

Universal Credit Survey – 2020

Introduction

This survey was carried out in August 2020 and is the third survey in a series of annual UC surveys undertaken by Riverside. A total of 997 UC claimants were surveyed by a combination of email and SMS.

The purpose of this study was to assess the impact of Universal Credit amongst Riverside's customers, and to determine what challenges, if any, may be faced by customers in receipt of this benefit, and what additional support may be needed by these tenants.

Moving onto Universal Credit

The main reason for people moving onto Universal Credit was a change in household circumstances – accounting for around 30% of respondents moving onto UC.

Analysis of results in relation to the Covid-19 pandemic show that there was around a 20% increase in the number of people moving onto UC as a result of a reduction in hours worked after the first national lockdown in March, in comparison to before March. The number of people moving onto UC as a result of a loss of job remained roughly the same both before March and after March and there was a slight decrease (9%) in the number of people claiming UC as a result of a change in household circumstances.

The wait for the first payment

Many respondents are still having to wait over 5 weeks for their first payment. Results show that around a third of respondents got their first payment within 5 weeks, in comparison to roughly 45% who had to wait between 5-6 weeks. 11% had to wait 7-8 weeks, 8% had to wait over 8 weeks to get their first payment and 3% of respondents had not yet received it.

70% of respondents said the wait for the first payment caused them financial hardship - this is down from 2019 when over 80% of respondents said the wait for the first payment caused them financial hardship. Respondents who had to wait longer than 5 weeks for their first payment were increasingly likely to experience financial hardship with over 85% of those who had to wait over 8 weeks struggling.

Over 90% of respondents did not have any savings to rely on during the wait for the first payment.

Almost 60% of respondents said their debts have increased as a result of claiming Universal Credit. Analysis of the results shows that claimants almost never financially recover if they experience financial hardship due to the wait for the first payment.

Help and Support

35% of respondents have had to rely on help from foodbanks as a direct result of claiming Universal Credit – this has reduced slightly from around 40% in 2019. Comments from people using foodbanks state how they had to receive a food parcel in order to provide Christmas dinner and describe how the experience is 'degrading and humiliating'.

Almost 20% of respondents had to rely on help from other charitable and voluntary organisations, including Citizen's Advice, Step Change and their local councils and churches.

Furthermore, around 70% of respondents had to rely on loans from family / friends or other loan companies. This is a slight decrease from last year, when 78% of respondents had to rely on loans from family / friends or other sources.

Advances

Data on advances shows that over 40% of respondents have applied for or received a full advance and over 30% have applied for or received a partial advance. Of those who took a full or partial advance, over half of respondents say that repaying their advance has caused them financial hardship (down from 63% in 2019) - three quarters of these also went on to say that they found it hard to meet their claimant commitment.

Of those who received a full or partial advance, over half were not aware that the advance included their housing costs and around 70% of respondents would prefer to have their rent element removed from the advance and paid directly to the landlord.

Almost three quarters of respondents were not aware they could defer repaying their advance for up to three months if they faced financial hardship.

Meeting the aims of Universal Credit

Over 60% of claimants said they did not feel better able to get a job or increase the hours they worked due to claiming Universal Credit – this is slightly fewer than last year, when 70% of claimants said they did not feel better able to get a job or increase their hours.

We asked claimants why they did not feel better able to get a job with many stating it was due to caring responsibilities, as well as physical and mental ill health, cost of childcare and the impacts of Covid-19 on hours available.

Furthermore, over half of respondents also stated that they did not feel better able to manage their money and household bills. This has also gone down from 70% in 2019. The main reason referenced for this is that people felt they had been put into debt as a result of claiming Universal Credit and that payments they received did not enable them to get out of debt. Many respondents also claimed that the complexity of Universal Credit made it more difficult to manage their money and household bills.

Impacts of Universal Credit on Mental Health

We asked respondents about their mental health and just over 5% said that it had improved as a result of claiming Universal Credit. A further 40% said that their mental health had stayed the same. However, over 55% of respondents said that their mental health had worsened as a direct result of claiming Universal Credit.

Respondents cited the stress of not being able to pay bills on time and getting into rent arrears (and consequently, worrying about eviction) as well as feeling 'embarrassed' or 'worthless' about having to claim Universal Credit.



