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for Work &  
Pensions



Government  
Social Research

# Move to Universal Credit Non-Claimants (formerly tax credits customers) Research

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December 2024

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# Voluntary statement of compliance with the Code of Practice for Statistics

The Code of Practice for Statistics (the Code) is built around 3 main concepts, or pillars, trustworthiness, quality and value:

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

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

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## Quality

The research was characterised by a mixed-methods approach, integrating both quantitative and qualitative data collection techniques to provide a comprehensive understanding of research topic. Quantitative data was weighted to adjust for non-response bias, ensuring that the results are representative by age, gender and benefit type of the broader population of legacy tax credits customers who have not made a claim for Universal Credit. Additionally, the thematic analysis of qualitative data was conducted to offer in-depth insights into participants' motivations and behaviours to explain survey statistics where possible.

# Value

The research findings provided insights into the reasons why a sample of legacy tax credits customers have not made a claim for Universal Credit. This information is valuable to DWP to understand any barriers and challenges that prevent customer migration, informing communication strategies, and developing support for customers during the transition process. The findings also hold value for other organisations, policymakers, and researchers interested in social welfare and policy implementation.

# Acknowledgements

This research was commissioned by the Department for Work and Pensions (DWP) and would not have been possible without the significant contribution of Dr. Antony Billinghamurst, who tragically passed away on 31 August 2024. His extensive work in Government Social Research, in particular in relation to Universal Credit, has had a lasting impact on the Department. His expertise, dedication and insights continue to influence research in this space and this work stands as a lasting testament to his legacy in this area. He will be hugely missed by all his friends and colleagues.

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# Executive summary

## Background

Universal Credit (UC) is a means-tested benefit that was introduced in the UK to replace six 'legacy' benefits, including Working Tax Credit (WTC) and Child Tax Credit (CTC). In 2023, the Department for Work and Pensions (DWP) issued Migration Notices to tax credits customers at increasing scale, informing them to apply for Universal Credit to continue receiving financial assistance. Early learning around the managed migration of tax credits customers, published by DWP, set out the reasons why some individuals were not making a claim for UC by the deadline in their Migration Notice. This research explores the reasons for not making a claim at a larger scale.

## Research Objectives

DWP commissioned Ipsos UK to conduct research into the reasons why Working Tax Credit and Child Tax Credit customers were not claiming UC. A survey and follow-up interviews were carried out to uncover respondents' awareness and understanding of UC, and reasons for not applying. It also examined the financial and broader impacts of not claiming UC, potential long-term consequences, and future intentions regarding UC.

## Methodology

The sample frame was provided by DWP and consisted of Working Tax Credit and Child Tax Credit customers who had not applied for UC after the deadline in their Migration Notice. The sample consisted of a combination of Working Tax Credit-only, Child Tax Credit-only, or a combination of both, customers. The research employed a mixed-methods design. Quantitative data collection took place from April to June 2024 via online and CATI surveys with 1,029 respondents (923 who had not made a claim and 106 who had made a claim to UC since the DWP sample was drawn). The survey data was weighted to adjust for non-response bias. Qualitative semi-structured interviews were conducted from July to August 2024 with 30 survey respondents who had provided permission to be recontacted. The quantitative data was analysed to identify subgroup differences between key demographic groups. Subgroup differences between survey questions related to knowledge, awareness, attitudes and behaviours towards UC are reported where they are supported by qualitative evidence and provide useful insights into the relationships between these factors. The qualitative data was analysed to identify key themes and explain the survey statistics where possible.

# Key findings

## Awareness and understanding of UC

Overall, 78% of survey respondents reported knowing a little bit or a lot about UC. There was more limited understanding of specific features and rules of UC such as the rules around working and capital. Around seven in ten (69%) were unaware that they might have been able to receive transitional protection and were not aware that they could have applied for advance payments (70%). Furthermore, around half of survey respondents with children at pre-school age (47%) and primary school age (46%), and six in ten respondents with children at secondary age (61%) did not know it was true that you can claim 85% of childcare costs back through UC. The qualitative interviews revealed that greater knowledge about transitional protection and advance payments would not have been a factor in their decision about whether to claim UC. However, interview participants with younger children did report that knowing more about the support with childcare costs may have influenced their decision.

Survey respondents predominantly used the GOV.UK website (37%), online benefit calculators (28%), and the Move to Universal Credit helpline (10%) to make a decision about claiming UC. Interview participants described how these resources could lead to confusion, perceptions of ineligibility and/or reinforce existing perceptions about UC.

## Reasons for not claiming UC

Survey respondents were asked whether any reasons stopped them from making a claim to UC<sup>1</sup>. Respondents were asked about reasons that related to their personal circumstances and separately asked about reasons that related to UC migration and the claims processes. Whilst survey respondents generally selected reasons from both question categories, the interviews revealed that participants in particular circumstances placed more importance on reasons from one category as their primary reason for not claiming UC.

**Reasons related to personal circumstances and eligibility:** Over three in four (76%) survey respondents selected at least one reason for not claiming UC related to their personal circumstances<sup>2</sup>. Nearly three in ten (28%) respondents selected not knowing whether they would be eligible to claim UC as a reason for not making a claim. Over one in four (26%) reported earning too much, and one in five (20%) reported having too much in savings and/or their work circumstances being about to change. Interview participants who emphasised reasons related to their personal circumstances tended to be employed, have savings, and often self-assessed as not eligible for UC and this was the primary reason for not making a claim. These participants assumed that they were ineligible for UC as they believed that they exceeded the income and/or capital thresholds, usually without verifying this against external information sources or by making a claim.

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<sup>1</sup> Only reasons selected by 10% or more respondents from each category are reported.

<sup>2</sup> Reasons selected by 10% or more survey respondents.



**Reasons related to UC migration and claim processes:** Almost six in ten (57%) respondents selected at least one reason for not claiming UC relating to UC migration and the claims process. These included the perception that the claim process is too much effort (30%), frustration over needing to move to UC (27%), and not wanting to visit the Jobcentre Plus (25%). Interview participants who emphasised these reasons sometimes faced circumstances that made claiming UC more challenging including having health conditions and not speaking English as a first language. These participants described issues with the online system and gathering the necessary documentation required for the online application form, as well as logistical challenges such as lack of time and digital access.

Survey respondents who were self-employed and those with caring responsibilities were identified as disproportionately impacted by one or more reasons related to their personal circumstances and eligibility as well as reasons related to UC migration and the claims process. The qualitative interviews also revealed that participants in those circumstances had complex and multifactor reasons related to perceptions of their eligibility and financial circumstances under UC as well as the process of making a UC claim. Interview participants who displayed this complex interplay of reasons did not think they would be eligible for UC and/or had negative feelings and perceptions about UC and the benefits system more generally. They did not claim UC even though in some cases they reported struggling financially. Their reasons included believing that they would receive a small amount of UC that did not make it worthwhile applying, mistrust of the system due to prior negative experiences on benefits, and for self-employed workers, a fear of financial insecurity due to fluctuating monthly payment amounts.

## **Likelihood and motivations to make a claim for UC**

Seven in ten (70%) survey respondents were unlikely to make a claim for UC in the future, with 15% reporting that they were either likely or certain to claim UC. A further 15% did not know whether they would claim in the future. Whilst just over a third (36%) of respondents did not select any reasons that might motivate them to make a claim in the next three to five months, just over one half (53%) respondents selected at least one reason that might motivate them to make a claim. A change in work circumstances, needing the money, and a change in non-work-related circumstances were the most prevalent motivations (26%, 25% and 16% respectively).

## **Impacts of not claiming UC**

Most (91%) survey respondents reported taking at least one financial action since their tax credits has stopped, including cutting down on spending (61%), using savings (41%), working additional hours (32%), using credit cards or overdrafts (28%) and relying on support from friends and family (23%). Uses of these alternative income sources to replace tax credits varied by work status, health status and age.

In the qualitative interviews, participants shared that the impacts of not claiming UC were sometimes wider than financial, with some reporting issues with stress, spending less time with their children, and cutting down on leisure time. Interview participants who could take on additional work hours and use savings that were not

ringfenced for upcoming expenses reported feeling like they could cope financially and therefore felt no need to claim UC in the future.

## **Typologies of legacy tax credits customers who have not made a claim for UC**

The qualitative interviews identified four non-claimant typologies which describe the interplay between reasons for not claiming UC, likelihood to make a claim in the future and impacts of not claiming:

1. **Felt financially stable with no intention to claim:** These participants described themselves as being financially secure, often due to a steady income or significant savings, and perceived that they would not be eligible for UC. They felt that UC was not relevant to their circumstances and described preferring to be self-reliant.
2. **Upcoming change in circumstances with no intention to claim:** These participants anticipated a forthcoming change in their financial circumstances, such as entering retirement or starting a new job, which they believed would render support from UC unnecessary. They reported that the application process would be burdensome and not worth the effort for short-term financial assistance.
3. **Intended to claim but faced issues during the claim process:** These participants planned to claim UC but reported challenges during the application process, such as technical difficulties or issues with supporting documentation. They cut down on spending and relied on friends and family to borrow money or offer means of support such as with childcare which they did not consider long-term options.
4. **Struggling financially with no intention to claim:** Despite reporting struggling financially, these participants chose not to claim UC due to a belief that they were ineligible combined with negative perceptions of the UC system and a lack of trust in UC and the benefits system, often stemming from past experiences. Participants in this group used savings, where possible, but did not consider this as a long-term option as their savings were required for other expenses. They also cut down on spending, borrowed, and relied on friends and family.

## **Current and future support needs to claim UC**

Almost four in ten (39%) survey respondents reported needing support with making a claim for UC while over half (53%) did not feel they needed support from the options listed in the survey (remaining did not know). Those who did require support reported needing support to find out if they were eligible (27%), to find out how much money they would receive on UC (20%), and to make a decision about whether or not to claim (19%). Interview participants suggested the following information, communications and support would be beneficial:

- A fact sheet included with the Migration Notice.
- An application checklist which includes the list of supporting documents required.

- Greater clarity on eligibility and capital rules in communications and by UC advisors.
- Greater flexibility in Jobcentre Plus appointments, including virtual options and drop-in sessions.
- Tailored guidance for self-employed claimants.

## **Claimants who delayed making a claim to UC**

The survey findings revealed that 11% of survey respondents had since made a claim to UC since DWP had drawn the sample. The primary reasons for delaying making a claim for UC included frustration with needing to move to UC (33%), wanting to stay on tax credits as long as possible (31%), and the perceived effort of the claims process (24%). Those who had made a claim also reported personal circumstances as reasons for delaying including concerns about being worse off on UC (41%) and being unsure if they would be eligible for UC (23%). Motivations for claiming UC were primarily related to tax credits stopping (46%), needing the money (44%), changes in circumstances (23%), and the desire to receive a monthly benefit payment (22%).

# Glossary of terms

**Advance payment:** A loan offered to Universal Credit claimants who need financial support while waiting for their first payment. It must be repaid from future Universal Credit payments.

**Benefit calculators:** These are independent, free and anonymous calculators for prospective benefit claimants to check what they could be entitled to on benefits. They provide estimates of the benefits they could receive and how much they might receive in payments.

**Capital disregard:** A temporary exemption that allows claimants with savings above the usual limit (£16,000) to still claim Universal Credit for a specified period (currently 12 months).

**Claimant:** In the context of Chapter 9 of the report, a person who has made a claim to Universal Credit.

**Computer Assisted Telephone Interviewing (CATI):** A survey method where telephone interviewers use computers to guide them through the questionnaire and record responses directly into an online system.

**Legacy benefits:** The six benefits that Universal Credit is replacing: Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Housing Benefit, Child Tax Credit, and Working Tax Credit.

**Means-tested benefit:** A benefit where eligibility depends on the claimant's income and capital (savings).

**Migration Notice:** A letter sent by the Department for Work and Pensions (DWP) to customers of legacy benefits, informing them that they need to claim Universal Credit to continue receiving financial assistance.

**Migration Notice Helpline:** This is a specific telephony helpline set up by DWP for legacy customers who have received a Migration Notice informing them they need to move to Universal Credit to continue receiving financial support payments.

**Mixed-methods approach:** A research approach that combines both quantitative (e.g. surveys) and qualitative (e.g. interviews) data collection methods.

**Non-claimant:** In the context of this report, a person who has received a Migration Notice but has not yet made a claim for Universal Credit.

**Passporting benefits:** Certain benefits and support schemes that are granted to claimants of certain benefits (e.g. free school meals or help with NHS prescriptions are passporting benefits linked to tax credits and Universal Credit). Claimants lose access to passporting benefits if they do not claim the benefit they were 'passporting' with.

**Push-to-web survey:** A survey method where potential respondents are initially contacted by mail and invited to complete the survey online.

**Transitional payment protection:** Financial support for legacy benefit customers to ensure there is no cliff-edge in entitlement when they claim UC. For those notified to claim UC, this comes in three forms: the student disregard (which disapplies rules on entitlement to UC for those in full-time education, until the end of their course), the capital disregard (that disregards capital rules for UC for 12 assessment periods for former tax credits customers), and the award of Transitional Element (an additional amount added to the customers UC award, so their UC entitlement is not lower than their total legacy amount). In this research, the Transitional Element was referred to respondents as “transitional protection” or “transitional payment protection”.

**Universal Credit (UC):** A single payment replacing six legacy benefits, aimed at simplifying the benefits system.

**UC Helpline:** This is the telephony helpline available set up by DWP for all those either currently claiming Universal Credit or planning to make a claim to Universal Credit and would like more information.

# List of abbreviations

UC	Universal Credit
DWP	Department for Work and Pensions
CATI	Computer-assisted telephone interviewing
M2UC	Move to Universal Credit
MN	Migration Notice
JCP	Jobcentre Plus
FSM	Free School Meals

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# 1. Introduction

## Background

Universal Credit (UC) is a means-tested benefit that was introduced in the UK to replace six 'legacy' benefits (Working Tax Credits (WTC), Child Tax Credits (CTC), Housing Benefit (HB), income-related Employment and Support Allowance (ESA), Income Support (IS) and income-based Jobseeker's Allowance (JSA)) into a single monthly payment. Tax credits are paid by HMRC while income-related ESA, income-based JSA, and IS are paid by DWP. Housing Benefit is paid by Local Authorities.

By the end of 2018, UC was rolled out to all Jobcentres for new customers. However, there remained a substantial number of households claiming legacy benefits. The Department for Work and Pensions' (DWP) strategy for moving these remaining households to UC was set out in the department's Completing the Move to UC<sup>3</sup> policy document, published in April 2022.

As part of the Government's plans to manage migrate customers from legacy benefits to UC, in 2023 DWP started sending Migration Notices to tax credits customers at increasing scale, informing them of their three-month deadline to make a claim for UC to continue receiving financial assistance. Legacy customers received an initial letter followed by a reminder letter and reminder text. See the Appendix for the Migration Notice and further information illustrating the managed migration customer journey.<sup>4</sup>

## Research objectives

DWP has published three insight documents that set out learnings around the managed migration of tax credits customers:

- January 2023: 'Completing the move to Universal Credit: Learning from the Discovery Phase'<sup>5</sup> which included tax credit-only customers.
- August 2023: 'Learning from Initial Tax Credit Migrations'<sup>6</sup> which set out insights from migrating Tax Credit-only customers as well as the improvements DWP made to the migration process in light of the learnings.
- February 2024: 'Move to Universal Credit – Insight on Tax Credit migrations and initial Discovery activity for wider benefit cohorts'<sup>7</sup> which set out further research undertaken to understand why not all tax credits customers were migrating to UC. This work included in-depth interviews with customers and

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<sup>3</sup> [Completing the move to Universal Credit - GOV.UK](#)

<sup>4</sup> The 'Single Migration Notice sent to Tax Credit Claimants in January 2024' is included in Appendix 1, the 'Couples Migration Notice sent to Tax Credit Claimants in January 2024' is included in Appendix 2, and the journey map of the managed migration customer journey is included in Appendix 3.

<sup>5</sup> [Completing the move to Universal Credit: Learning from the Discovery Phase - GOV.UK](#)

<sup>6</sup> [Completing the Move to Universal Credit: learning from initial Tax Credit migrations - GOV.UK](#)

<sup>7</sup> [Move to Universal Credit – insight on Tax Credit migrations and initial Discovery activity for wider benefit cohorts - GOV.UK](#)

Jobcentre Plus staff, analysis of migration data, customer insight to assess people's views on the content and design of Migration Notices and assessment of telephony contact and customer support services.

This evidence provided insight into why some tax credits-only customers were not making a claim for UC by the deadline in their Migration Notice. Building on this, DWP wished to explore non-claiming behaviour at a larger scale to explore the prevalence of reasons among tax credit customers.

DWP commissioned Ipsos to conduct research (a survey and follow-up interviews) into the reasons why legacy tax credits customers were not claiming UC, their future intentions to make a claim, and any consequences for those who had not made a claim. Specifically, the study explored:

1. Levels of awareness, understanding and perceptions of UC amongst legacy tax credits customers.
2. The reasons why this cohort are not applying for UC including whether they felt financially stable without it, and if not, whether there were any barriers to claiming or misconceptions.
3. The current and potential impact of not claiming UC, both financial and wider.
4. Potential long-term consequences of not claiming UC and actions to top up their income since tax credits have stopped.
5. Future intentions to claim UC, including any support needed to make a claim for UC.

## 2. Methodology

The following section outlines the methodologies used across this study. This research used a mixed-method approach to comprehensively understand the experiences and behaviours of legacy tax credits customers who had not made a claim to UC after receiving their Migration Notice.

### Quantitative research

#### Sample

DWP provided a sample frame of 40,766 former tax credits customers across England and Wales who had received a Migration Notice but had not made a claim for UC after their Migration Deadline had passed as of March 2024. The sample included the following demographic information: age, gender, tax credits type, and Migration Notice details (including date sent, Migration Deadline, and whether an extension had been granted). From the sample frame, a random sample of 22,500 former tax credits customers was selected for initial contact.

#### Fieldwork

The survey was conducted as a mixed-mode push-to-web survey with CATI (computer-assisted telephone interviewing) follow-up interviews to target those who had not completed the survey online. The CATI component aimed to boost the representativeness of the sample against the sample frame, ensuring that those who are digitally less confident were not excluded from the sample, particularly as lack of digital confidence may have been a barrier to claiming to UC. Ipsos sent advance letters with a short URL for the online survey and opt-out details to the selected sample.

