What would you think if HMRC then contacted you to let you know that you had outstanding overpayments?</p> <ul style="list-style-type: none"> • Why do you think that this might have happened? • PROBE: Outstanding debts from past claims? Or from the changeover? <p>Would you want further support or information at this point?</p> <ul style="list-style-type: none"> • What would you want to know? <p>Who might you contact for further info?</p> <ul style="list-style-type: none"> • PROMPT: Friends/ family/ HMRC helpline/ DWP / gov.uk/ advice organisation? <p>Do you think that you will look for further information about Universal Credit? What will you look for?</p>	<p>5 mins</p> <p>ONLY COVER QUESTIONS ON OVERPAYMENTS IF YOU HAVE TIME. THIS IS NOT A PRIORITY AREA.</p>
<p><u>Wrap-up</u></p>	<p>2 mins</p>

Overall, what are the key things that you would want HMRC or DWP to provide information and support on during this process? And how should these be communicated?

Is there anything that we haven't covered that you feel is important to mention?

Outline again how information will be used to feed in to design of this, and that none of these steps are set in stone. Also mention that the actual process will also depend on each customer's circumstances and we don't know how it will work for them.

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The Social Research Institute works closely with national government, local public services and the not-for-profit sector. Its 200 research staff focus on public service and policy issues. Each has expertise in a particular part of the public sector, ensuring we have a detailed understanding of specific sectors and policy challenges. This, combined with our methodological and communications expertise, ensures that our research makes a difference for decision makers and communities.