Universal Credit Customer Survey

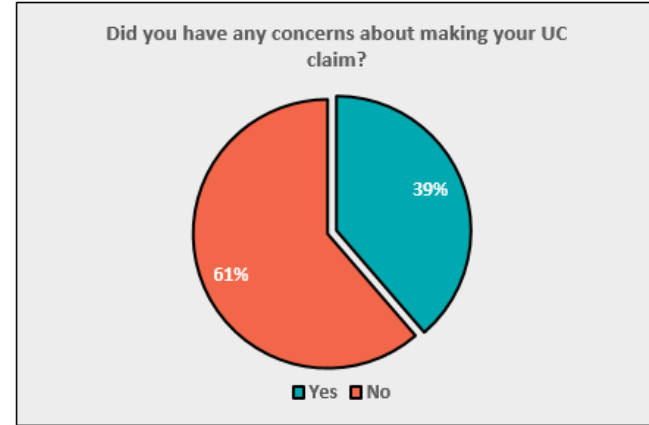
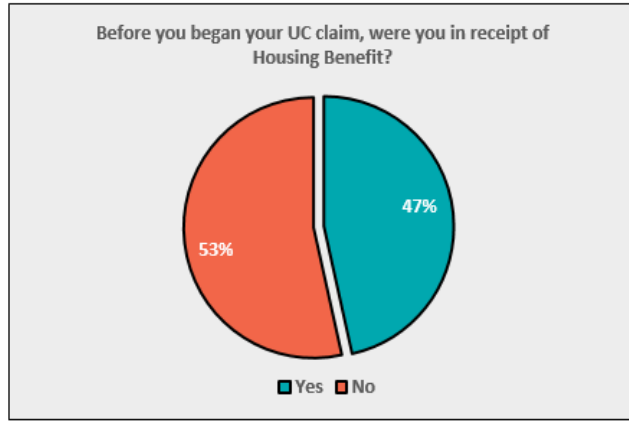
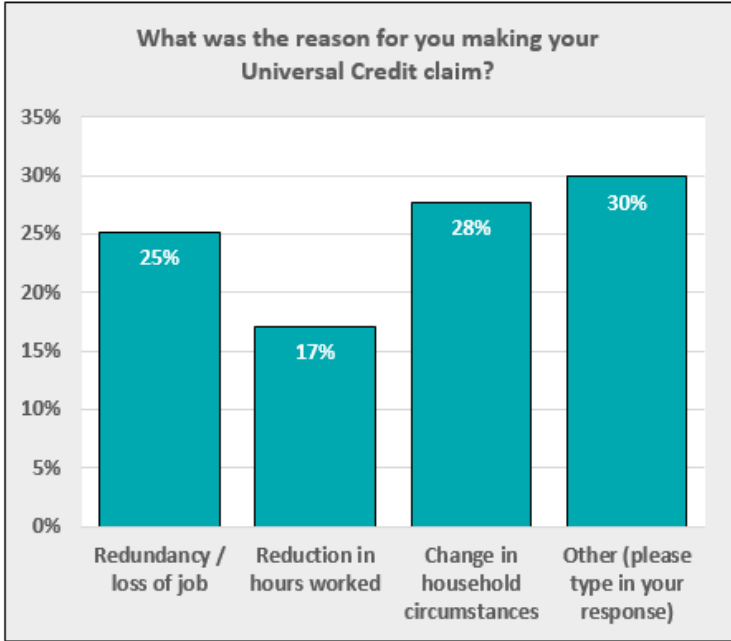