Ipsos conducted fieldwork between 17 April 2024 to 3 June 2024. Ipsos offered respondents a £10 incentive for their participation. Fieldwork was monitored regularly to ensure a representative sample based on gender, age, and legacy tax credits type and soft quotas were applied to CATI fieldwork to target respondents from groups which had proportionately lower response rates. In total 1,029 respondents took part in the survey (659 online, 370 CATI).

A screening question in the survey identified that 923 survey respondents had not made a claim for UC at the time of completing the survey; 106 respondents had made a claim for UC since the DWP sample was drawn. This report focuses primarily on the findings from the 923 respondents who had not made a claim to UC, unless otherwise stated, chapter 9 focuses on the findings from the 106 respondents who had made a claim to UC at the time of the survey.

## **Data weighting and analysis**

Weighting was applied to adjust for differences in non-response that may cause bias. RIM weights were developed to ensure the sample was representative of the population of non-claimants based on age, gender, and benefit type. The weights applied are detailed in the technical report in the Appendix 4.

Weighted data tables were produced including cross-breaks for comparison of total and subgroup base sizes. Subgroup differences were tested for statistical significance at the 95% confidence level. All differences in this report are statistically significant at the 95% confidence level and a margin of error of +/- 3% on population estimates of 50% unless otherwise specified.

Subgroup differences for demographics are reported where there are consistent differences for demographic groups across related survey questions. Subgroup differences between survey questions related to knowledge, awareness, attitudes and behaviours towards UC are reported where they are supported by qualitative evidence and provide useful insights into the relationships between these factors.

Overall, 11% of survey respondents were unemployed when they took part in the survey, and they either previously claimed Child Tax Credits only or have become unemployed since they stopped claiming Working Tax Credits.

Coding was applied to 13 questions which included "Other specify" codes. The threshold for including a new code was 5 or more mentions.

## **Qualitative research**

### **Sample**

The sample frame consisted of survey respondents who had consented to be recontacted for a follow-up interview and provided their email address and/or phone number for further contact. A total of 616 survey respondents opted-in to be contacted for interviews.

### **Recruitment**

Quotas were set based on gender, age, employment status, presence of children, UC claim status, interview type, legacy benefit type, English as a first language, likelihood to make a claim, need for support making a claim, and use of savings as alternative income. Opt-in respondents were contacted and screened for eligibility based on recruitment quotas. The breakdown of the quotas can be found in the technical report in the Appendix 5.

Respondents were contacted using the contact details provided and invited to take part in an interview. Interviews were scheduled based in respondent availability and an information sheet was sent to respondents prior to the interview taking place.

## **Fieldwork**

Interviews were conducted using telephone or Microsoft Teams between 8 July and 8 August 2024. This was delayed from the original fieldwork dates in line with the Civil Service General Election Guidance that took effect in the pre-election period in 2024. Respondents received a £40 voucher as an incentive for their participation. In total 30 interviews were conducted lasting 45 minutes each.

## **Analysis**

Interviews were audio recorded for note-taking purposes. Following the interviews, moderators summarised the key points from the raw interview data into an analysis grid which grouped the data by interview question and key areas of enquiry. Moderators added verbatim quotes from interviews which illustrated key points and summarised respondents' particular viewpoints. Two thematic analysis sessions were facilitated for interviewers to discuss the data and reach a consensus on the salient points across all interviews, exploring differences in experiences by different respondent characteristics, and identifying examples. The final stage of thematic analysis included refining themes, testing findings, and supporting analysis with verbatim quotes.

# 3. Awareness and understanding of Universal Credit

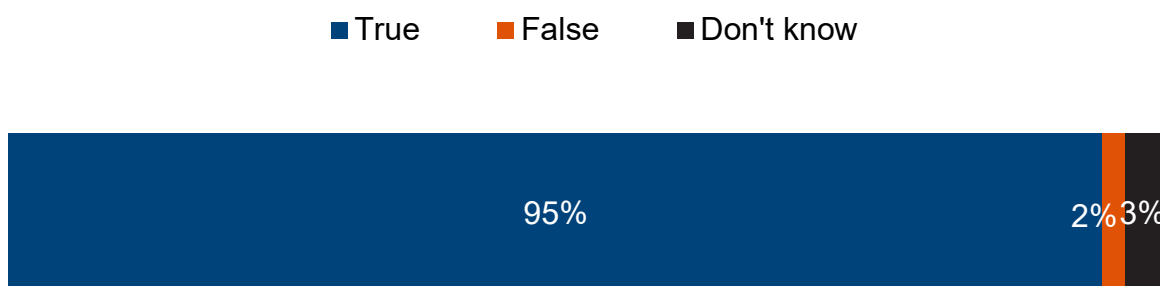
This section examines respondents' awareness and understanding of UC, covering both general awareness and knowledge of specific features. This section also explores perceptions and attitudes to UC, the various information sources used to learn more about UC, and the impacts these had on decisions about whether to make a claim for UC.

## Awareness and understanding of UC

### Awareness of UC

As shown in Figure 1.1:, almost all survey respondents were aware that UC was replacing tax credits, with over nine in ten (95%) reporting that they believed this statement to be true.

**Figure 1.1: Awareness of UC: To the best of your knowledge, is this statement true or false? "Universal Credit is replacing Tax Credits"**

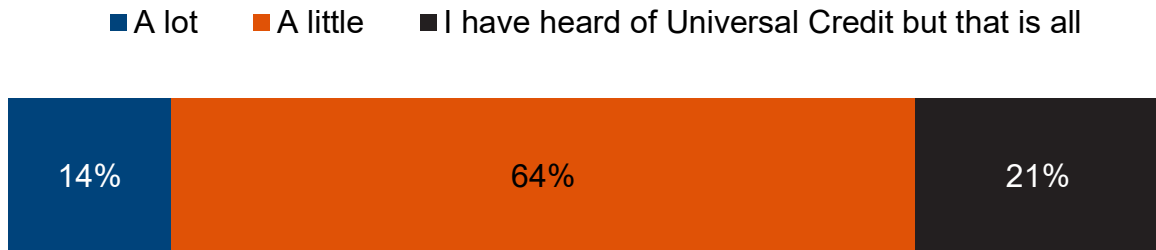


*KNOWLEDGE. To the best of your knowledge, is this statement true or false? Universal Credit is replacing Tax Credits | Unweighted base, all non-claimants aware of Universal Credit (919)*

While awareness of UC was high, knowledge and understanding of the UC claims process and features was relatively low. As shown in Figure 1.2:, nearly two in three (64%) survey respondents reported knowing 'a little' about UC in comparison to 14%

who felt they knew ‘a lot’. One in five (21%) said they had heard of UC and nothing more.

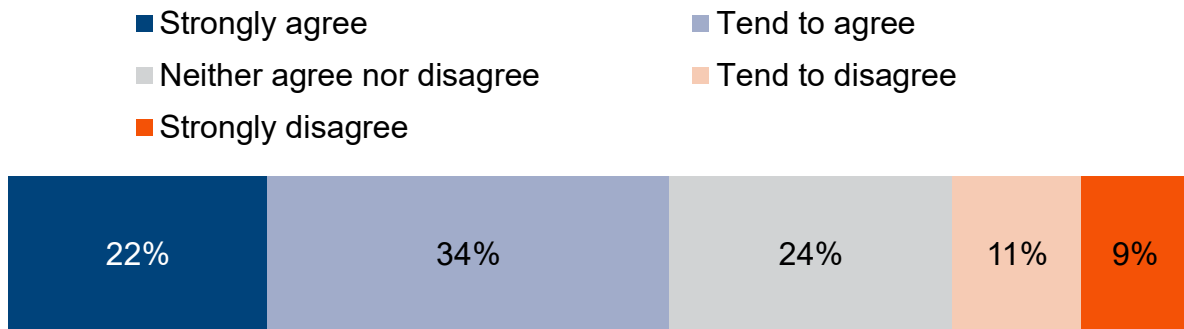
**Figure 1.2: Awareness of UC: How much do you know about Universal Credit?**



*AWARENESS. How much do you know about Universal Credit? | Unweighted base, all non-claimants (923) | \*excluding answers under 5%*

As shown in Figure 1.3:, nearly six in ten (56%) respondents agreed that they would know what to do to move to UC. This included one in five (22%) who ‘strongly agreed’ and one in three (34%) who ‘tended to agree’. One in five (21%) disagreed, with 9% saying they ‘strongly disagreed’ and 11% selecting ‘tend to disagree’. One in four (24%) said ‘neither agree nor disagree’.

**Figure 1.3: Awareness of UC: To what extent do you agree or disagree that you understand what you would need to do to move to Universal Credit?**



*CONFIDENCE. To what extent do you agree or disagree that you understand what you would need to do to move to Universal Credit? | Unweighted base, all non-claimants (923)*

Respondents without health conditions were more likely to feel confident about moving to UC if they needed to. For example, six in ten (60%) of those reporting no health conditions agreed that they understood what they would need to do to move to UC compared to those with health conditions that impact them a little (48%) and those with health conditions that significantly impact their lives (46%)<sup>8</sup>.

<sup>8</sup> Small base size, N=98

The higher the respondent's qualification level, the greater their reported understanding of what to do to move to UC. Over six in ten (63%) respondents with a degree or above agreed that they understood what they would need to do compared to 54% with a level 2 or 3 qualification and 46% with no formal qualifications.

Of those not planning to make a claim, six in ten (60%) were confident in knowing what to do, compared to around half (49%) of those planning to claim. This showed that the decision not to claim UC is not always based on a lack of understanding about what to do to move to UC.

## **Knowledge of UC features and rules**

### **Transitional protection**

Transitional protection provides financial support for legacy benefit customers to ensure there is no cliff-edge in entitlement when they claim UC. For those notified to claim UC, this comes in three forms: the student disregard (which disapplies rules on entitlement to UC for those in full-time education, until the end of their course), the capital disregard (that disregards capital rules for UC for 12 assessment periods for former tax credits customers), and the award of Transitional Element (an additional amount added to the customers UC award, so their UC entitlement is not lower than their total legacy amount).

Everyone notified who claims before their deadline date or within the one-month grace period will be assessed for transitional protection. However, transitional protections can only be awarded to eligible claimants whose circumstances remain the same.

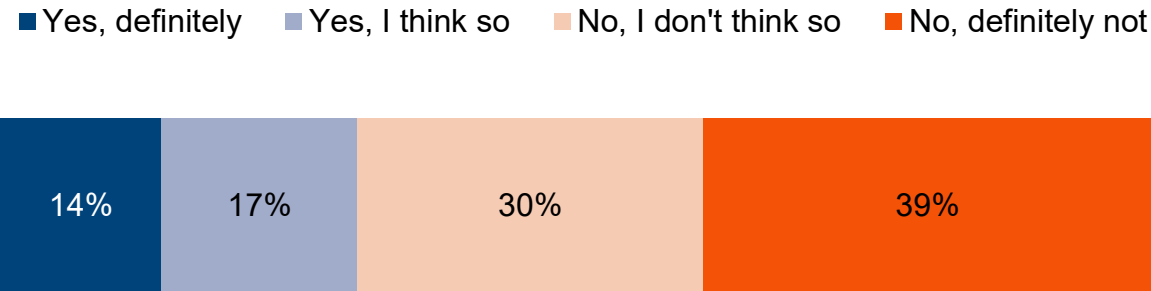
In this research, the Transitional Element was referred to respondents as “transitional protection” or “transitional payment protection”. Although the definition of transitional protection outlined above covers all three forms, the Migration Notice inviting tax credits customers to Move to UC describes transitional protection as the “top up” that is available to customers if the amount they are entitled to on their existing benefits is more than they would be entitled to on UC. Therefore, the following findings presented refer to the Transitional Element as “transitional protection” or “transitional payment protection”.

Survey respondents were asked if they agreed or disagreed with the statement: ‘Transitional protection means if you claim before the deadline and circumstances are the same, you continue to receive the same money on Universal Credit as tax credits’. Although transitional protection was mentioned in the Migration Notice, nearly two in three (65%) either disagreed or were unsure, demonstrating low awareness of transitional protection.

As shown in Figure 1.4., respondents were asked if they were aware that they might have been able to receive transitional payment protection, with nearly seven in ten (69%) reported being unaware.



**Figure 1.4: Awareness of transitional protection: Before today, were you aware that you might have been able to receive transitional payment protection?**



*TRANSITION\_AWARE. Before today, were you aware that you might have been able to receive transitional payment protection? | Unweighted base, all non-claimants (923)*

Employed respondents were more likely to report being unaware (72%) that they could have received transitional protection compared to those who were self-employed (61%). Those with level 2 or no qualification were more likely to be unaware (77%) compared to those with a degree or above qualification (66%).

Respondents who had a health condition that heavily impacted their lives day-to-day were more likely to be aware (40%)<sup>9</sup> of the transitional payment protection compared with those who did not have a health condition (30%).

The interviews revealed that transitional protection was not an important factor in decisions about whether or not to claim UC. Interview participants who were aware of transitional protection remembered reading about it in the Migration Notice, seeing it online or on television, or hearing about it through word of mouth. While they knew about some elements of transitional protection, including the capital disregard, they sometimes confused the two believing that the transitional protection, like the capital disregard, expired after twelve months. They felt that transitional protection was not a long-term safeguard of income and therefore not an important feature in deciding whether to make a claim for UC. Others had heard anecdotally that UC claimants were being refused transitional protection because they had savings, further demonstrating confusion between transitional protection and capital disregard.

*“[With transitional protection] At the very least, you would be getting the same amount of money on Universal credit, so you don't lose out for 12 months.”*

**55+, Not working, Unlikely to make a claim**

Interview participants who had used benefits calculators and saw that they would receive less money on UC compared with tax credits tended to be sceptical that transitional protection could mitigate this.

Only one interview participant who was previously unaware of transitional protection expressed that if they had known about this when they received the Migration Notice, they would have made a claim for UC. In this case, tax credits payments had been

<sup>9</sup> Small base size, N=98

making up over half of their household income, meaning that transitional protection payments may have had a significant impact on their overall income.

### Capital disregard

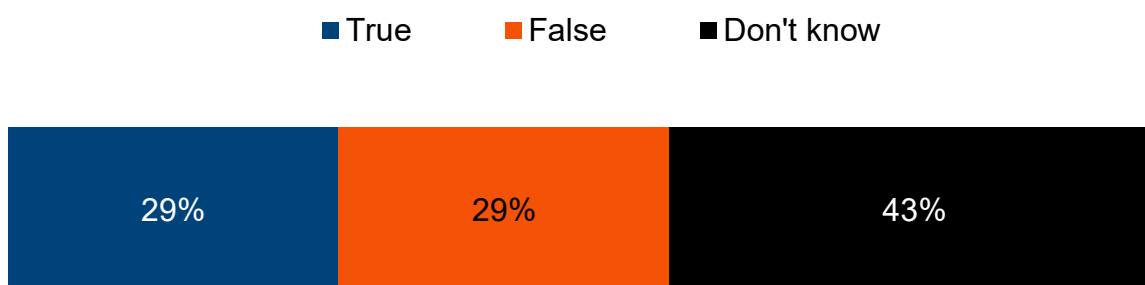
The UC transitional capital disregard allows tax credits customers with savings and investments (known as 'capital') to still claim UC even if their capital exceeds the usual limit (£16,000). Usually if capital exceeds £16,000 customers would not be entitled to UC. The disregard is only available to those who are notified to claim UC and claim UC by their deadline date (including the one-month grace period). It is then applied from the start of their claim for 12 monthly assessment periods, unless there is a change of circumstances that results in transitional protection ending or the claim closing. The disregard is mentioned within the Migration Notice letter that customers receive when notified of their Move to UC.

As shown in Figure 1.5., four in ten (43%) survey respondents did not know that if you claim before the Migration Deadline, for 12 months you can claim UC if you have more than £16,000 in capital. It was evenly split between those that believed this was true and false (29% respectively).

Older respondents (aged 50-65) were more likely to know this was true (34%) compared to younger respondents (aged between 25-49) (25%).

Respondents with below level 2 or no qualifications had showed less knowledge about the capital disregard than respondents with a degree or above. More than one in three (35%) of those with a degree level or above qualification said that this statement was true, compared with 27% of those who have a level 2 or 3 qualification and those with below level 2 or no formal qualification (23%). Half of those with below level 2 or no qualifications (50%) were unsure compared to respondents with a degree or above qualification (35%).

**Figure 1.5: Awareness of capital disregard: To the best of your knowledge, is this statement true or false?: 'If you claim before the deadline on the letter, for 12 months you can claim Universal Credit if you have more than £16,000 in savings and investments.'**



*KNOWLEDGE. To the best of your knowledge, is this statement true or false? If you claim before the deadline on the letter, for 12 months you can claim Universal Credit if you have more than £16,000 in savings and investments | Unweighted base, all non-claimants aware of UC (919)*

Interview participants generally understood the £16,000 capital limit for UC eligibility but were much less familiar with the capital disregard feature of transitional protection. Participants that were aware recalled reading this feature on the Migration Notice. Typically, those holding minimal savings were unaware of this feature due to perceived irrelevance to their circumstances. The interview participants who were aware of capital disregard tended to expect that they would become ineligible for UC in twelve months' time due to being above the capital limit. They often considered that receiving UC for 12-months only was not worth the effort to apply.

There was also confusion amongst interview participants about what was considered as 'capital'. In Universal Credit, a customer's main home is not considered as capital. However, homeowners were unsure whether property was considered in capital assessments. Business capital is also ignored in Universal Credit where it is used wholly or mainly for the purposes of a trade, profession or vocation that a customer is carrying on. Self-employed interview participants were unsure how business savings would be treated under these rules. For example, self-employed participants who reported that they sometimes exceeded the capital limit due to maintaining a 'safety net' for quieter periods felt that this should not be considered as capital in the same way as other types of savings.

*"I assume a lot of self-employed people have more savings to make provision for when not working, so that you safeguard yourself, so that you are not living hand to mouth. They say you should save up to 3 months income when you are self-employed."*

### **56+, Not working, Unlikely to make a claim**

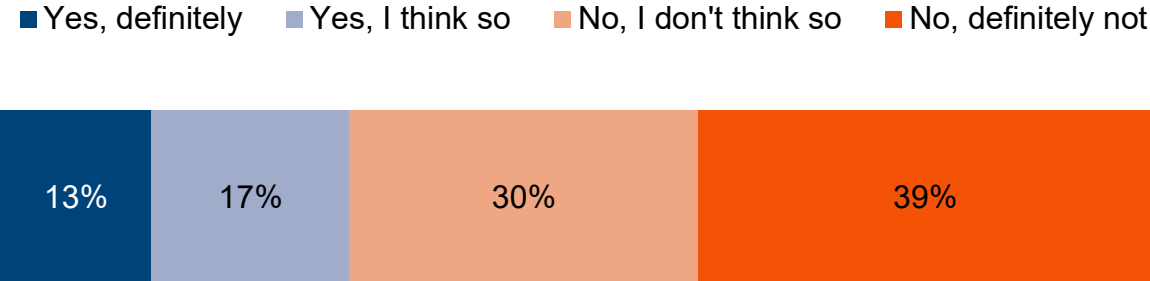
#### **Advance payments**

An advance payment is a payment of UC based on expected entitlement for customers who need financial support while waiting for their first payment. It is not possible to make a UC payment as soon as a claim is made as a customer's entitlement is determined over the course of the first assessment period to ensure correct entitlement. An advance must be repaid from future UC awards.

As part of UC transitional arrangements, customers moving across from legacy benefits to UC who urgently need support during their first assessment period can receive an advance payment. This is called a Benefit Transfer Advance. Customers can receive a Benefit Transfer Advance if they have been in receipt of an existing benefit within one calendar month of making a new claim for UC. Customers whose deadline date to migrate has passed and legacy benefit payments have ended (and have not been in receipt for at least one month) will be treated as any other new UC customer and are able to access a New Claim Advance if in financial need.

As shown in Figure 1.6:, seven in ten (70%) respondents were unaware that they could have applied for an advance payment.

**Figure 1.6: Awareness of advance payments: Before today, were you aware that you could apply for an advance payment after you made a claim for Universal Credit?**



*ADVANCE\_AWARE. Before today, were you aware that you could apply for an advance payment after you made a claim for Universal Credit? | Unweighted base, all non-claimants (923)*

Similarly to transitional protection, it was common amongst interview participants who were unaware of advance payments to report that knowledge about this feature would not have encouraged them to make a claim for UC. However, this was not the case for all participants with some expressing that it would have been useful to have known beforehand, or useful to be aware of for the future. Those who reported being financially stable reported that they would not need to apply for an advance payment. Others did not want to owe money, either out of preference, or based on previous negative experiences of making benefit repayments. For those respondents, cutting down on spending was preferable to requesting an advance payment.

*“I would take it [advance payment] into consideration but I'm not someone to take out loans if I can avoid it.”*

**25-34, Employed, Likely to make a claim**

**Support with childcare costs**

Universal Credit childcare element reimburses up to 85% of eligible childcare costs, up to a maximum amount of £1,014.63 a month for one child and £1,739.37 a month for two or more children. To qualify, the customer (or, where a couple is claiming, both customers), must usually be in paid work or have accepted an offer of paid work and pay for childcare for the relevant child or young person.

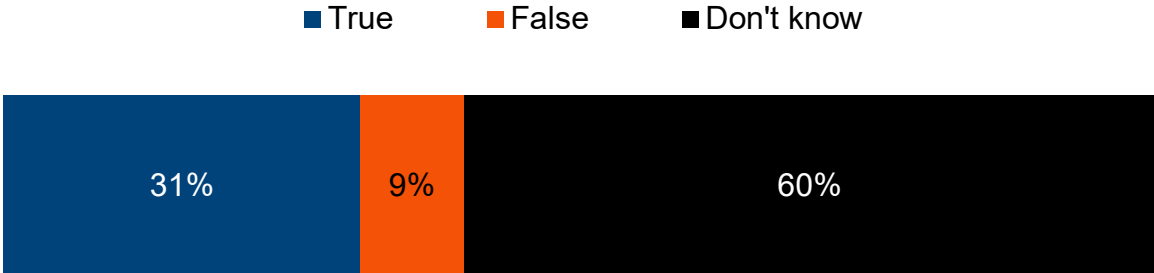
The UC childcare element is paid in respect of payments to registered childcare providers. This generally means the childcare provider is registered with OFSTED (or the equivalent in Scotland, Wales and Northern Ireland) or with a child-minder that is registered with a Child-Minding Agency (CMA).

Overall, six in ten (60%) survey respondents did not know that they could claim up to 85% of childcare costs through UC, as shown in Figure 1.7:. Those who had no children were also more likely to say ‘don’t know’ (73%), compared to those with

children (47% with children at preschool age<sup>10</sup>, 46% with children at primary age, 61% with children at secondary age). Males were also more likely to say 'Don't know' (66%) compared to females (57%) and those who were self-employed (72%) compared to employed (54%).

As with awareness of other UC features, knowledge about support with childcare costs was higher for those with a degree or above (36% reporting true) compared with those with below level 2 or no qualification (23% reporting true).

**Figure 1.7: Awareness of support with childcare costs: To the best of your knowledge, is this statement true or false?: “You can claim up to 85% of your childcare costs back through Universal Credit.”**



*KNOWLEDGE. To the best of your knowledge, is this statement true or false? You can claim up to 85% of your childcare costs back through Universal Credit | Unweighted base, all non-claimants aware of Universal Credit (919)*

Among interview participants, there was confusion about which costs are included such as whether it will cover the costs of private childminders. Interview participants with foster children or children with complex needs reported that support for childcare costs through UC did not feel applicable to their circumstances as they did not see formal childcare as a suitable option for their children.

Those who would have found this support beneficial and were unaware at the time of receiving the Migration Notice expressed frustration and a feeling they had missed out. They reported that they had been paying the total cost of childcare or had been relying on their partner to cover the costs, which was a large portion of their overall bills. Those who could not afford formal childcare relied on unpaid arrangements with friends and family, whilst those paying for formal childcare reduced spending elsewhere such as leisure time. These participants reported that had they may have been more likely to make a claim for UC if they had been aware of this feature when making their decision.

*“Childcare bill is the biggest burden. If we had known, we could have had some help it would at least have been a point to discuss before we made our mind up.”*

**35-44, Self-employed, Unlikely to make a claim**

<sup>10</sup> Small base size, N=59

One participant expressed that support with childcare costs through UC would not have helped as they had chosen to work from home and stay with their children until they started nursery. Therefore, they were not paying for childcare at the time.

**Rules around working on UC**

On Universal Credit, there is no limit to how many hours customers can work. How much Universal Credit customers receive will depend on earnings including income from working full time or part time, employed or self-employed. Universal Credit is designed to make work pay for those on low incomes by withdrawing financial support gradually. It does this by reducing the amount of their UC at a single taper rate of 55p for every pound of net earnings above their work allowance (if applicable).

As shown in Figure 1.8:, two in three (66%) respondents knew that it was true that people can work more than 16 hours and claim UC. Around one in four (27%) did not know the statement was true.

Respondents who were working were more likely to say this was true (71% of employed respondents and 64% of self-employed respondents) than those who were not currently working (50%). Those living alone were also more likely to know this was true (71%) compared to those living with a partner or spouse (63%).

Furthermore, seven in ten (71%) of those who had a degree or above qualification knew this to be true compared with six in ten (60%) of those who had below level 2 or no qualifications.

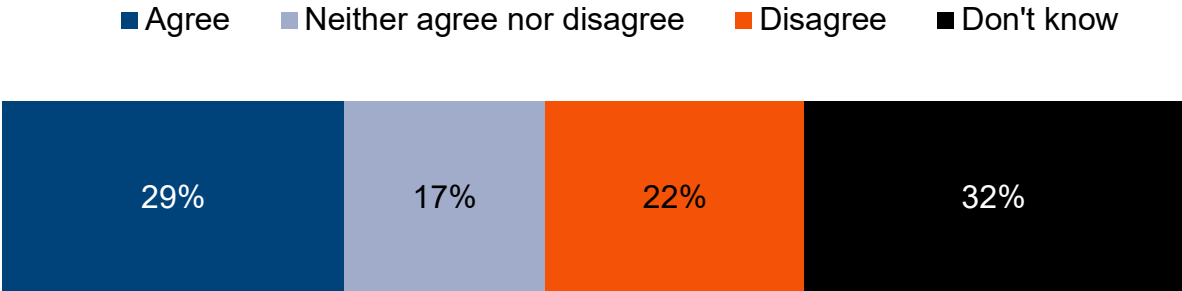
**Figure 1.8: Awareness of working on UC: To the best of your knowledge, is this statement true or false?: ‘You can work for more than 16 hours and claim Universal Credit’**



*KNOWLEDGE. To the best of your knowledge, is this statement true or false? You can work for more than 16 hours and claim Universal Credit | Unweighted base, all non-claimants aware of UC (919)*

As shown in Figure 1.9:, when respondents were asked if they agreed that on UC they would always be better off working, nearly three in ten (29%) agreed, just over one in five (22%) disagreed, nearly one third (32%) said they did not know.

**Figure 1.9: Perception of working on UC: ‘On Universal Credit I am always better off working however many hours I work.’**



*PERCEPTION. To what extent do you agree or disagree with the following statement: On Universal Credit I am always better off working however many hours I work | Unweighted base, all non-claimants aware of UC (919)*

Among interview participants, awareness of the rules about working and claiming UC typically came from word of mouth from friends, colleagues, online forums or on social media sites. This led to varied assumptions about the working requirements and expectations when claiming UC. For example, there was a perception that people had to be working to receive UC or working at least a minimum number of hours.

*“I don’t know a lot really [rules around working]. I think I heard that you need to work so many hours on it [UC], like 15 hours.”*

**36-45, not working, Unlikely to make a claim**

Specifically, there was uncertainty and frustration amongst participants who were self-employed as they did not understand the eligibility criteria or specific details of claiming UC whilst being self-employed. Self-employed participants who expressed confusion about working on UC generally felt that they did not understand how monthly payments would be calculated with fluctuating work incomes, or how large payments that would be spread out over longer periods (for example several months) would be treated.

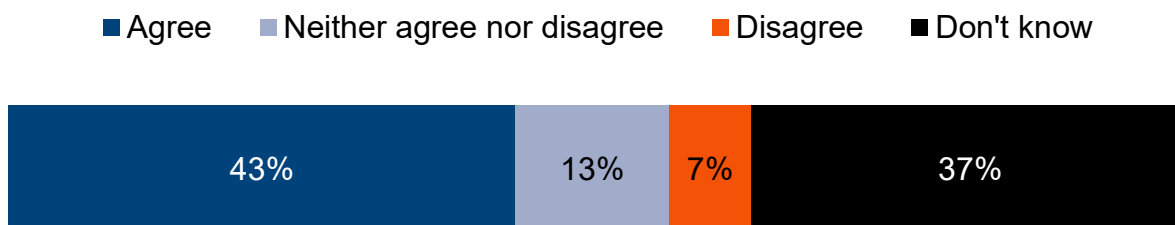
*“This put me off the most [monthly reporting of earnings]. My income goes up and down, I get a lump sum and then no money for a few months. I just read that on forums, they were all saying the same thing. Also, the admin involved.”*

**46-55, self-employed, Unlikely to make a claim**

**Other forms of income support on UC**

As shown in Figure 1.10:, when respondents were asked if they agreed that on UC they could continue to receive other forms of income support (for example, free school meals) more than two in five (43%) agreed, less than one in ten (7%) disagreed, and close to two in five (37%) said they did not know.

**Figure 1.10: Perception of income support on UC: ‘I can continue to receive other forms of income support (e.g. Free school meals) on Universal Credit.’**



*PERCEPTION. To what extent do you agree or disagree with the following statements? I can continue to receive other forms of income support (e.g. Free school meals) on Universal Credit | Unweighted base, all non-claimants aware of UC (919)*

Respondents who were either employed (47%) or unemployed (50%) were more likely to agree compared to self-employed respondents (33%).

Over half (52%) of respondents who had children that were at primary age agreed compared to those with children at secondary age (43%) and those with no children (37%).

Among interview participants, awareness of the rules about other income support was not discussed. However, one participant specifically expressed that it would have been helpful to know about other forms of support you can receive on UC to help with her decision about whether to claim.

*“It would be nice to know what else you could be eligible for on UC for example free prescriptions.”*

**25-34, Employed, Likely to claim**

## Perceptions of UC

Interview participants had heard about UC from a variety of sources including TV, on the radio, through word of mouth (from friends or family) and online (such as social media). These interactions were considered to have played a role in forming negative perceptions of UC, sometimes developed long before receiving the Migration Notice. For example, some participants had heard from others that claiming UC would lead to being worse off financially, and that compared to tax credits, the process was significantly more complicated. This meant that when these participants received the Migration Notice, they wanted to try and stay on tax credits for as long as possible.

*“The first thing that came to my head was dread, because we're very familiar with the tax credits procedure and how it works and stuff, and all of a sudden,*



*we got a letter [Migration Notice] three months before we were supposed to migrate.”*

#### **45-54, Employed, Unlikely to make a claim**

There were also misperceptions among interview participants that UC was targeted towards people who were unemployed, in contrast to tax credits, which they saw as financial support for working people. These perceptions led to feelings of hesitancy to conduct further research into UC and the notion that UC was not applicable to their circumstances.

*“I kind of associate Universal Credit with almost like jobseekers, and those types of benefits for the unemployed, which kind of put me off ever so slightly.”*

#### **35-44, Self-employed, Unlikely to make a claim**

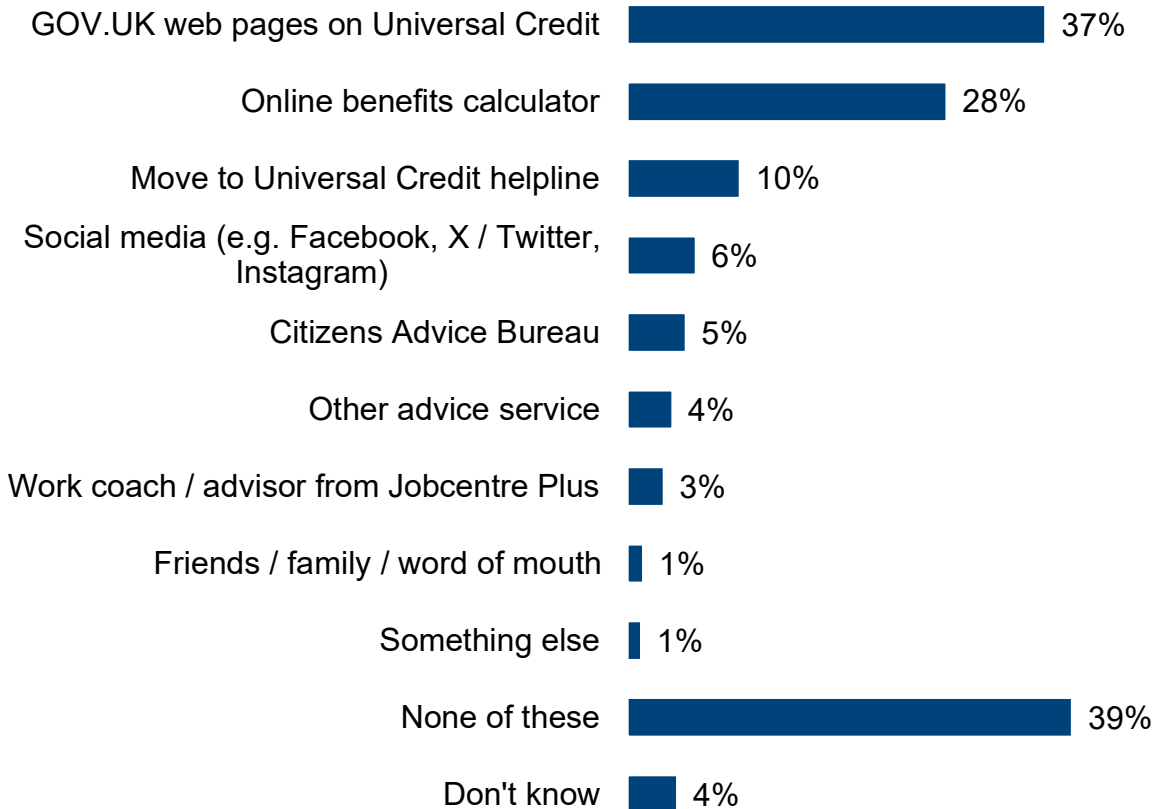
## Sources of information about UC

Nearly six in ten (56%) survey respondents used at least one source of information to help them to make a decision about whether or not to claim UC. As shown in Figure 1.11:, nearly four in ten respondents (37%) visited the GOV.UK pages on UC, nearly three in ten (28%) used an online benefits calculator and one in ten (10%) called the Move to Universal Credit helpline.

The questionnaire response code was ‘Move to Universal Credit helpline’ and is therefore reported here as it appeared in the questionnaire. The qualitative interviews revealed that participants who had contacted UC telephony lines were often unsure whether they had contacted the Migration Notice Helpline or the UC Helpline and it was therefore not possible to discern which telephony lines participants were referring to. This report therefore uses the general term ‘UC telephony lines’ when describing interview participants’ experiences of calling the Migration Notice Helpline and the UC Helpline, unless otherwise stated.

Nearly four in ten (39%) respondents selected ‘none of these sources’ suggesting that a significant proportion of respondents did not seek further information before making their decision not to claim UC, beyond receiving the Migration Notice.

**Figure 1.11: Sources used by respondents for information on UC. (Multicode)**



*SUPPORT\_USE. Have you used any of the following to help with making a decision about claiming Universal Credit or with making a Universal Credit Claim? | Unweighted base, all non-claimants (923)*

Interview participants who reported not seeking further information discussed using ‘common sense’ or feeling that the information received in the Migration Notice was sufficient to decide whether to claim UC.

Those who did research reported that trying to find all information in one location was difficult. As a result, they combined a variety of formal and informal sources such as GOV.UK, telephony lines, benefit calculators, forums, and social media.

*“Combining all the information I'd got from each of the websites, I think I got quite a bit of information I needed, so I did get some of the information I needed, and he [financial advisor] did the calculation [benefits calculator].”*

**45-54, Not working, Unlikely to make a claim**

**GOV.UK web pages**

The GOV.UK website was the most common resource used amongst survey respondents, with close to four in ten (37%) using the website to decide whether to claim UC.

Interviews with participants revealed that the GOV.UK website was seen as a legitimate and reliable resource and was often referred to by participants as a key source of information on UC. However, it was sometimes viewed as too generic and

not relatable to specific circumstances, which led participants to source answers elsewhere.

For participants who were unsure about their eligibility for UC, the information provided on GOV.UK on eligibility requirements did influence their decision not to claim. For example, participants used the information to self-assess their eligibility for UC and if they perceived they were ineligible, they did not see the value in seeking further information and decided not to claim. Self-employed respondents also described reading about monthly income assessments and deciding not to make a claim for UC to avoid this administrative burden.