Methodology

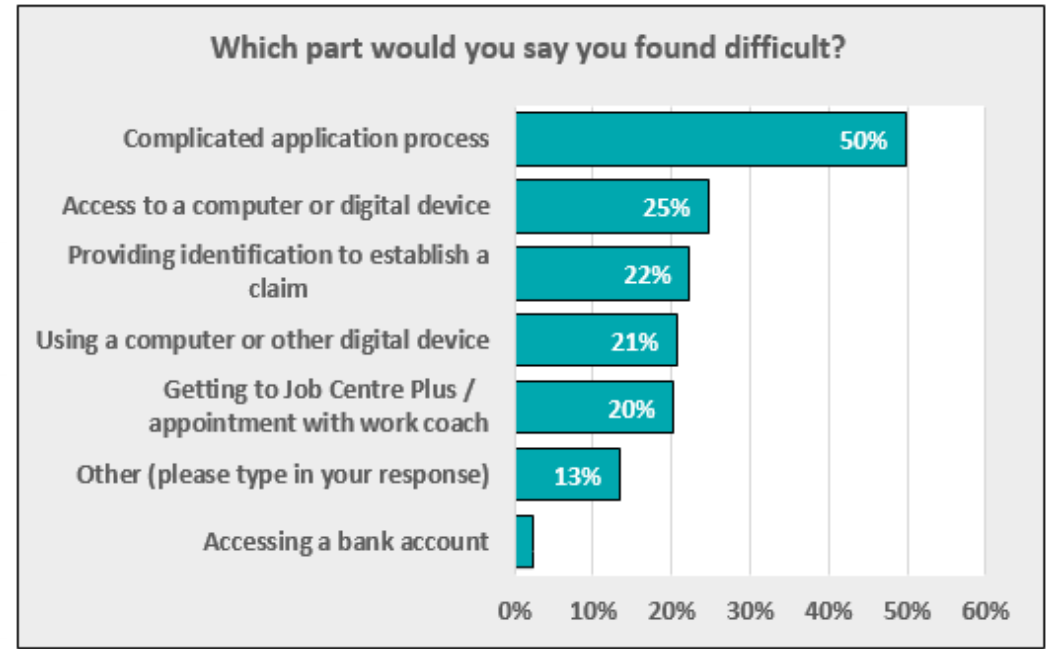
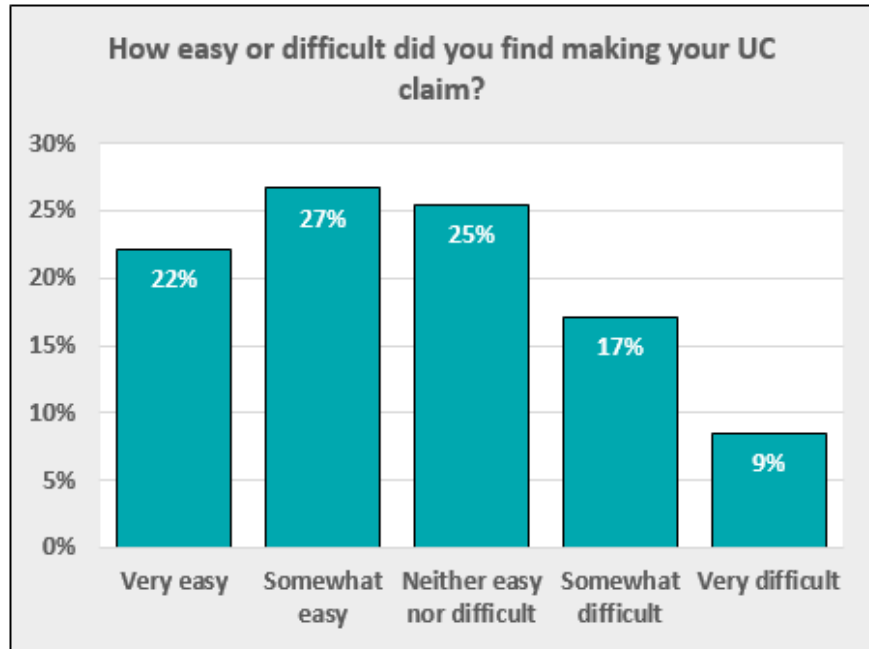
This survey was carried out in August 2020 and is the third survey in a series of annual Universal Credit surveys undertaken by Riverside. A total of 997 Riverside customers in receipt of UC were surveyed by our research partner BMG using a combination of email and SMS.

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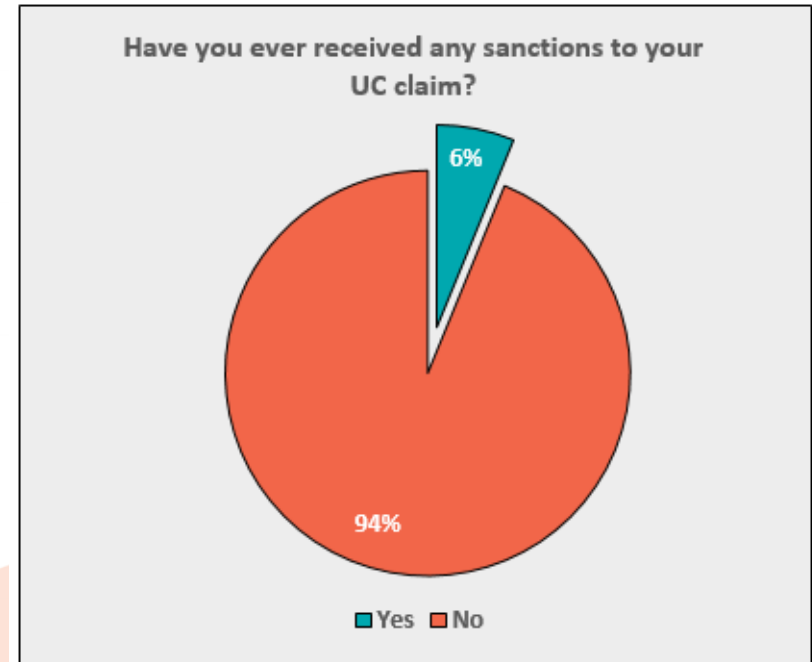
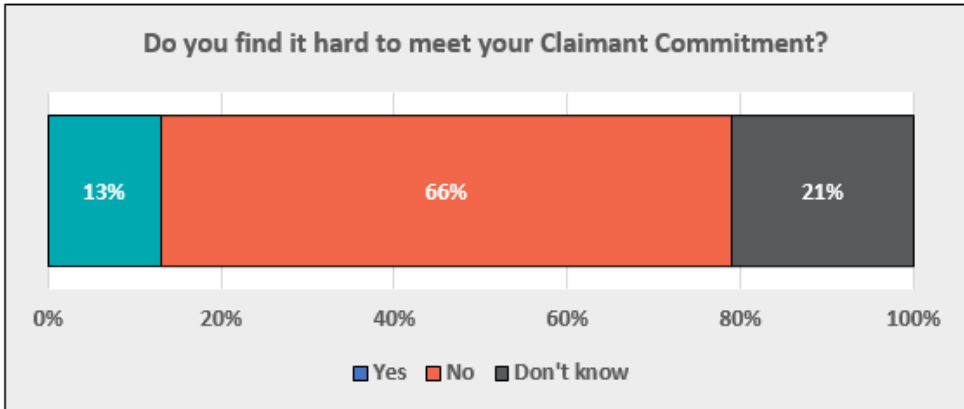
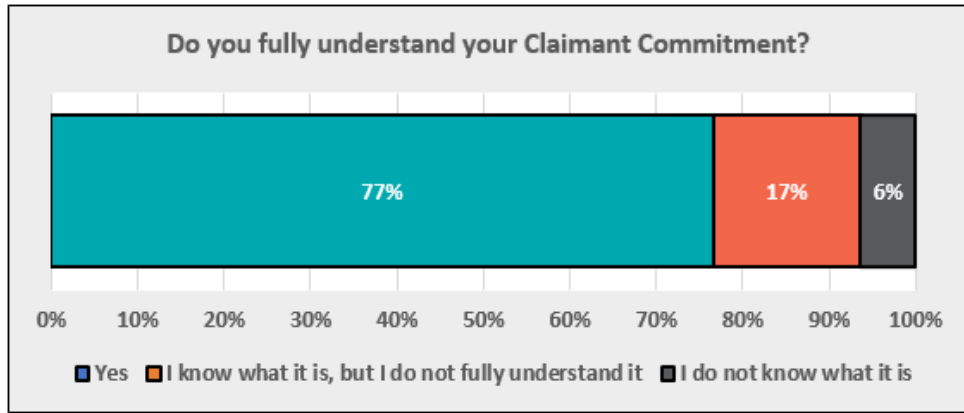
Claiming Universal Credit



Claiming Universal Credit

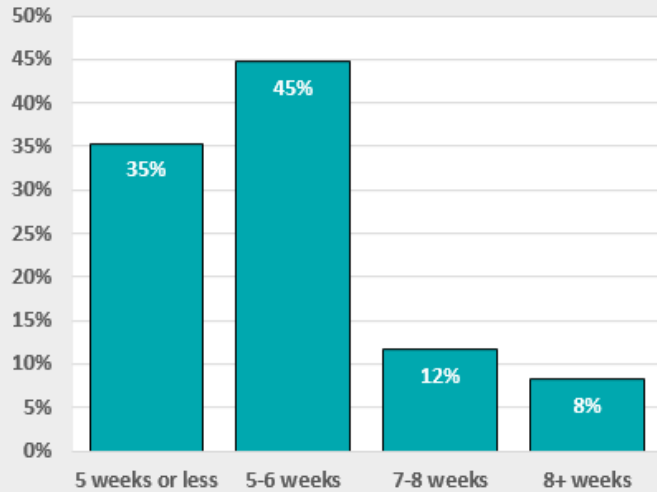


Claimant Commitment/Sanctions

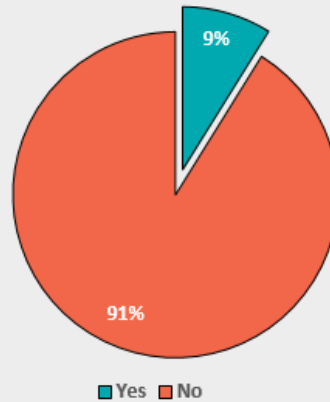


Wait for the first payment

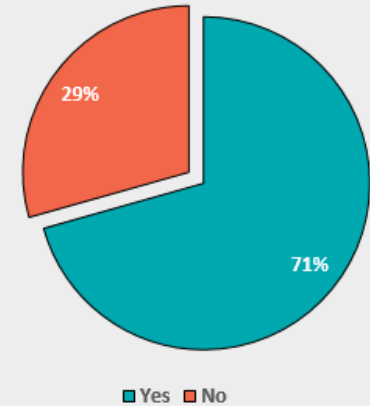
How soon after your application did you receive your first payment?