### **Benefits calculators**

Three in ten (28%) survey respondents used benefit calculators as a source for information.

Interviews with participants found that these were used to estimate the payment amounts they might receive on UC. The outputs could be very influential on respondents' decisions about whether to claim. For example, if calculations showed only a small entitlement or ineligibility, participants would often take this as certain and not make a claim.

*“[I] used benefit calculator on ‘Turn to us’ and it seemed like I would be on less money than working tax credits. It just did not seem worth it.”*

### **46-55, self-employed, Unlikely to make a claim**

Amongst those who were self-employed, there was a general perception that calculators were not appropriate for their circumstances, particularly their fluctuating incomes. Participants who were unaware of benefit calculators felt that links to reliable benefit calculators in the Migration Notice would have been helpful.

### **UC telephony lines**

One in ten (10%) survey respondents reported using the Move to UC helpline as a source. However, when speaking to interview participants who had used UC telephony lines, they were not always clear about whether they had contacted the Migration Notice Helpline or the UC Helpline, showing confusion between the two telephony lines.

Generally, interview participants reported negative experiences with telephony lines. This included long waiting times and receiving advice from advisors about whether they would be eligible for UC that they felt was confusing or inconsistent. For example, one participant was advised by a telephone advisor that they would not be eligible for UC as their savings exceeded the threshold, however on reflection, they considered that this may have been inaccurate advice if they could have benefited from the capital disregard. Where participants were advised by a telephone advisor that they would not be eligible for UC, they tended to do no further research.

For others, telephony lines were seen as a useful resource, particularly for those who needed more tailored support. This included participants who faced accessibility barriers, including those with limited digital skills or health conditions that impacted their ability to access information online.

### **Social media and word of mouth**

Despite only 6% of survey respondents using social media to learn more about UC, interview participants regularly discussed using social media as an information source.

Information on social media was usually seen as less reliable compared to official government sources, however, it was often perceived as more relatable and helpful for showing real-life experiences of claiming UC, including for those in similar circumstances. For example, YouTube videos, specific forums and Facebook groups dedicated to UC were all reported to provide insights into eligibility and claim processes that were not necessarily available on GOV.UK web pages.

*“I watched a few YouTube videos of self-employed people, showing how the system worked and the reporting side. That gave me a good insight into the practicalities of what is required of you.”*

### **56+, Not working, Unlikely to make a claim**

For similar reasons, speaking to others such as friends and family, and hearing their experiences was reported to be useful. For instance, those who were foster carers or were self-employed found it harder to find specific information related to their circumstances and turned to friends and family for more tailored advice and support.

# 4. Reasons for not claiming UC

This section explores the reasons why legacy tax credits customers have not made a claim for UC. Drawing on both the quantitative and qualitative data, it explores the reasons related to individual's personal circumstances and their self-assessments of eligibility for UC as well as reasons related to UC migration and the claims process.

Survey respondents were asked whether any reasons stopped them from making a claim to UC. Respondents were asked about reasons that related to their personal circumstances and separately asked about reasons that related to UC migration and the claims processes. Whilst survey respondents generally selected reasons from both question categories, the interviews revealed that participants in certain circumstances placed more importance on reasons from one category as their primary reason for not claiming UC.

Survey respondents who were self-employed and those with caring responsibilities were identified as disproportionately impacted by one or more reasons related to their personal circumstances as well as reasons related to UC migration and the claims process. The qualitative interviews also revealed that participants in these circumstances had complex and multifactor reasons related to perceptions of their eligibility and financial circumstances under UC as well as the process of making a UC claim.

## Reasons related to personal circumstances and eligibility

Survey respondents were asked whether any reasons related to their personal circumstances and perceived eligibility stopped them from making a claim for UC. Figure 1.12 shows reasons selected by 10% or more respondents. Over three in four (76%) survey respondents mentioned at least one of these reasons as stopping them from making a claim<sup>11</sup>. Nearly one in ten (9%) did not select any response codes in this question as a reason for not making a claim for UC.

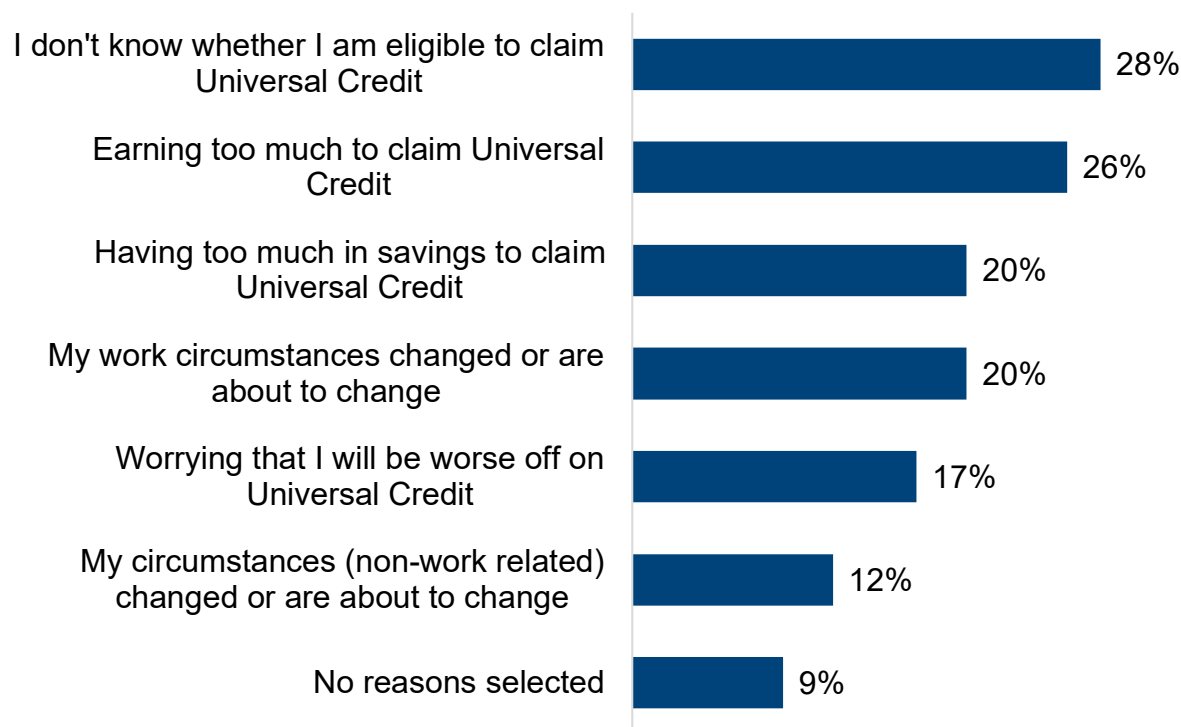
As shown in Figure 1.12:, nearly three in ten (28%) reported not knowing whether they would be eligible to claim as a reason for not making a claim for UC. Moreover, one in four (26%) reported that they earned too much to claim UC, and one in five (20%) believed that they had too much in savings to claim UC (20%) and/or their work circumstances had changed or were about to change (20%). Other reasons

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<sup>11</sup> These reasons only include the top six answer codes (10% or above) in the questionnaire.

included worrying they would be worse off on UC (17%) or their circumstances outside of work had changed or were about to change (12%).

**Figure 1.12: Reasons for not claiming UC related to personal circumstances (Multicode)**



*BARRIERS2. Now thinking about your own personal circumstances, did any of the following reasons stop you from making a claim for Universal Credit? | Unweighted base, all non-claimants (923). This chart only shows the answer codes with over 10% or more respondents selecting the option.*

Interview participants discussed how their personal circumstances, such as earning too much or having too much in savings, meant that they perceived themselves to be ineligible for UC. Where these perceptions were the result of information and/or advice, such as from benefits calculators or the GOV.UK website, participants who perceived themselves to be ineligible were unlikely to seek further information or consider making a claim to verify their eligibility.

*"I knew by first letter that I was not going to apply for it [Universal Credit]. I checked online for eligibility, Gov.uk for criteria, that I was not eligible because I had more than £16,000 in savings."*

**55+, self-employed, unlikely to make a claim**

Participants who assumed that they were not eligible and did not consult information sources about UC tended to do no further research and had made a decision not to claim UC before or soon after receiving the Migration Notice.

Interview participants who reported an upcoming change in circumstances as reason for not making a claim perceived that the upcoming change, such as a new job or reaching retirement, would mean that they would not need the financial assistance and would most likely be ineligible for UC. They perceived that the temporary period of receiving UC would not be worth the effort of making a claim.

Uncertainty about eligibility and self-reported personal circumstances as reasons for not claiming UC varied by work status, level of education, ethnicity and whether respondents spoke English as a first language or not. These are covered in more detail below.

## **Work status**

Unemployed respondents were more likely to express uncertainty about their eligibility for UC, with two in five (40%) reporting they did not know if they were eligible compared to 28% of employed and 27% of self-employed respondents.

Concerns about earning too much was more frequently cited by employed respondents (34%) compared to self-employed and unemployed respondents (both 13%). Interview participants who were employed displayed more certainty about their ineligibility due to earning too much or having too much in savings compared to unemployed participants who were more unsure about their eligibility.

Self-employed respondents were more likely to report having too much in savings to claim UC (25%) compared to those who were employed (19%). Self-employed interview participants with savings described needing to save money to prepare for potential periods of unemployment due to the nature of self-employed work or for upcoming business expenses. Self-employed participants also described being uncertain about how business expenses are included in capital assessments.

*"Sometimes, I would have £40,000 in my account because I have tutors working under me and I use that to pay them. Would this be a problem? Is this regarded as savings or is this treated separately?"*

**45-55, self-employed, unlikely to make a claim**

## **Level of education**

Three in ten (30%) survey respondents with a degree or above reported earning too much as a reason for not claiming UC compared with two in ten (21%) respondents with below level 2 of no qualifications. Similarly, having too much in savings was a reason for not claiming for around one in four (27%) respondents with a degree or above compared to 17% of those with below level 2 or no qualifications.

The qualitative interviews revealed that participants with higher qualifications tended to be in work and had savings. They sometimes perceived UC as a benefit for those who were unemployed or in greater need of financial assistance than they perceived themselves to be which they reported as reason for not claiming UC.

## Ethnicity and English-speaking level

Four in ten (41%) survey respondents who speak English as a second language reported uncertainty about their eligibility for UC, compared to around a quarter (27%) of those who speak English as a first language. Conversely, earning too much was less likely to be a reason for those who speak English as a second language compared to those who spoke English as a first language (14% vs 28%).

Following the same pattern, respondents from ethnic minority groups were more likely to cite not knowing if they were eligible (36%) and but less likely to report earning too much to claim UC (21%) compared to white respondents (26% and 28% respectively).

## Reasons related to UC migration and claim processes

Survey respondents were also asked if reasons related to UC migration and claims processes stopped them from making a claim for UC. Figure 1.13: shows reasons selected by more than 10% of respondents. Nearly six in ten (57%) selected at least one of these reasons<sup>12</sup>. Nearly two in ten (19%) did not select any response codes in this question as a reason for not making a claim for UC.

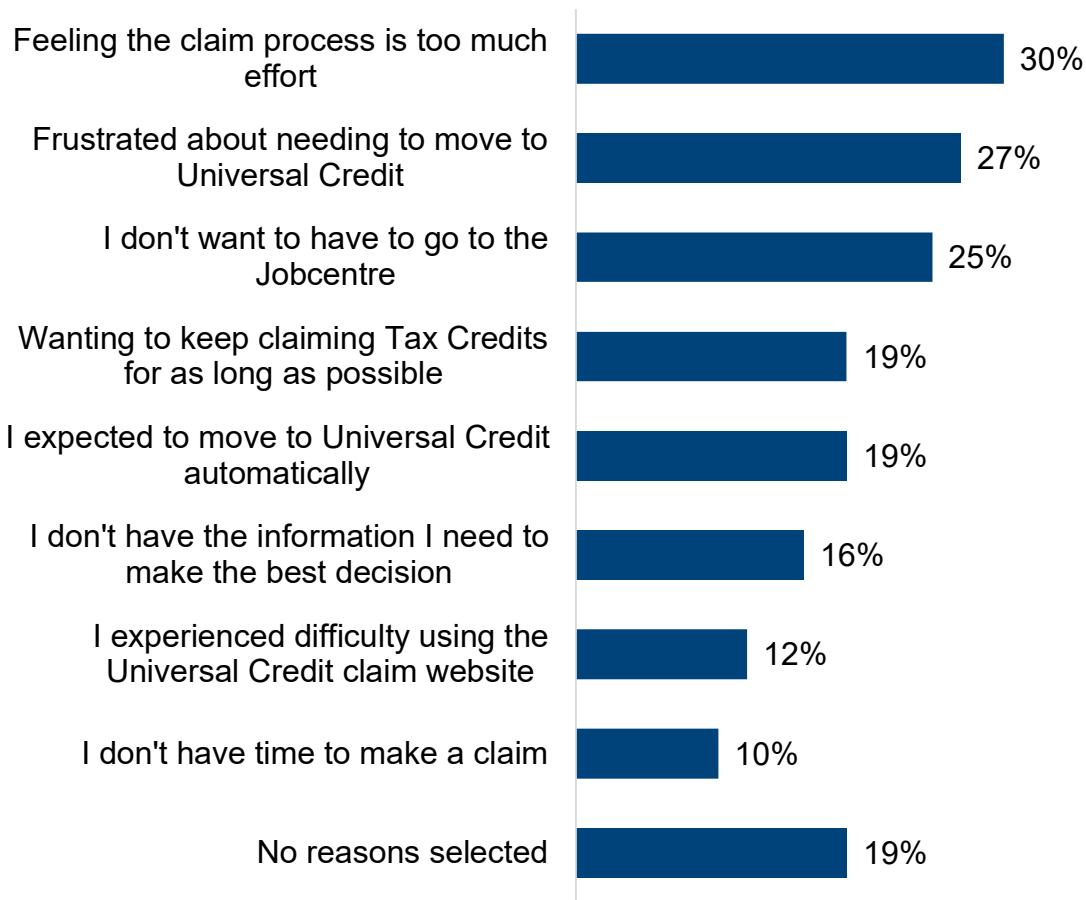
As shown in Figure 1.13:, the top three reasons related to UC migration and claims processes were: feeling the claims processes is too much effort (30%), feeling frustrated about needing to move to UC (27%), and not wanting to have to attend the Jobcentre Plus (25%). Other reasons included wanting to keep claiming Tax Credits for as long as possible (19%), expecting to be moved automatically (19%), not having the information to make the best decision (16%), difficulties with the UC website (12%) and not having the time to make a claim (10%).

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<sup>12</sup> These reasons only include the top eight answer codes (10% or above) from the questionnaire.



**Figure 1.13: Reasons related to UC migration and claims process (Multicode)**



*BARRIERS1. Are any of the following reasons stopping you from making a claim to Universal Credit? |Unweighted base, all non-claimants (923). This chart only shows the answer codes with 10% or more respondents selecting the option.*

Interview participants who had attempted to make a claim for UC but faced challenges completing the claim described how the application process was overwhelming and complex. They described how considerable effort was required to engage with the online application form and gather the necessary documentation to make a claim.

*"I think I'm quite tech savvy, so the fact that I couldn't fill in the form shows how overwhelming the process is."*

**25-34, employed, likely to make a claim for UC**

Furthermore, participants who had negative experiences of the Jobcentre Plus, including bad experiences with staff, and a feeling of stigma surrounding the Jobcentre Plus, felt reluctant to go as part of the UC claims process.

Participants also reported logistical barriers engaging with the Jobcentre Plus as part of the claims process including conflicts with childcare responsibilities and transportation issues.

## Health status

The perception that the UC claim process requires too much effort was higher among individuals whose health condition impacts them a little (40%) compared to those with no health condition (29%). Frustration about needing to transition to UC was also more pronounced among those with a health condition that impacts a little (43%) or a lot (40%)<sup>13</sup>, compared to those with no health condition (23%).

In the qualitative interviews, one participant with a health condition described how the application process caused them stress and anxiety.

*“Life is quite hard with mental health and anxiety...adding in something else that would be stressful for me. I would just would rather not go through it... I need a clear plan of what is going to happen next, why it is happening otherwise I get anxious of the unknown.”*

### **45-54, Not working, Unlikely to make a claim**

Reluctance to attend Jobcentre Plus was more prevalent among those with a health condition that impacts a lot (38%)<sup>14</sup> and those with a condition impacting a little (34%), compared to individuals with no health condition (23%). This was also highlighted in the qualitative interviews where participants with a health condition explained their health condition made it challenging to visit the Jobcentre Plus in terms of physically attending the Jobcentre but also scheduling appointments around medical appointments for treatment.

Furthermore, the desire to continue claiming tax credits for as long as possible was more common among those with a health condition impacting a lot (31%)<sup>15</sup> and a little (33%), compared to those without a health condition (16%). Lacking the information needed to make informed decisions about UC claims was more frequently reported by those with a health condition impacting a lot (25%)<sup>16</sup> and a little (23%), compared to individuals with no health condition (14%).

Although not included in Figure 1.13 due to the overall percentage being lower than 10%, nearly one in four (23%)<sup>17</sup> respondents with a health condition that impacts them a lot and around one in ten (11%) respondents with a health condition that

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<sup>13</sup> Small base size, N=98

<sup>14</sup> Small base size, N=98

<sup>15</sup> Small base size, N=98

<sup>16</sup> Small base size, N=98

<sup>17</sup> Small base size, N=98

impacts them a little reported that they have a health condition that prevented them from claiming UC.

## **Work status**

Survey respondents who were unemployed or self-employed were more likely to give reasons for not claiming UC related to the UC migration and claim processes than respondents who are employed. Feeling frustrated about needing to move UC was more common among self-employed individuals (39%) compared to unemployed (28%) and employed (22%) respondents. Additionally, the desire to continue claiming tax credits for as long as possible was more frequently reported by self-employed individuals (27%) compared to those employed (17%).

Not having the information necessary to make informed decisions about UC claims was more frequently reported by unemployed (24%) and self-employed (20%) individuals compared to employed respondents (13%). This was also reflected in the qualitative interviews where unemployed respondents may not have been able to access information due to a lack of internet access or not being aware of information available to them such as benefit calculators.

*“An accurate calculator would have been helpful. With tax credits you went online and filled out calculator and at least there was something to indicate whether you were eligible or not.”*

### **35-44, Not working, Likely to make a claim**

The perception that claiming UC requires too much effort was more likely to be reported by unemployed respondents (36%) compared to those employed (26%). Similarly, reluctance to attend the Jobcentre was more prevalent among unemployed (32%) and self-employed (36%) respondents compared to employed respondents (20%).