Did you have savings to rely on during the wait for your first payment?

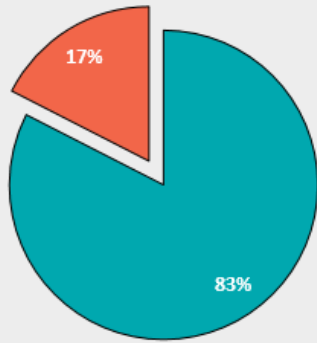


Did the wait for your first payment cause any financial hardship?



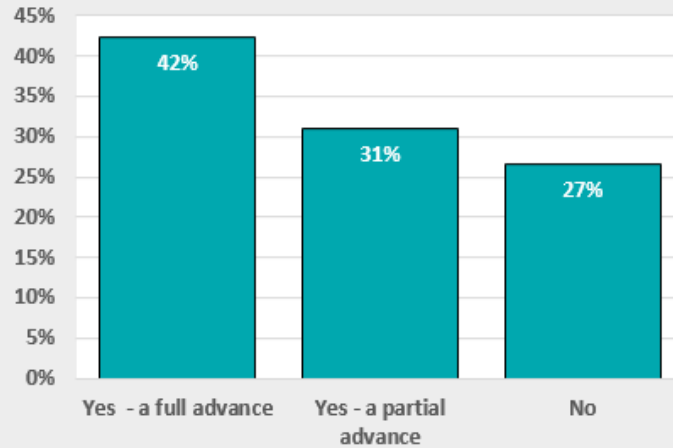
Advances

Were you aware that you could apply for an advance of your first payment?

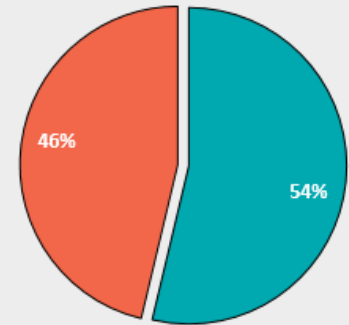


■ Yes ■ No

Have you applied or received an advance of your first payment?