The qualitative research revealed that being unemployed was often combined with other circumstances such as having a disability or having caring responsibilities. These challenges meant they could not work but also made completing the claim for UC online and within the time limit, or visiting the Jobcentre Plus, more challenging.

## **Level of education**

Frustration about needing to move to UC was higher among those with a degree level or above (32%) compared to those with level 2 or 3 qualifications (24%). The desire to continue claiming tax credits for as long as possible was more prevalent among those with a degree level or above (23%) compared to those with level 2 or 3 qualifications (16%). Additionally, the perception of not having enough time to make a claim was higher among those with a degree level or above (15%) compared to those with level 2 or 3 qualifications (7%) and below level 2 or no qualifications (8%).

## Ethnicity and English-speaking level

Nearly one third (32%) of survey respondents who do not speak English as a first language reported expecting to be moved to UC automatically, compared with 17% who spoke English as a first language. Lacking the information needed to make an informed decision about UC was more frequently reported by those who speak English as a second language (29%) compared to those who speak English as a first language (15%). Furthermore, experiencing difficulties using the UC website was reported by one in five (20%) of those who speak English as second language and just over one in ten (11%) of those who speak English as a first language.

Following a similar pattern, respondents from ethnic minority backgrounds twice as frequently cited expecting to transition to UC automatically as reason for not claiming UC compared to white respondents (29% vs 15%) and were more likely to report lacking the information needed to make an informed decision (24%) and experience difficulties using the UC website (21%) compared to white respondents (14% and 10% respectively).

## Multi-factor and complex reasons

Self-employed respondents and respondents with caring responsibilities were identified as disproportionately impacted by one or more reasons related to their personal circumstances and eligibility as well as reasons related to the UC migration and the claims process. The qualitative interviews also revealed that participants in these circumstances had complex and multifactor reasons related to perceptions of their eligibility and financial circumstances under UC as well as the process of making a UC claim. This deterred them from making a claim for UC even if they reported being in challenging financial circumstances.

### Self-employed

As reported on above, self-employed respondents were more likely to cite having too much in savings as a reason for not claiming UC. Self-employed interview participants also discussed the personal circumstance of being self-employed as a key factor in why they had not made a claim for UC, including worrying that self-employment would lead to an uncertain financial situation on UC.

Participants who had heard negative experiences from self-employed friends and family members who had claimed UC were likely to feel that they would be worse off financially on UC compared to tax credits and it did not feel it was worth the effort of making a claim.

*"I was worried that I would be worse off on Universal Credit. Lots of work for less money. I did do a calculation, used benefit calculator on Turn2Us and it*

*seemed like I would be on less money than on Working Tax Credits...It just did not seem worth it"*

#### **45-55, self-employed, unlikely to make a claim**

Self-employed participants with fluctuating incomes were concerned about how this would impact the monthly payments they would receive from UC.

*"This put me off the most [monthly reporting of earnings]. My income goes up and down, I get a lump sum and then no money for a few months. I just read that on forums, they were all saying the same thing."*

#### **46-55, Self-employed, Unlikely to make a claim**

Self-employed survey respondents were also more likely to select each of the top three reasons related to UC migration and the claims process compared to employed respondents, specifically: feeling the claim process is too much effort (38% vs 26% employed); feeling frustrated about needing to move to UC (39% vs 22% employed); and not wanting to go to the Jobcentre Plus (36% vs 20% employed).

Self-employed interview participants perceived the claims process to be burdensome and they anticipated difficulties in providing the necessary information and evidence due to their variable earnings and complex financial arrangements. Some of the UC requirements, such as submitting bank statements and disclosing savings, felt invasive and led to feelings of being mistrusted by the DWP. They reported being deterred from going to the Jobcentre Plus due to negative past experiences, lack of time, or feeling that they should not have to attend as they are already working and not job seeking.

*"My husband is self-employed, and he didn't want to cancel teaching driving lessons due to having to go to meetings [at the Jobcentre Plus]."*

#### **25-34, Self-employed, Likely to make a claim**

### **Caring responsibilities**

Caring responsibilities, as asked in the survey, referred to looking after someone who needs help with everyday life due to illness, disability or old age. This could include help with grocery shopping, bathing, dressing, laundry. Respondents with caring responsibilities expressed a range of reasons related to both personal circumstances and challenges with the UC migration and claims process which resulted in them not making a claim for UC.

When asked about reasons related to their personal circumstances, survey respondents with caring responsibilities were more likely than those without to report not knowing if they would be eligible to make a claim as reason for not claiming UC

(35% compared to 26%). Almost one in four (24%) survey respondents with caring responsibilities expressed worries about being worse off on UC compared to 16% of those without caring responsibilities.

Survey respondents who had caring responsibilities were also more likely to feel that the claim process was too much effort, with nearly two in five (39%) reporting this stopped them from claiming UC compared to less than three in ten (28%) without caring responsibilities. They also reported having less time to make a claim compared to those without caring responsibilities (15% vs 8%).

One interview participant with caring responsibilities had previously attempted to make a claim but had found the process overwhelming while caring for her father.

*"They sent me three texts on that day, but I was in the hospital with my father for his operation that day. What's more important than my father? So, I'm going to call them when I come back, and I called them the same day, they said your case was closed."*

#### **45-54, Not working, Unlikely to make a claim**

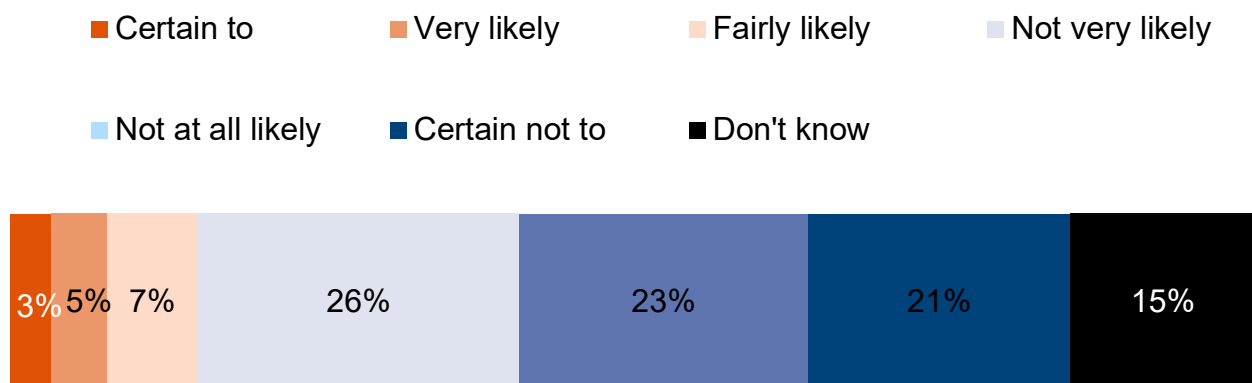
The expectation of being moved to UC automatically was also higher among this group, with over one in four (27%) citing this as a reason for not making a claim compared to 17% of those without caring responsibilities. Furthermore, a lack of information necessary to make informed decisions about UC was more frequently reported (22% vs 15% without caring responsibilities).

Survey respondents with caring responsibilities were also more likely to have an upcoming non-work-related change in circumstances compared to those without caring responsibilities (18% vs 10%). One interview participant with caring responsibilities was about to retire in the next 2 years and another participant planned to start working again when the son they cared for was in better health which they believed would make them ineligible for UC.

# 5. Likelihood to claim UC and future motivations to make a claim

As shown in Figure 1.14:, seven in ten (70%) survey respondents reported that they were unlikely or certain not to make a claim for UC, with 15% reporting that they were either likely or certain to claim UC. A further 15% did not know whether they would claim in the future.

**Figure 1.14: Do you plan to make a claim for Universal Credit?**



*FUTURE\_CLAIM. Do you plan to make a claim for Universal Credit? | Unweighted base, all non-claimants (923)*

Likelihood to claim varied by English speaking level, ethnicity, health status, qualification level, and presence of children.

Being likely to claim (certain to, very likely and fairly likely) was more prevalent among respondents who did not speak English as their first language (39%) compared those who did (12%). Respondents from an ethnic minority background (31%) were also more likely to claim UC than respondents from a white British background (10%).

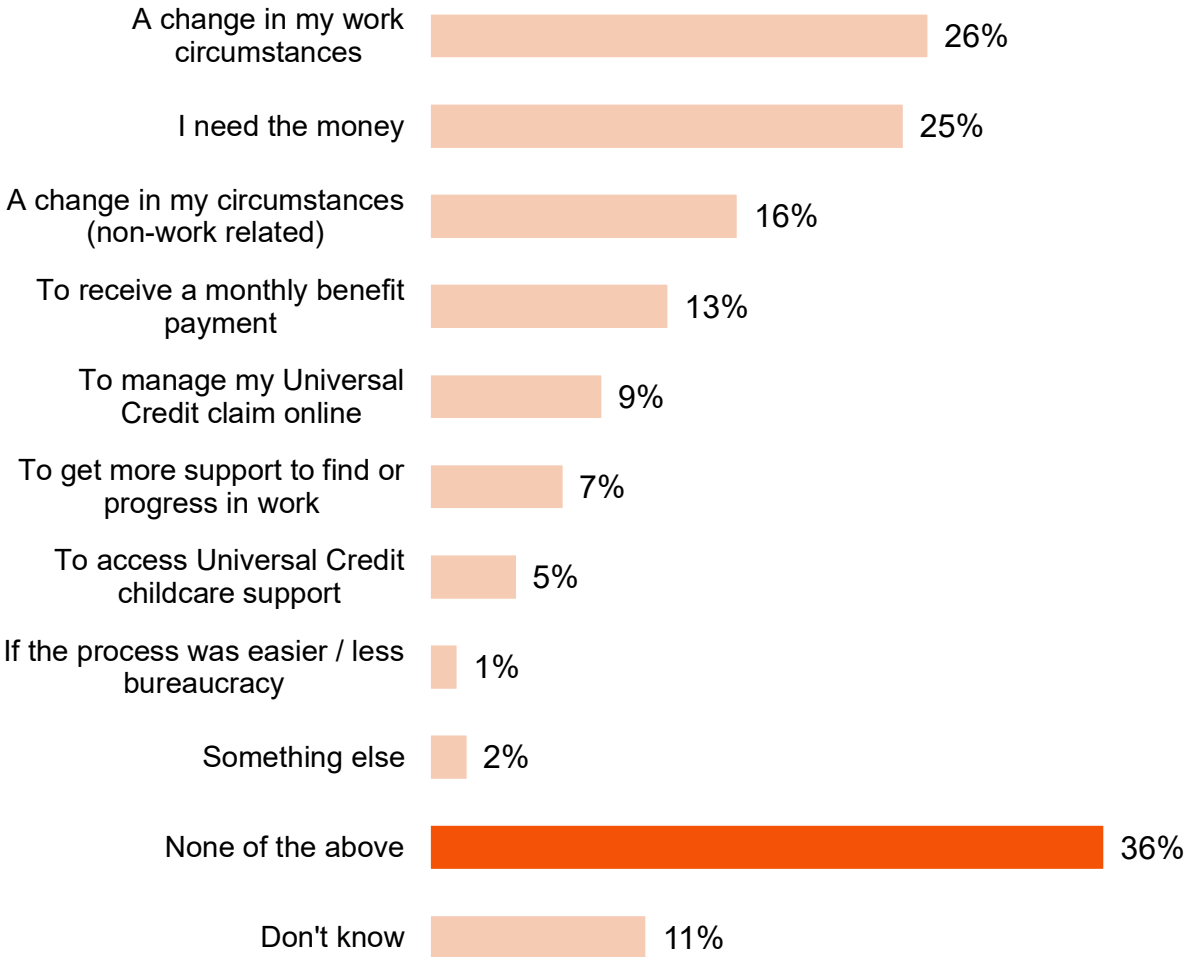
Around one in five (21%) with below level 2 or no qualification reported being likely to make a claim for UC compared with respondents who had level 2 or 3 qualifications or a degree or above (both 13%).

Finally, just over one in four (26%) respondents with children at preschool age<sup>18</sup> and one in five (20%) respondents with children at primary age were likely to make a claim compared to one in 10 without children (10%). Likelihood to make a claim was also significantly higher for respondents with children at preschool age<sup>19</sup> compared to those with secondary school age children (14%).

## Future motivations to claim

Survey respondents were asked what might motivate them to make a claim for UC in the next 3 to 5 months. Over half (53%) of respondents selected at least one reason that might motivate them.

**Figure 1.15: Motivations to make a claim for UC. (Multicode)**



<sup>18</sup> Small base size, N=61

<sup>19</sup> Small base size, N=61



*MOTIVATIONNC. Are any of the following likely to be reasons that motivate you to make a claim for Universal Credit in the next 3-5 months? | Unweighted base, all non-claimants (923)*

As shown in Figure 1.15:, around one in four (26%) respondents would be motivated to make a claim if they experienced a change in their work circumstances, if they needed the money (25%), and 16% would be motivated to make a claim for UC if their non-work-related circumstances changed. Over a third (36%) said none of these reasons would motivate them to make a claim for UC.

Self-employed non-claimants were more likely to cite that a change in work circumstances would motivate them to make a claim (31%) compared to unemployed respondents (27%), and more likely to cite needing the money and a change in non-work-related circumstances (34% and 22%) compared to employed respondents (22% and 14% respectively).

Interview participants who had no intention to claim and felt financially stable reported that they might consider applying for UC if they experienced a change in circumstances, such as losing their job, depleting their savings below the £16,000 threshold, or if the cost-of-living crisis worsened. This is due to their view that UC is a benefit primarily for those who are unemployed or in more challenging financial circumstances.

*“I guess use all my savings until that diminishes...If savings go down, I might have to claim Universal credit. I will just look it up online or call them.”*

**35-44, Employed, Unlikely to make a claim**

# 6. Impacts of not claiming Universal Credit

This section describes the impacts of not claiming UC after tax credits payments have stopped. It examines the alternative income sources used by respondents to replace the gap left by tax credits, the impact of not claiming on their social lives and wellbeing, and the effect of losing any passported benefits.

## Financial impacts of not claiming UC

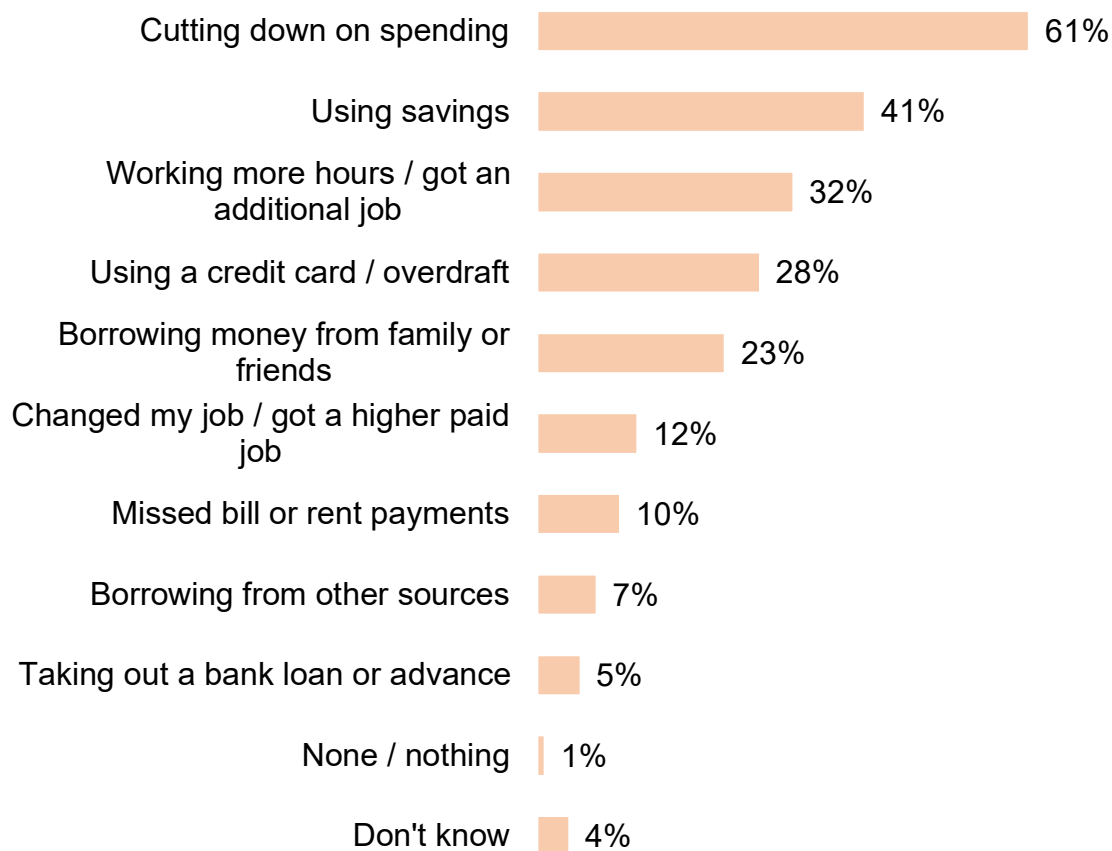
Around nine in ten (91%) survey respondents reported that their tax credits payments had come to an end. A very small proportion (3%) responded that their tax credit payments had not stopped<sup>20</sup>.

As a result of no longer receiving their tax credit payments, nine in ten (91%) said they had done at least one thing to make up the difference in their income. As shown in Figure 1.16:, over three in five survey respondents said that they had cut down on spending (61%), two in five used savings (41%), and almost one third said they had worked additional hours (32%). Almost three in ten respondents said that they used a credit card or overdraft (28%) and nearly one in four borrowed money from friends or family (23%) to fill the gap left behind by tax credits stopping. Around one in ten respondents said that they had changed job or got a higher paid job (12%), and a similar proportion said they had missed bills or rent payments (10%). Respondents were least likely to say that they had borrowed money from other sources which did not include friends or family (7%) or taken out a bank loan or advance (5%).

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<sup>20</sup> The remainder of respondents selected Don't know or Prefer not to say.

**Figure 1.16: Actions taken to make up the difference in income (Multicode)**



*OTHER\_INCOME. Which, if any of the following have you done to make up the difference in your income as a result of no longer receiving Tax Credit payments? | Unweighted base, all non-claimants whose Tax Credit payments have stopped (837)*

Actions taken to compensate for the reduction in income since tax credits came to an end varied according to work status, health status, age and gender.

**Work status**

Self-employed survey respondents were more likely than those employed to cut down on spending and use their savings. Two in three (67%) self-employed respondents cut down on spending compared with 57% of employed respondents. Nearly six in ten (57%) self-employed respondents used savings compared to three in ten (32%) employed respondents.

Interview participants who were cutting down on their spending often associated this with the cost-of-living crisis which they considered was being experienced by many people. This meant they felt they would have to cut down on spending regardless of tax credits ending.

Self-employed interview participants with savings reported how savings were often for upcoming business expenses or to cover quieter work periods and therefore did not consider using their savings as a stable financial option.

## **Health status**

Survey respondents with a health condition were more likely than those without to borrow money. Nearly four in ten (38%)<sup>21</sup> of respondents with a health condition that impacts them a lot reported using a credit card or overdraft compared to 25% of respondents without a health condition. Over a third (37%)<sup>22</sup> of respondents with a health condition that impacts them a lot, or a little (34%) were also more likely to borrow from friends and family compared to 20% of respondents without a health condition. Those whose health conditions impacted them a lot and a little were also more likely to cut down on spending (72%<sup>23</sup> and 70%) compared to those without a health condition (59%).

## **Age**

Younger respondents (25-49) were more likely to increase their work hours, use a credit card or overdraft, and borrow money from friends and family compared with older respondents (50-65). Over one third (35%) of respondents aged 25-49 worked additional hours or got an additional job compared to just over one quarter (27%) of respondents aged 50-65. One third (32%) of respondents aged 25-49 used a credit card or overdraft compared with two in ten (21%) of older respondents (50-65). A quarter (27%) of respondents aged 25-49 borrowed money from friends and family compared to 18% of respondents aged 50-65. Younger respondents (25-49) were also more likely to have changed or got a higher paying job (15%) compared to those aged 50-65 (9%) and more likely to have missed a bill or payment (31% vs 7%).

Respondents aged 50-65 were more likely to use savings compared with respondents aged 25-49 (48% compared to 35%).

## **Gender**

Female respondents were more likely to borrow money from family or friends (27%) compared to males (15%) and to have changed job or got a higher paid job to make up the difference in income (15% compared to 8% of males).

## **Ethnicity**

Respondents from an ethnic minority background were more likely to use a credit card / overdraft (35%), borrow money from friends and family (31%) compared with white respondents (26%, 21% respectively). Although these options were less prevalent for respondents from an ethnic minority background, they were more likely to miss bills or rent payments (15%) and take out a bank loan or advance (9%) compared with white respondents (9% and 5% respectively).

## **Impact of losing passported benefits**

Passported benefits consist of certain benefits and support schemes that are granted to claimants of certain benefits (e.g. free school meals or help with NHS prescriptions are passporting benefits linked to tax credits and Universal Credit). Claimants lose access to passported benefits if they do not claim the benefit they were 'passport' with.

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<sup>21</sup> Small base size, N=90

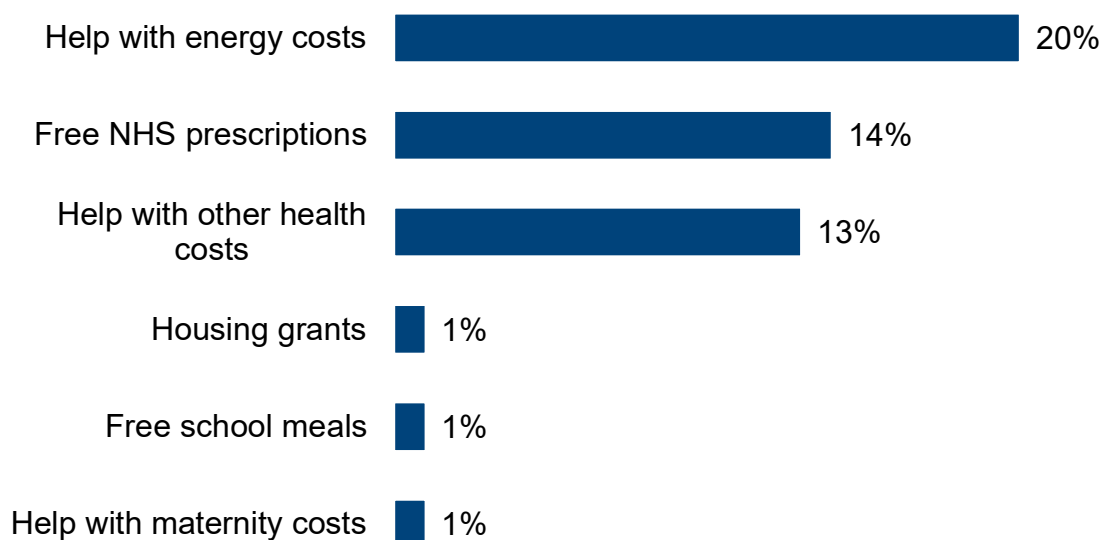
<sup>22</sup> Small base size, N=90

<sup>23</sup> Small base size, N=90

For each of the passported benefits, survey respondents whose tax credits payments had stopped were asked if they had stopped receiving this support, if they had not received the support for over a year (since April 2023) and if they were currently receiving it.

As shown in Figure 1.17:, one in five (20%) said that help with energy costs had stopped since their tax credits payments had stopped. One in five (21%) were still receiving this support and six in ten (62%) had not been receiving the support before their tax credits stopped and therefore experienced no change. Over one in ten (14%) said that they had stopped getting free NHS prescriptions, with one quarter (25%) still receiving this support and two thirds (66%) experiencing no change. Over one in ten (13%) had stopped receiving support with other health costs, with 16% still receiving this support and seven in ten (70%) experiencing no change.

**Figure 1.17: Percentage of respondents who stopped receiving passported benefit when their tax credits payments stopped. (Multicode)**



*IMPACT\_PASSPORT. For each of the following passported benefits, please could you tell us if you have received after 1st April 2023 but they have now stopped? | Unweighted base, all non-claimants whose Tax Credit payments have stopped (837) | \*excluding answers under 1%*

Interview participants who had experienced a change in their entitlement to passported benefits mentioned taking action to make up the gap in financial support.

Among the small number of interviewees who had been receiving passported benefits before this had stopped, participants who reported that they were no longer receiving support with prescriptions, dental and opticians described how they avoided going to the GP or dentist and tried natural remedies to avoid paying for prescriptions.

Interview participants also reported the end of Cost-of-Living Payments and Warm House Discounts since their tax credits had ended. In response to this, one participant said that they were saving up money during the summer to be able to

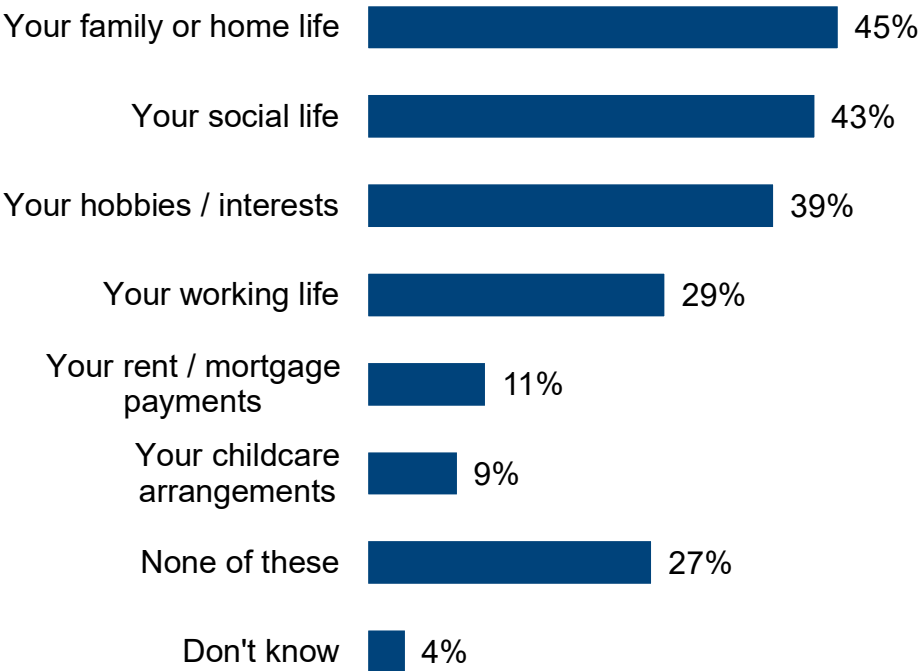
afford gas and electric during the winter months. Another participant reported that they had been saving money on gas and electricity by not using heating and buying foods that can be cooked in the microwave.

# The wider impacts of not claiming UC

## Impacts on social life and wellbeing

Survey respondents were asked which areas of their lives had been impacted by a gap in benefit payments after tax credits had stopped, as shown in Figure 1.18:. Six in ten (62%) selected at least one area of their lives that had been impacted. Around two in five said that their family or home life (45%), social life (43%), and hobbies or interests (39%) were impacted by the loss of tax credits income and around three in ten (29%) said that their working life has been impacted. Over one in four (27%) respondents said that none of the listed areas had been affected.

**Figure 1.18: Areas impacted by the gap in benefits payments (Multicode)**



*IMPACT\_OTHER. Have any of the following areas been impacted by the gap in benefits payments, if at all? | Unweighted base, all non-claimants whose Tax Credit payments have stopped (837)*

Survey respondents who had borrowed money to get by were more likely to report that their family and social life have been impacted (69%) compared to respondents who had used savings or had cut down on spending (53% and 55%).

The wider impacts of not claiming UC also varied according to work status, health status, ethnicity, English speaking level and relationship status.

### **Work status**

Self-employed respondents were more likely to report their family, social life, hobbies and working life had been impacted (53%, 52%, 47% and 41%) compared with employed respondents (41%, 38%, 34% and 26%). Similarly, those who were unemployed more frequently reported impacts to their family life and hobbies (53% and 49%) compared to employed respondents (41% and 34%).

### **Health status**

Those that reported health conditions which had significant impacts day-to-day<sup>24</sup> were more likely to report their family (60%), social life (56%), hobbies (58%), and rent or mortgage payments (19%) to have been impacted compared to respondents who reported no health conditions (42%, 40%, 33% and 10%).

### **Caring responsibilities**

Respondents with caring responsibilities were more likely to report that their family and home life, social life and hobbies and interests had been impacted (54%, 52% and 47%) compared to those without caring responsibilities (42%, 40% and 36%).

### **Ethnicity**

Respondents from an ethnic minority group were more likely to report their family (63%), social life (52%), working life (37%), rent or mortgage payments (21%), and childcare arrangements (17%) to have been impacted compared with respondents who had a white ethnic background (40%, 41%, 26%, 9%, 7%). Those from a white ethnic background were also more likely to say none of these were impacted (30%) compared to respondents from an ethnic minority group (19%).

### **English speaking level**

Respondents who did not speak English as a first language reported higher impacts on family life (62%), rent or mortgage payments (20%), and childcare arrangements (15%) compared with those who speak English as a first language (43%, 10% and 8%).

### **Relationship status and family life**

Respondents who were living alone were more likely to report their social life (48%), hobbies (44%), working life (33%), and rent or mortgage payments (14%) impacted compared to those living with a partner or spouse (39%, 36%, 25% and 9%).

Respondents who had children at preschool age<sup>25</sup>, primary age and secondary age (53%, 52% and 46%) were more likely to report that their family life had been impacted compared with respondents without children (37%). Three in ten (30%) of respondents with children at preschool age<sup>26</sup> reported that their childcare arrangements had been impacted. This was higher than for respondents with children at primary age (18%) but both of these respondents were more likely to report impacts on childcare arrangements compared to respondents with children at secondary school age (7%).

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<sup>24</sup> Small base size, N=90

<sup>25</sup> Small base size, N=55

<sup>26</sup> Small base size, N=55

### **Variation highlighted in qualitative interviews**

Interview participants who reported struggling financially without tax credits felt the financial implications were impacting other areas of their lives.

They reported changes in the quality of theirs and their children's lives due to a reduction in spending on leisure activities such as days out and/or holidays. Others mentioned worrying about worsening relationships with their families as a result of having to rely on them for money and/or childcare. Furthermore, respondents noted that taking on extra work to meet their financial needs meant that they had less time with their children.

*“The biggest change is just our leisure time. We used to take the kids on days out here there and everywhere, we just can't do that anymore we just haven't got the money.”*

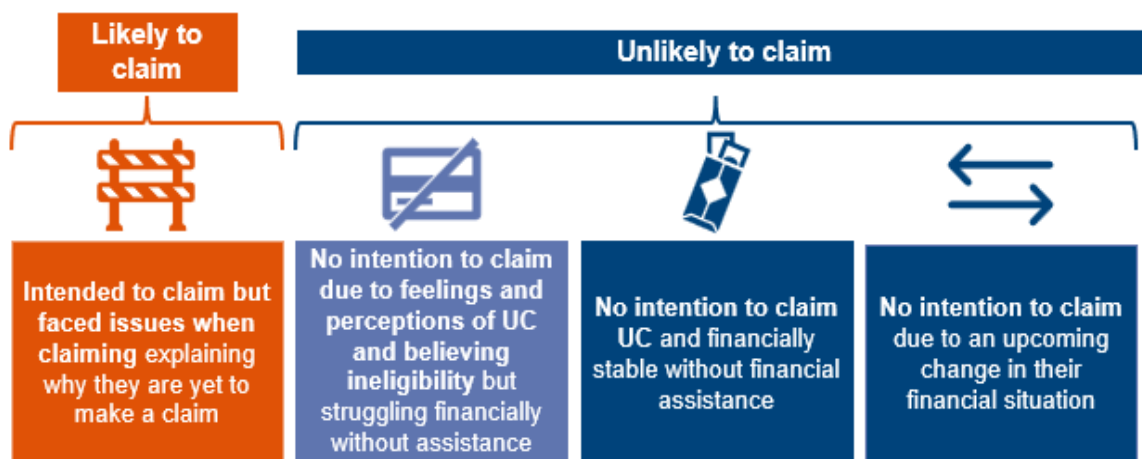
**35-44, Self-employed, Unlikely to make a claim**



# 7. Typologies of legacy tax credits customers who have not made a claim for UC

Drawing on the qualitative interviews, respondents could be categorised according to four distinct typologies as presented in Figure 1.19: The typologies reveal the relationships between likelihood to claim UC, reasons for not claiming, perceived financial stability and the impacts of not claiming UC. The typologies also shed light on the survey results, particularly related to reasons for not claiming UC and the financial and wider impacts of not making a claim for UC.

**Figure 1.19: Typologies based on likelihood to claim**



## Felt financially stable with no intention to claim UC

This group of participants felt financially secure because they could comfortably pay their essential monthly outgoings, and if money was tight, they were likely to work additional hours or cut back on non-essential spending. Participants in this group were more likely to be older individuals, employed, in couples, and those with older children.

This group predominantly discussed their personal circumstances, such as earning too much or having too much in savings, as their reasons for not claiming UC. They had stable employment or could take on additional working hours which meant they could manage their finances without needing assistance. This group also demonstrated a strong sentiment of self-reliance, preferring to meet everyday costs through careful budgeting and frugal spending rather than state support.

Respondents who felt financially stable often perceived themselves as ineligible for UC, especially if they thought that their tax credits were going to stop before they received the Migration Notice. They did little research into the eligibility criteria and presumed they would not qualify. Furthermore, they perceived UC as a benefit primarily for unemployed individuals or those in more challenging circumstances, reinforcing their belief that the benefit was not relevant to their situation.

*"I think on principle we shouldn't be applying for it [UC], because we've had some luck with employment it would be unfair to continue to tap into that when others might need it"*

#### **45-54, Employed, Unlikely to make a claim**

This group would use their savings, cut down on spending and work more hours if money was tight, and considered these to be sustainable financial options. These participants considered that they would make a claim for UC if their circumstances changed drastically, such as losing a job.

##### **Case study 1: Felt financially stable with no intention to claim**

Dave (renamed for anonymity) lived with his wife and their three daughters, all of whom were attending school. Both he and his wife worked at a cleaning company and have both had periods of unemployment in the past. Dave was aware that tax credits were being replaced by UC but had little knowledge of UC features or how to go about making a claim. Neither Dave nor his wife researched further into UC when they received the Migration Notice. They had a discussion and agreed not to claim UC as they thought they would not be eligible as they were both working and presumed their combined earnings would be over the earnings threshold. They were also hesitant to claim because they owed money from their previous tax credits claim.

Financially, Dave and his wife felt able to manage and could pick up overtime work if needed. Dave noted that he would only claim UC if he or his wife lost their jobs as neither earned enough individually for the family to live on.

*"We use credit cards sometimes, but we try not to use them too much...I might pick up more overtime at work, they always have a lot available"*

#### **25-34, Employed, Unlikely to make a claim**

## **Upcoming change in circumstances with no intention to claim UC**

Participants in this group were about to experience a change in their circumstances, such as nearing retirement, starting a new job, or having children start school. The change was likely to occur in the next few months or up to 2 years. They reported that they could rely on alternative income sources, such as savings, to bridge the gap until their circumstances changed.

Participants either presumed they would no longer be eligible for UC when their circumstances changed or would only be eligible for a very small amount that they

did not feel they would need. This group also assumed that the claim process would be more burdensome than had been for tax credits. The perceived effort required to claim UC before their circumstances changed was seen as disproportionate to the temporary benefit before they expected to become ineligible for UC.

Participants in this group would use their savings, or work additional hours, to cover financially difficult periods. They considered that these were viable actions until the upcoming change occurred. They noted that this change could be up to two years away from the time of research.

### **Case study 2: Upcoming change in circumstances with no intention to claim**

John (renamed for anonymity) was in his 60s with two adult children, he had retired but works part-time as a freelance photographer. He had extensive knowledge of UC from his own research on YouTube and using online benefit calculators. He believed that claiming UC will involve a lot of administrative work and reported being concerned about not meeting the minimum earning threshold which could require him to look for additional work.

John had decided to use his savings to make up for the shortfall in his benefits until his pension payments start in two years' time.

*"I had some savings that I was paying tax on...If I used my savings, I could offset about £100 of what I would be getting on tax credits...I will do this for 2 years until I start my state pension."*

**56+, Self-employed, Unlikely to make a claim**

## **Intended to claim but faced issues during the claim process**

Participants in this group expressed that they were concerned about their finances and wanted to claim UC but encountered challenges during the claim process.