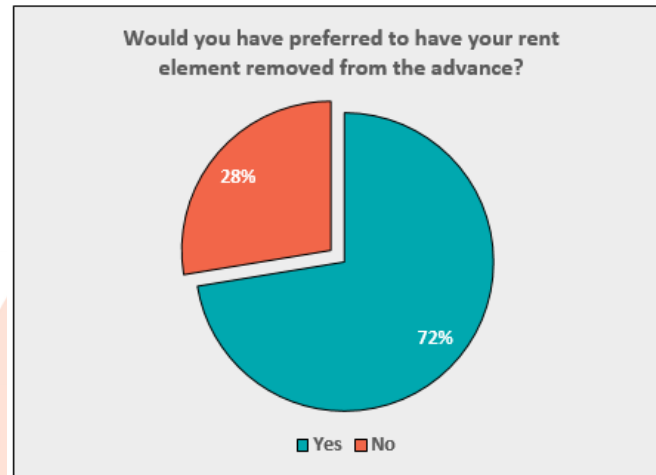
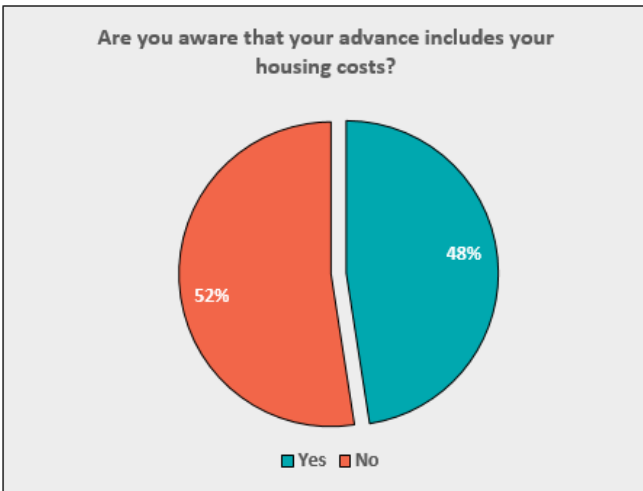
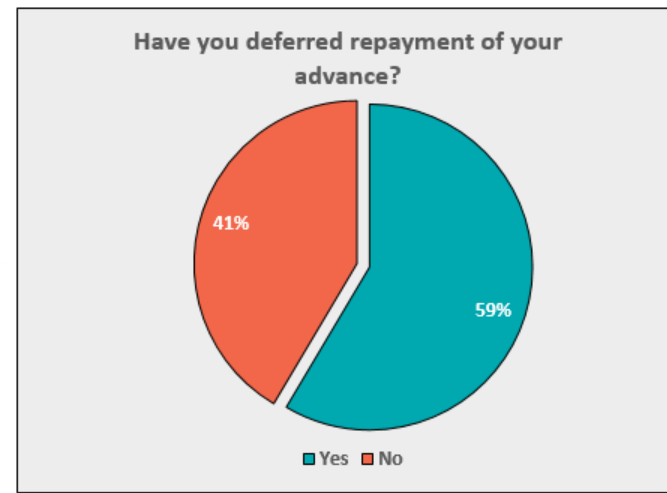
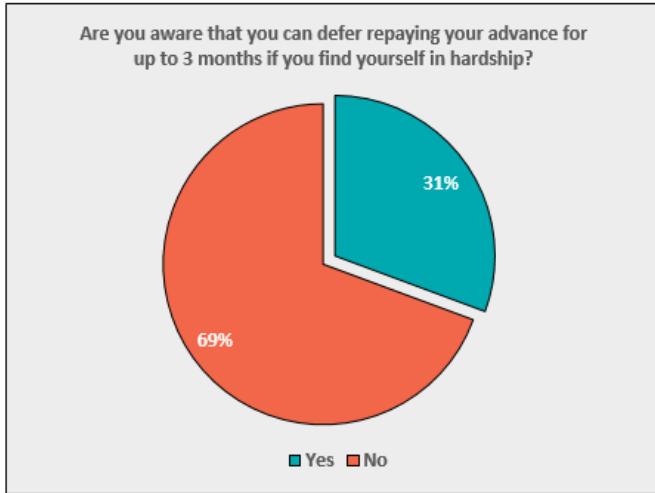


Has repaying your advance caused you any financial hardship?