Interview participants in this group who faced difficulties during the claim process predominantly cited reasons related to UC claim processes for why they have not made a claim for UC. These participants encountered barriers to completing the online application form such as lacking access to a computer or having limited digital literacy and could not engage with the online form. They also reported difficulties with gathering the necessary documentation and felt that a checklist of documents in advance of making a claim would have been useful. Others were unable to attend Jobcentre Plus appointments due to work schedules or caregiving responsibilities and struggled to reschedule these appointments. They felt unsure why they had to visit the Jobcentre Plus or how regularly they would be required to attend meetings. Participants in this group with health conditions reported that they found it challenging to visit appointments at the Jobcentre Plus due a physical disability.

Participants who intended to claim used informal childcare arrangements to avoid childcare costs (and enabling them to work), cut down on spending, budgeted,

received financial support from their parent(s) and/or partner, and used credit cards to make up the gap in income since tax credits had stopped. They reported that their financial circumstances were challenging and that they wanted to find longer-term financial solutions such as overcoming the barriers with claiming UC or to increase their income in another more sustainable way.

### **Case Study 3: Intended to claim but faced issues during the claim process**

Sara (renamed for anonymity) was a single mother living with her 12-year-old son and recently moved to a new city. She worked full-time as a business development manager. Sara had little knowledge of UC and did not think the migration would affect her. She assumed that the process of moving from tax credits would be automatic. Sara attempted to complete the application on multiple occasions but did not complete it due to fear of inputting incorrect information and owing money to the DWP. She wanted to discuss her claim with someone, ideally in person, to ensure she was providing the correct information. She did not show awareness that in person support was available but was aware of the helpline and was concerned about long wait times to speak to someone.

As a result of not claiming UC, Sara was now reliant on friends and family for financial support and help with childcare. She was using savings and credit cards for large and irregular costs such as school uniforms. Additionally, Sara no longer received free prescriptions or dental care, so she avoided going to the GP or dentist. Sara intended to claim UC in the future but acknowledges that she will need support to complete the application successfully.

*“If I'd had a bit more support and been able to ask someone questions, I would have been able to complete the form and would be claiming UC”*

**25-34, Employed, Likely to make a claim**

## **Struggling financially with no intention to claim UC**

Despite having concerns about their financial situation, this group decided not to claim due to their perceptions of UC and beliefs about their ineligibility. The group includes participants who had previous experiences of being overpaid tax credits, which deterred them from claiming UC to avoid this happening again and being required to make repayments. These participants were generally single individuals with younger children or those who were self-employed.

The interplay between worrying about their financial situation on UC and their perceptions of UC led participants in this group not to claim UC even though they reported worrying about money. Participants in this group also perceived the

administrative burden of moving to UC as a way to discourage people from claiming benefits.

These participants believed they were ineligible due to having savings or earnings that exceeded the thresholds. This was based on their own self-assessments using the GOV.UK website and/or benefits calculators, or advice they had received from telephony service lines. Those with savings were either unaware of the capital disregard or did not think they could deplete their savings below £16,000 within a year to continue receiving financial assistance beyond that point. They often ring-fenced their savings for specific purposes, such as covering gaps in employment for those who were self-employed, saving money for their children, or for paying upcoming solicitor's fees.

Interview participants who were struggling financially had negative perceptions of Jobcentre Plus. They feared being judged by staff, especially if they had previous negative experiences at the Jobcentre Plus. The prospect of attending appointments at the Jobcentre Plus deterred them from claiming UC.

*“I didn't want to go to the Jobcentre. I used them years ago when I was not working. I don't want them judging me and looking down at me, I have had all that before”*

#### **45-54, Self-employed, Unlikely to make a claim**

These participants took a wide range of actions to compensate for the loss of income after their tax credits stopped. Similarly to the group who intended to claim UC but faced barriers, these participants used informal childcare arrangements, cut down on spending, budgeted, received financial support from their parent(s) and/or partner, and used credit cards to make up the gap in income since tax credits had stopped. This group also used savings in addition to the other measures mentioned. They were aware that these actions were often having a wider impact on their lives but felt they did not have an alternative option to get by.

#### **Case study 4: Financially struggling with no intention to claim**

Anita (renamed for anonymity) was a 44-year-old single mum with 2 children, including one child with a health condition. Anita was out of work and her ability to return to work depends on her son's health. Anita had little knowledge of UC and reported a bad experience when she called the telephony service to request an extension to the Migration Deadline.

Anita did not claim UC because she hoped she would not need to. She intended to return to work when her tax credit payments stopped and reported that she did not want to be claiming benefits such as carer's allowance for looking after her son. She reported that receiving inconsistent advice for her request to extend the Migration Deadline further prompted her desire to avoid the benefits system. She felt the system could have been more supportive and flexible at the time of this request as her son's medical condition had worsened.

Anita was living rent free with her mother and was receiving money from her children's father. She had cut back spending money on treats for her children and socialising in order to meet her expenses. She said that she was unsure of what the future would bring and felt this largely depended on her son's health condition.

*"I am doing ok... Too be honest, I am being helped by friends and family and also the child benefit"*

**36-45, Not working, Unlikely to make a claim**

# 8. Support needed to apply for Universal Credit

This section presents the prevalence of support needs to make a claim for UC as well as the qualitative evidence on the types of support requested by different groups of respondents.

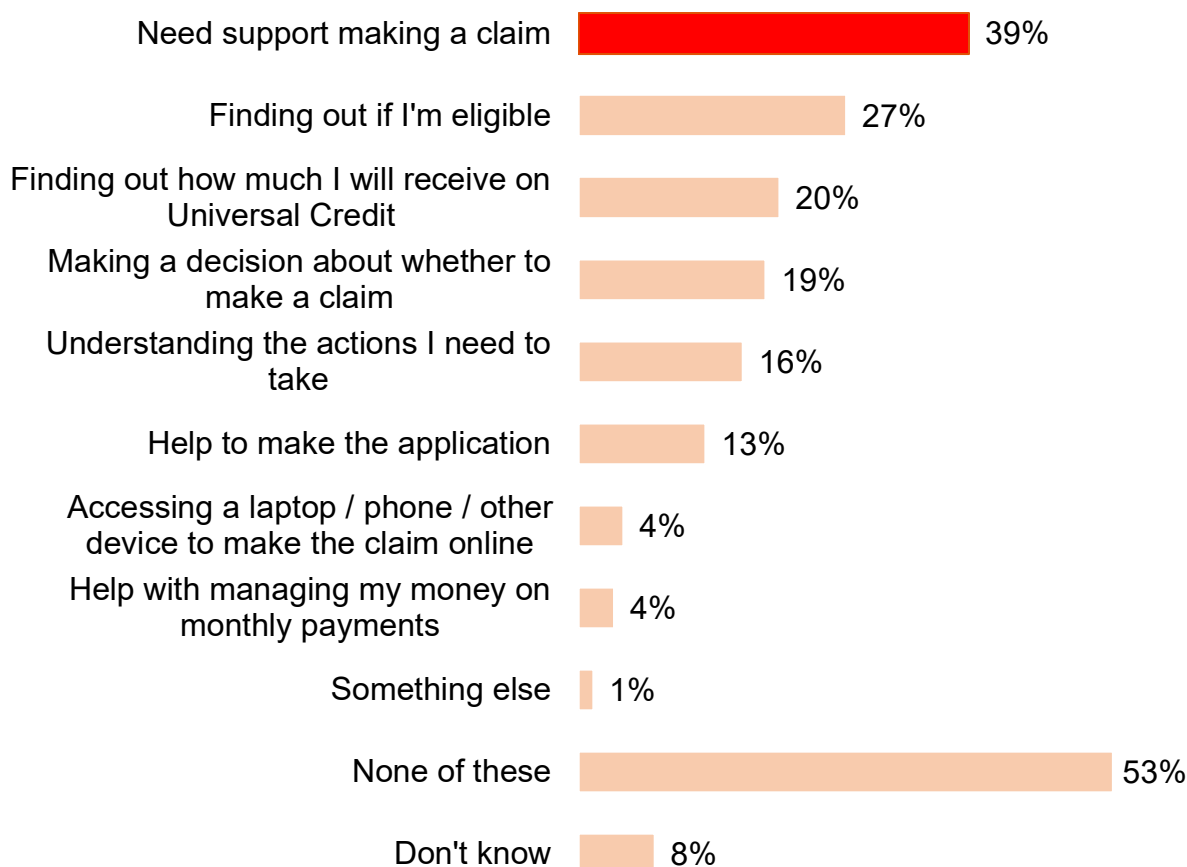
## Support to make a claim for UC

The Migration Notice sent to legacy tax credits customers included contact details for sources of support to help find more information about UC and support with making a claim for UC. This included the Migration Notice helpline, the Citizens advice helpline and website and the option to attend the local Jobcentre plus for further support.

Survey respondents were asked if they needed support to make a claim for UC. As shown in Figure 1.20:, over half of respondents (53%) reported that they did not need any of the support categories listed to make a claim for UC. Whilst two in five (39%) selected at least one area they would need support making a claim.

Almost four in ten reported that they need support to make a claim, and this included to find out if they were eligible (27%), to find out how much money they would receive on UC (20%), and in making a decision about whether or not to claim (19%).

**Figure 1.20: Support needed to make a claim for UC. (Multicode)**



*SUPPORT\_NEED. Do you need support with any of the following to make a claim to Universal Credit? | Unweighted base, all non-claimants (923)*

Respondents who disagreed that they would know what to do to move to UC were more likely to select at least one of the types of support needs compared to those who felt more confident moving to UC (63% compared to 31% of respondents who agreed that they knew what to do to move to UC).

Respondents who did not speak English as a first language (59%) were more likely to need support making a claim than those who did (36%). These respondents were also more likely to need support finding out if they are eligible (43% vs 24%), how much they would receive on UC (34% vs 18%), making a decision whether to claim (29% vs 17%), understanding the actions needed to make a claim (31% vs 14%), and help making an application (23% vs 11%).

Respondents from an ethnic minority group were more likely to need support making a claim (55%) compared with respondents with a white ethnic background (34%). They were also more likely to need support finding out if they are eligible (37% vs 24%), finding out how much they would receive on UC (35% vs 15%), making a decision about whether to make a claim (27% vs 16%), understanding the actions needed to take to make a claim (29% vs 13%), and help with making an application (20% vs 11%).



A slightly higher percentage of female respondents reported needing support finding out if they were eligible compared to male respondents (29% vs 22%) and more likely to need support finding out how much they would receive on UC (22% vs 16%).

Respondents with a health condition that impacts their ability to carry out day to day activities a lot<sup>27</sup> were likely to need support to help them make a decision about whether to claim compared to those without a health condition (27% vs 10% and 18%).

Respondents with caring responsibilities were more likely to select at least one of the types of support needs compared to those without caring responsibilities (45% vs 37%). This was particularly the case for finding out how much they would receive on UC, with nearly three in ten (28%) respondents with caring responsibilities reporting this support need compared to less than one in five (18%) of those without caring responsibilities.

Younger respondents were more likely to need support finding out how much they would receive on UC (25% aged 25-49) compared with older respondents (13% aged 50-65). Similarly, younger respondents were also more likely to need support with understanding the actions needed to make a claim for UC compared with older respondents (11% aged 50-65) were less likely to, compared with younger respondents (20% aged between 25-49).

Respondents who said that they need support to make a claim were more likely to say that they intended to make a claim in the future compared with respondents who were unlikely to make a claim in the future (78% vs 27%). This group of respondents seem likely to make a claim for UC in the future if their support needs are addressed.

## Participant's suggestions for support

The Migration Notice provided sources for support for those who might have needed further help or advice. This included details about how to contact the Migration Notice helpline, the Universal Credit website, the Citizens advice helpline and website, and the option to attend the local Jobcentre Plus for further advice and support with making a claim.

Interview participants were asked what specific information, communication or support could have supported them further in making the decision whether or not to make a claim for UC. Participants made the following suggestions:

### **Fact sheet**

Participants in a range of circumstances considered that a fact sheet accompanying the Migration Notice would be useful. They suggested that this should include further information on the capital disregard, a link to a reliable benefits calculator and information to help them understand how much they might receive on UC.

### **Application checklist**

Participants requested clearer guidance before attempting to make a claim on what would be included in the application and what documents would be required during

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<sup>27</sup> Small base size, N=98

the process. This request was particularly emphasised by participants who had attempted to make a claim for UC but had faced challenges completing it.

### **Greater clarity on eligibility and capital rules**

Participants who were struggling financially but had no intention to claim reported that going forward, there should be greater clarity on eligibility rules and clearer, more noticeable guidance on capital rules, including what is categorised as capital. They also suggested that future claimants would benefit from easier access to speak to advisors, shorter waiting times on telephony service line, and for advisors to be able to give detailed advice on how to make a claim for UC and to avoid making assessments on eligibility.

### **Greater flexibility from Jobcentre Plus**

Participants who had attempted to make a claim and did not feel able to complete it requested greater flexibility with Jobcentre Plus appointments including the option of virtual and telephone appointments and more consultation on appointment times. They also requested greater availability of drop-in sessions at the local Jobcentre Plus to offer face to face support with making a claim. Self-employed participants also wanted more upfront guidance on why they would be asked to attend Jobcentre Plus appointments and how regular this requirement would be.

### **Tailored guidance for self-employed claimants**

Self-employed participants requested specific tailored guides for self-employed UC claimants. They reported wanting more information on how monthly fluctuating earning would be calculated, how they would submit monthly financial details and how business expenses would be considered in terms of capital.

*“A real clear list of what it would have taken for us to get Universal Credit...if it said you need to submit this every week, every month, every quarter or whatever it is, you know, just to give us an idea.”*

### **35-44, Self-employed, Unlikely to make a claim**

# 9. Experiences of UC claimants who delayed their claim

As set out in Section 2, 106 survey respondents (11% of the total sample) were receiving UC payments at the point of completing the survey. This section provides a summary of UC claimants' reasons for delaying making a claim and what motivated them to make a claim. This section only reports on the survey findings as claimants did not take part in qualitative interviews. Subgroup analysis was not possible due to low base sizes and are therefore not reported.

## Reasons for delaying making a claim

Where respondents who had not made a claim for UC were asked about their reasons for not making a claim, UC claimants were asked to report on the reasons for delaying making a claim. UC claimants were presented with the same answer codes for these questions, with adaptations to indicate that these were reasons in the past tense (before making a claim for UC).

The top reasons related to UC migration and claims processes amongst claimants for delaying making a claim included being frustrated about needing to move to UC (33%), wanting to claim Tax Credits for as long as possible (31%), feeling the claim process is too much effort (24%), expecting to move automatically (22%), and not wanting to go to the Jobcentre Plus (21%).

Other reported reasons for delaying making a claim included not feeling confident about having the information needed to make the best decision (17%), waiting for support to make a claim from friends, family, or an organisation such as Citizens Advice Bureau (17% compared to 2% for non-claimants), not knowing how to make a claim (15%), experiencing difficulty using the UC website (15%), not being able to get through to the UC helpline (12%), and not wanting to receive monthly payments (12% compared to 6% of non-claimants).

The most common personal circumstances that led claimants to delay making a claim for UC included worrying that they would be worse off on UC (41%). Almost one in four (23%) claimants delayed claiming UC because they were unsure whether they were eligible. Compared to non-claimant respondents, few UC claimants reported earning too much to claim UC (7% vs 26% of non-claimants) and having too much in savings (3% vs 20% of non-claimants) as reasons for delaying making a claim.

## Motivations for making a claim

Nearly half of the UC claimants (46%) who subsequently made a claim were motivated to do so because their tax credits had stopped. The second most common motivation for claiming UC was the need for money, reported by over two in five (44%) of UC claimants. Other motivations for claiming UC included a change in circumstances (23%), the desire to receive a monthly benefit payment (22%), and the ability to manage their UC claim online (19%).

# 10. Conclusions and key findings

## Variation in knowledge and awareness of UC

Almost all survey respondents were aware that UC was replacing tax credits (95%). Nearly six in ten (56%) respondents agreed that they would know what to do to move to UC. Confidence was lower for respondents with health conditions. Less than half (48%) of respondents with health conditions that impact them a little and respondents with health conditions that impacted their lives a lot (46%)<sup>28</sup> agreed that they understood what they would need to do to move to UC compared to six in ten (60%) of those without a health condition.

Respondents had less knowledge about UC rules and features. Around seven in ten (69%) respondents were unaware that they might have been able to receive transitional protection and were not aware that they could have applied for advance payments (70%). Furthermore, three in five (60%) survey respondents did not know whether it was true or false that you can claim 85% of childcare costs back through UC, with 9% believing that this statement was false. The qualitative interviews revealed that greater knowledge about transitional protection and advance payments would not have been a factor in their decision about whether to claim UC. However, participants with younger children did report that knowing more about the support with childcare costs may have influenced their decision to claim.

Level of education was a prevalent factor in knowledge and awareness of UC and its features. Over three in five (63%) survey respondents with a degree or above agreed that they knew what to do to move to UC compared to 54% with a level 2 or 3 qualification and 46% with below level 2 or no formal qualifications. Respondents with a degree or above were also more likely to know it was true they could claim up to 85% of their childcare costs back through UC (36% vs 23% of those with below level 2 or no qualifications), that they could be earning more than 16 hours per week and claim UC (71% vs 60% below level 2 or no qualifications) and know the rules of the capital disregard to be true (35% vs 27% for those with level 2 or 3 qualifications and 23% for those below level 2 or no qualifications).

Survey respondents used a range of sources of information to decide whether to make a claim for UC, including visiting the GOV.UK pages on UC (37%), using online benefits calculators (28%) and calling the Move to Universal Credit helpline (10%). Nearly four in ten (39%) respondents selected no sources of information suggesting that a significant proportion of respondents did not seek further information beyond receiving the Migration Notice. Interview participants who used these sources described self-assessing their eligibility. If participants interpreted the information to mean that they would not be eligible for UC, this deterred them from making a claim

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<sup>28</sup> Small base size, N=98

and they tended to do no further research. Interview participants also discussed being influenced by more informal sources of information such as from word-of-mouth accounts and posts on social media. These led to perceptions of UC, or reinforced existing perceptions, such as UC being more complicated than tax credits and that they may be worse off financially.

## Reasons for not claiming UC and likelihood to claim UC in the future

### **Self-assessed eligibility**

Seven in ten (70%) survey respondents were unlikely to make a claim for UC in the future. Respondents who are unlikely to make a claim did not generally have less knowledge and awareness of UC and its features than those who planned to make a claim for UC in the future. This group were more likely to know about the capital disregard (32%) compared to those likely to claim (20%). They were also more likely to know what to do to make a claim for UC (60%) compared to respondents who were likely to make a claim in the future (49%).