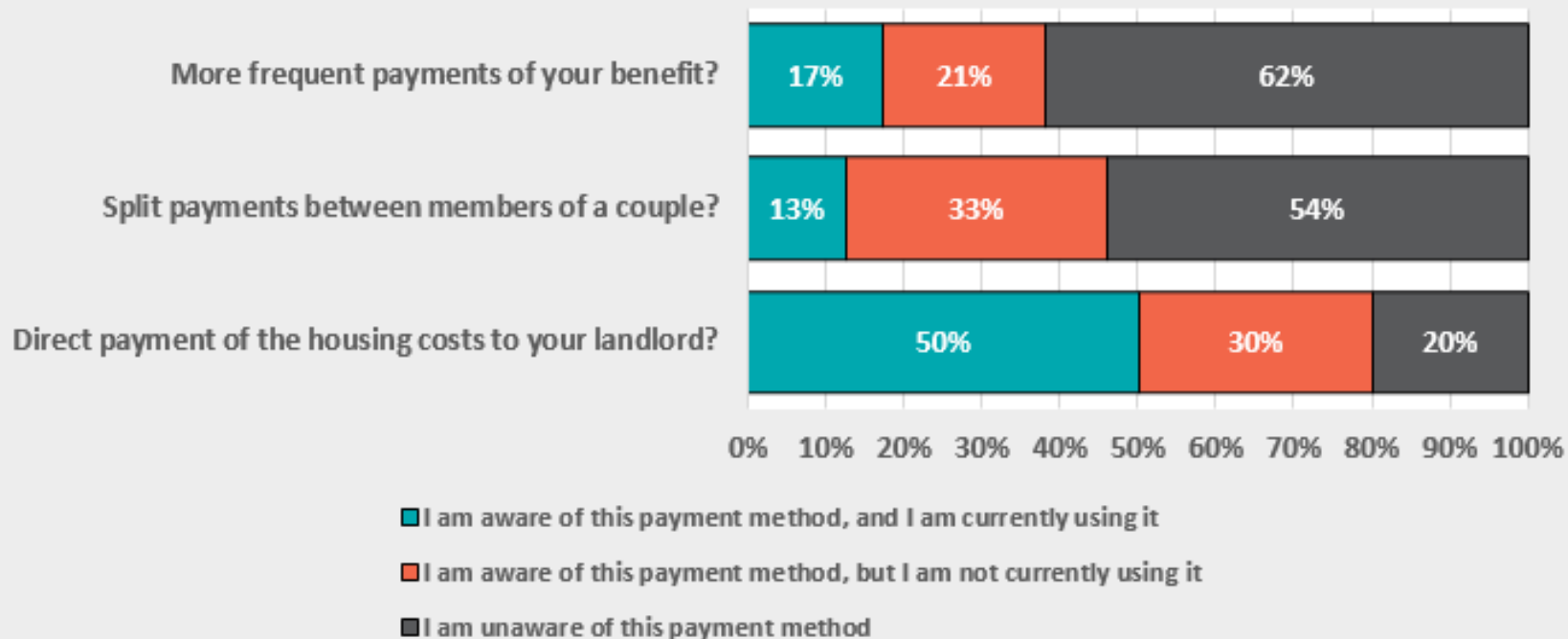
■ Yes ■ No

Advances

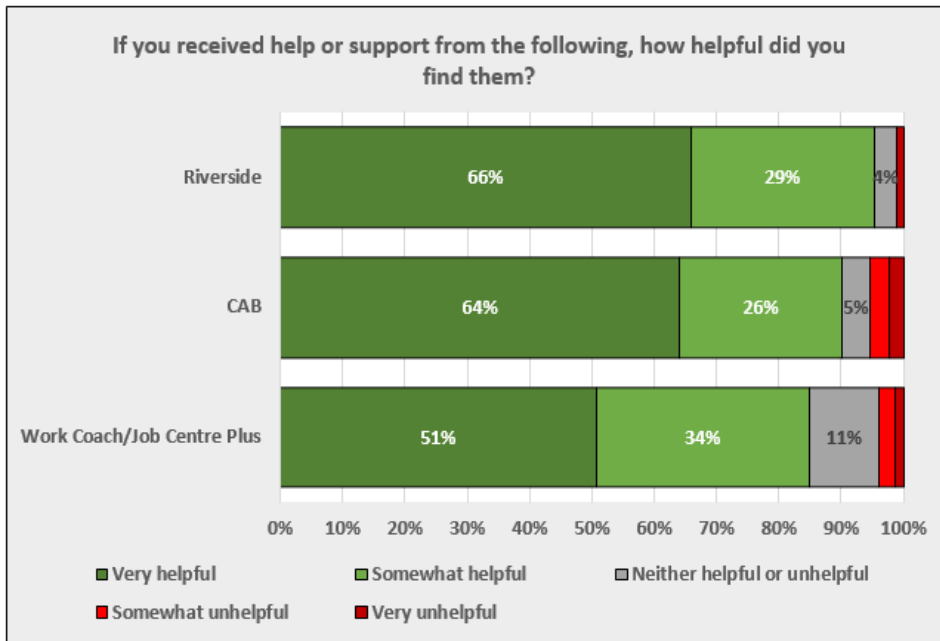
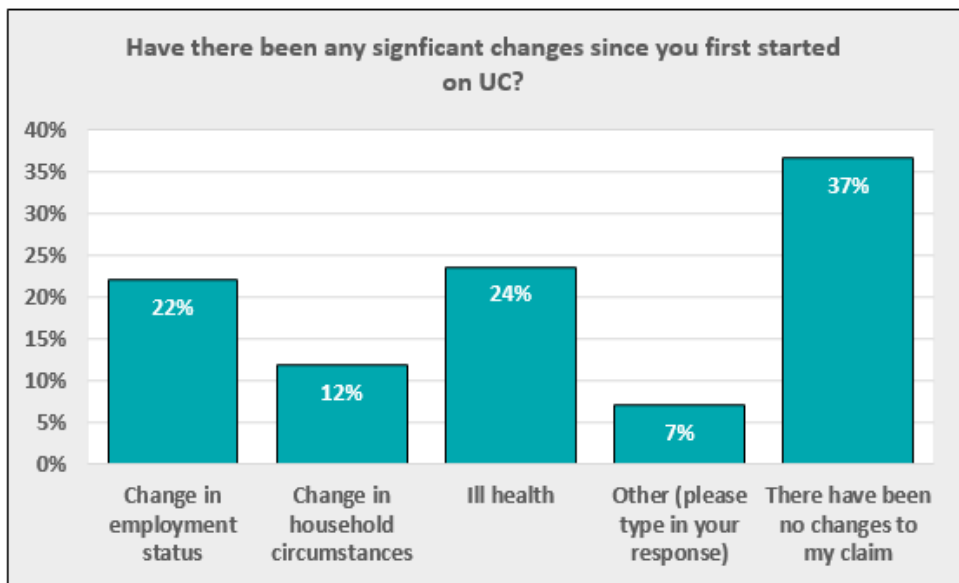


Help and Support

Which methods of having your UC paid to you are you aware of or currently using?

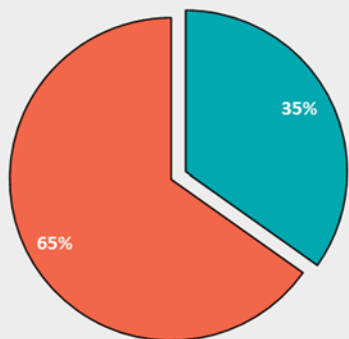


Help and Support



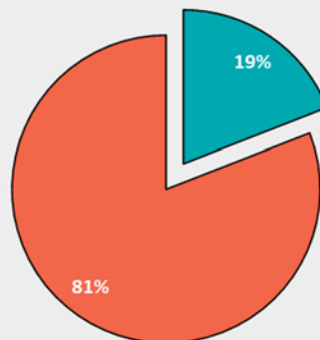
Impact of UC

As a result of claiming UC have you had to rely on help from foodbanks?



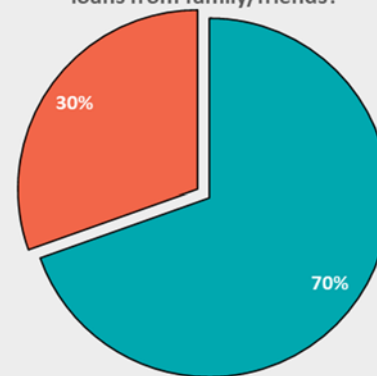
■ Yes ■ No

As a result of claiming UC have you had to rely on help from any other charitable or voluntary organisations?



■ Yes ■ No

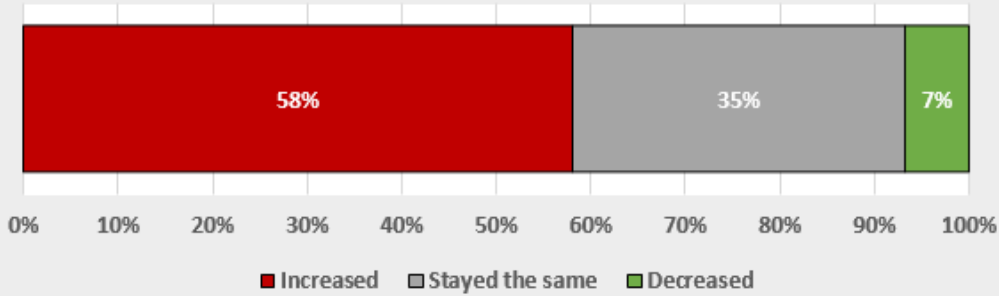
As a result of claiming UC have you had to rely on loans from family/friends?



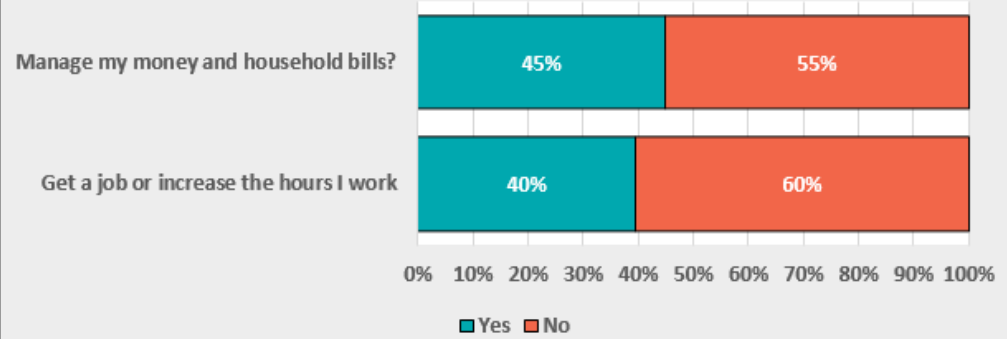
■ Yes ■ No

Impact of UC

As a result of UC, have your debts increased, decreased or stayed the same?



By claiming UC I feel better able to...



As a result of claiming UC, would you say your mental health and wellbeing has stayed the same, improved or worsened?