Around three in ten (31%) respondents who were unlikely to claim reported earning too much to claim UC compared to 16% of those likely to make a claim. Additionally, one in four respondents who were unlikely to claim UC reported having too much in savings to claim UC (25%) compared to 15% of those likely to make a claim. This group were also less likely to say they didn't know whether they would be eligible to claim UC than those who were likely to claim (44% vs 23%). This suggests that respondents who did not intend to claim UC did not always feel uncertain about their eligibility and may have self-assessed as not eligible for UC due to their financial circumstances. Interview participants who had self-assessed as ineligible made this assessment by using formal information sources or had this perception before receiving the Migration Notice.

The qualitative interviews also revealed a group of legacy tax credits customers who were unlikely to claim UC because they considered themselves to be financially stable without it, or were about to experience a change in circumstances that would lead to long-term financial stability. They often did not look for information about UC and tended to view UC as a benefit for unemployed people (compared to tax credits which they considered was financial assistance for working people) and assumed that they would not be eligible. They considered that they would make a claim for UC if their circumstances changed significantly, such as inability to work, but otherwise considered that UC was not relevant for them in the foreseeable future. This highlights the importance of communications and 'branding' UC so it is recognisable to people in different circumstances and emphasises the potential merits of 'UC myth busting' to encourage legacy benefit customers to make a claim when they might consider themselves to be ineligible.

## **Self-assessed eligibility combined with perceptions of UC migration and the claims process**

Qualitative interviews revealed that the decision about whether to make a claim for UC was not solely based on personal financial circumstances. There were legacy tax credits customers who reported worrying about money day-to-day but had decided not to claim due to the belief they were not eligible for UC in combination with negative perceptions of UC and the claims process. They generally self-assessed their eligibility using information they had read on the GOV.UK webpages or estimates generated from online benefits calculators. If participants contacted UC telephony lines and were advised that they were not likely to be eligible or would receive little on UC, they did not seek any further information and did not make a claim to verify their eligibility either way. Negative perceptions of UC were influenced by word-of-mouth accounts from friends and family and stories they had read online. These information sources were sometimes considered more accurate reflections of lived experience on UC compared to the information on official web pages. Interview participants who had considered others' experiences when deciding whether to make a claim said they would benefit from official information aimed at dispelling common misconceptions of UC, such as communications focused on 'myth busting', to challenge some of these beliefs and perceptions.

The quantitative and qualitative evidence revealed that self-employed individuals had multiple complex reasons for not claiming UC. Self-employed survey respondents were more likely to report having too much in savings to claim UC (25% compared to employed respondents (19%). They were more likely to select several reasons for not claiming related to the UC migration and the claims process, specifically: feeling the claim process is too much effort (38% vs 26% employed); feeling frustrated about needing to move to UC (39% vs 22% employed); and not wanting to go to the Jobcentre Plus (36% vs 20% employed). Self-employed interview participants often considered themselves ineligible for UC and emphasised that being self-employed led to greater uncertainty about their future financial situation on UC. They had a perception that UC is not 'set-up' for self-employed individuals, and faced issues with completing a claim for UC, particularly submitting their financial information. They requested tailored factsheets for self-employed UC claimants, access to advisors with specific knowledge about how to make and manage a claim on a fluctuating income, and flexible Jobcentre appointment options.

Survey respondents with caring responsibilities were disproportionately impacted by a range of reasons related to both personal circumstances and challenges with the UC migration and claims process which resulted in them not claiming. They were more likely to feel that the claim process is too much effort (39%), expect to move to UC automatically (27%) and feel that they had a lack of information about UC to make an informed decision (22%) compared to respondents without caring responsibilities (28%, 17% and 15% respectively). Furthermore, almost a quarter of survey respondents with caring responsibilities expressed worries about being worse off on UC compared to those without caring responsibilities (24% vs 16%) and were also more likely to have an upcoming non-work-related change in circumstances (18% vs 10%). Interview participants with caring responsibilities emphasised how

their caring responsibilities made the practicalities of completing the claim more challenging.

## Challenges with the UC claims process

Survey respondents who are likely to make a claim in the future were also more likely to cite reasons for not claiming related to UC migration and the claims process. Three in ten (30%) of survey respondents who were likely to make a claim for UC felt that they did not have the information they needed to make the best decision for them, compared to 13% of respondents who are unlikely to claim. They were also more likely to cite experiencing difficulties with the UC website as a reason for not claiming (28%) compared to those unlikely to make a claim (8%). Those more likely to make a claim for UC were also more likely to report needing support to do so (75% vs 27% unlikely to make a claim).

The interviews revealed that participants who had tried to make a claim for UC had faced challenges with the application process which meant they did not complete their claim. Participants in this group articulated specific support needs which could enable them to make a claim for UC in the future, including:

- Greater flexibility in scheduled Jobcentre Plus appointments to work around other commitments.
- More upfront information about how to make a claim and the documentation required to make a claim.
- Personalised and tailored advice specific to their individual circumstances.
- One-to-one support making a claim.

## Variation in the impacts of not claiming UC

Nine in ten (91%) respondents reported taking at least one action to make up the difference in their income since tax credits payments had stopped. Cutting down on spending (61%), using savings (41%), working additional hours (32%) were the most common actions taken by respondents.

Use of alternative income to replace tax credits varied by different circumstances. Overall, self-employed respondents were more likely than those employed to cut down on spending and use their savings (67% vs 57%). Those with a health condition that impacted them a lot<sup>29</sup> were more likely than those without to use a credit card or overdraft (38% vs 25%). Compared with older respondents (50-65), younger respondents (25-49) were more likely to increase their work hours (35% vs 27%), use a credit card or overdraft (32% vs 21%), borrow money from friends and family (27% vs 18%), change or get a higher paying job (15% vs 9%), and miss payments (13% vs 7%). Older respondents were more likely to use savings than the younger age group (48% vs 35%).

Interview participants who reported financially struggling often had to cut down on spending, rely on support from friends and family, used savings they had ringfenced

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<sup>29</sup> Small base size, N=90



for specific expenses, and used credit cards. The impacts of these actions were sometimes wider than financial, with some reporting issues with stress, spending less time with their children, and cutting down on leisure time.

Those who could take on additional work hours and used savings that were not ringfenced for upcoming expenses reported being ok financially and therefore felt no need to claim UC in the future.

# Appendices

## Appendix 1: Single Migration Notice sent to Tax Credit Claimants in January 2024



HM Revenue  
& Customs

Telephone:  
0800 169 0328

Monday to Friday  
8am – 6pm

[www.gov.uk/dwpmov](http://www.gov.uk/dwpmov)  
e-to-uc

Your Ref:  
G44H-YCHWCJXK

8 January 2024

## You need to claim Universal Credit

You must claim by 9 April 2024 to keep receiving financial support

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### Universal Credit Migration Notice

Dear CLAIMANT NAME

Universal Credit is replacing your Child Tax Credit.

You must claim Universal Credit by 9 April 2024 to keep receiving financial support.

Universal Credit is a Department for Work and Pensions benefit. You can make a claim even if you:

- are working
- have renewed your tax credits
- have capital or savings of more than £16,000

Your tax credits award will end from the date you make your Universal Credit claim.

## How to claim Universal Credit

Go online to claim Universal Credit: [www.gov.uk/dwp/move-to-uc](http://www.gov.uk/dwp/move-to-uc)

If you cannot claim online, call the Universal Credit Migration Notice Helpline for free on **0800 169 0328**.

## How to get help

- call the Universal Credit Migration Notice helpline for free on **0800 169 0328**
- visit the Universal Credit website: [www.gov.uk/dwp/move-to-uc](http://www.gov.uk/dwp/move-to-uc)
- visit your local jobcentre

You can also call us for free on **0800 169 0328** if you:

- need more time to claim
- are not the person named on this letter
- do not intend to claim Universal Credit

For free, independent and confidential help, call the Citizens Advice Help to Claim service on **0800 144 8444** or go to their website: [www.citizensadvice.org.uk/helptoclaim](http://www.citizensadvice.org.uk/helptoclaim)

Check who can help you in your local area at: [advicelocal.uk](http://advicelocal.uk)

## How much you will get

Most people will be entitled to the same amount or more on Universal Credit. If the amount you are entitled to on your existing benefits is more than you would get on Universal Credit, a top up is available. This is called transitional protection.

This Migration Notice entitles you to transitional protection if your circumstances do not change before you claim Universal Credit. If your circumstances change before you make your claim, this may affect the amount you may get.

If you have certain kinds of debt, this may affect the amount of Universal Credit you get. Call 0800 169 0328 if you think this will affect you.

## If you live with your partner

You will both need to claim Universal Credit by the same deadline. You must make a joint claim for your household, even if your partner is not eligible for Universal Credit.

## Why you need to claim Universal Credit

Universal Credit is replacing the following:

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

## If you have already made a claim

Ignore this letter if you have already made a claim for Universal Credit.

Yours sincerely,

Universal Credit

This is a migration notice issued under regulation 44 of the Universal Credit (Transitional Provisions) Regulations 2014 (MNS1)

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## **We have many different ways we can communicate with you.**

If you would like braille, British Sign Language, a hearing loop, translations, large print, audio or something else please tell us using the phone number at the top of this letter.

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## **How DWP collects and uses information**

We will treat your personal information carefully. We may use it for any of our purposes. To learn about your information rights and how we use information, please see our Personal Information Charter at GOV.UK.

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## Call charges

Calls to 0800 numbers are free from landlines and mobiles.

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## Equality and Diversity

We are committed to treating people fairly, regardless of their disability, ethnicity, gender, sexual orientation, transgender status, marital or civil partnership status, age, religion or beliefs. Please contact us if you have any concerns.

# Appendix 2: Couples Migration Notice sent to Tax Credit Claimants in January 2024



HM Revenue  
& Customs

Telephone:  
0800 169 0328

8am to 6pm  
Monday to Friday  
[www.gov.uk/dwp/  
move-to-uc](http://www.gov.uk/dwp/move-to-uc)

Your Ref:  
G44H-YCHWCJXK

8 January 2024

## You and your partner need to claim Universal Credit

You must claim by 9 April 2024 to keep receiving financial support

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## Universal Credit Migration Notice

Dear CLAIMANT NAME

Universal Credit is replacing your Child Tax Credit.

You and your partner must make a joint Universal Credit claim by 9 April 2024 to keep receiving financial support.

We define partners as 2 people who live in the same household and are:

- married to each other
- civil partners of each other
- living together as if they were married

Universal Credit is a Department for Work and Pensions benefit. You can make a claim even if you:

- are working
- have renewed your tax credits
- have capital or savings of more than £16,000

Your tax credits award will end from the date you make your Universal Credit claim.

### How to claim Universal Credit

Go online to claim Universal Credit: [www.gov.uk/dwp/move-to-uc](http://www.gov.uk/dwp/move-to-uc)

If you cannot claim online, call the Universal Credit Migration Notice Helpline for free on **0800 169 0328**.

### How to get help

- call the Universal Credit Migration Notice helpline for free on **0800 169 0328**
- visit the Universal Credit website: [www.gov.uk/dwp/move-to-uc](http://www.gov.uk/dwp/move-to-uc)
- visit your local jobcentre

You can also call us for free on **0800 169 0328** if you:

- need more time to claim
- are not the person named on this letter
- do not intend to claim Universal Credit

For free, independent and confidential help, call the Citizens Advice Help to Claim service on **0800 144 8444** or go to their website: **[www.citizensadvice.org.uk/helptoclaim](http://www.citizensadvice.org.uk/helptoclaim)**

Check who can help you in your local area at: **[advicelocal.uk](http://advicelocal.uk)**

## How much you will get

Most people will be entitled to the same amount or more on Universal Credit. If the amount you are entitled to on your existing benefits is more than you would get on Universal Credit, a top up is available. This is called transitional protection.

This Migration Notice entitles you to transitional protection if your circumstances do not change before you claim Universal Credit. If your circumstances change before you make your claim, this may affect the amount you may get.

If you have certain kinds of debt, this may affect the amount of Universal Credit you get. Call **0800 169 0328** if you think this will affect you.

## Why you need to claim Universal Credit

Universal Credit is replacing the following:

- Working Tax Credit
- Child Tax Credit
- income-based Jobseeker's Allowance
- income-based Employment and Support Allowance
- Income Support
- Housing Benefit

## If you have already made a claim

Ignore this letter if you have already made a claim for Universal Credit.

Yours sincerely,

Universal Credit

This is a migration notice issued under regulation 44 of the Universal Credit (Transitional Provisions) Regulations 2014 (MNJC1).

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**We have many different ways we can communicate with you.**

If you would like braille, British Sign Language, a hearing loop, translations, large print, audio or something else please tell us using the phone number at the top of this letter.

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### **How DWP collects and uses information**

We will treat your personal information carefully. We may use it for any of our purposes. To learn about your information rights and how we use information, please see our Personal Information Charter at GOV.UK.

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### **Call charges**

Calls to 0800 numbers are free from landlines and mobiles.

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### **Equality and Diversity**

We are committed to treating people fairly, regardless of their disability, ethnicity, gender, sexual orientation, transgender status, marital or civil partnership status, age, religion or beliefs. Please contact us if you have any concerns.

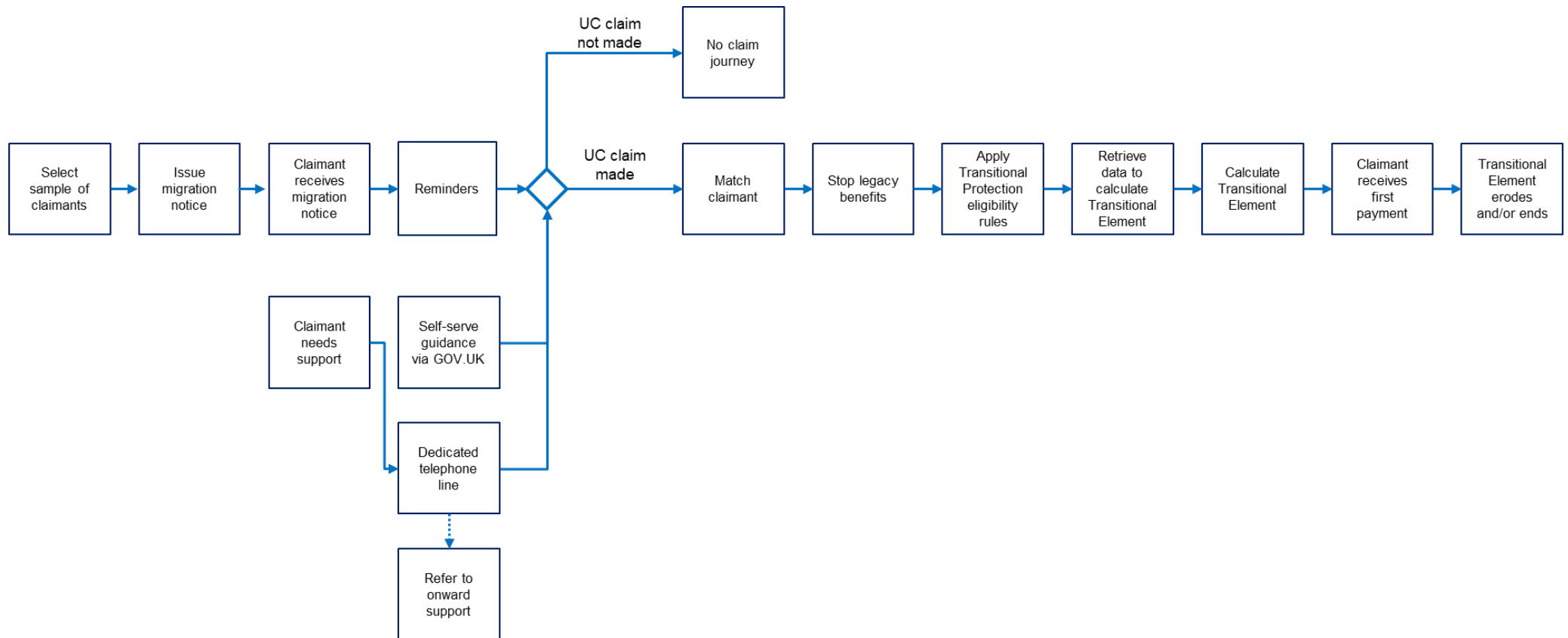
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# Appendix 3: Managed migration customer journey

Figure 1.21: illustrates the simplified customer journey. It does not include the Enhanced Support Journey as this is not applicable for tax credits-only customers.

**Figure 1.21: Managed migration customer journey**



## Appendix 4: Weighted and unweighted sample profiles

	Population figures (%)	Sample – unweighted (%)	Sample – weighted (%)
<b>Age</b>			
25-49	59.6	58.0	59.6
50-65	40.4	41.9	40.4
<b>Gender</b>			
Male	34.4	28.4	34.4
Female	65.6	71.6	65.6
<b>Benefit type</b>			
Child and working tax credits	66.4	64.2	66.4
Working tax credits	24.7	25.7	24.7
Child tax credits	8.9	10.1	8.9

## Appendix 5: Quotas and achieved number of interviews

Variable	Quota field	Quota	Achieved
Total		30	30
UC claim status	UC non-claimant	30	30
Interview type	Single	Min 10	15

	Couple	Min 10	15
Legacy Benefit type	Working Tax Credit only	Min 5	5
	Child Tax Credit only	Min 3	7
Gender	Female	Min 10	19
	Male	Min 10	11
Age	26-35 years old	Min 3	4
	36-45 years old	Min 7	10
	46-55 years old	Min 7	12
	56 years and over	Min 3	4
Employment status	Working (employed)	Min 7	16
	Working (self-employed)	Min 7	8
	Not working	Min 5	6
Health condition	Has health condition / disability	Min 5	7
	No health condition / disability	20	21
Presence of children	No children	Min 5	7
	Pre-school aged children (aged up to and including 4)	Min 3	4
	Primary school aged children (up to and including 11)	Min 5	9
	Children aged 12 - 18	Min 7	10
English as first language	No	Min 5	5
	Yes	23	25

Region	UK Region	Mix and monitor	
Likelihood to make a claim	Likely to, certain to	Min 5	5
	Not likely to, certain not to	23	25
Requires support with making a claim	No	Min 10	14
	Yes (selected at least one option)	Min 5	15
Using savings as alternative income	Yes	Min 5	7