

Universal Credit Advance (new claim, benefit transfer or change of circumstances)

Summary

How to deal with a Universal Credit Advance request for a new claim, benefit transfer or change of circumstances

Content

Eligibility and entitlement

A Universal Credit Advance for a new claim, benefit transfer or a change of circumstance is an advance of benefit for claimants in financial need.

A request can be considered on a new claim prior to a claimant's first Universal Credit payment if there is underlying entitlement to Universal Credit. It can also be considered for existing claimants when a change of circumstances has been reported and this will result in a significant increase in their Universal Credit entitlement. Examples of a significant increase would be the birth of a child or a partner joining a claim.

A Universal Credit Advance can be made without the claimant having already accepted the Claimant Commitment. For an advance to be made at this stage the agent must be sure that the claimant is likely to accept the Claimant Commitment. If there is evidence they have refused to accept a Claimant Commitment previously or there is doubt that the Claimant Commitment will be accepted, an advance must not be made until after it has been accepted.

If a claimant calls to request an advance ensure at the beginning of the call they:

- have provided their ID and that this has been verified
- have their bank details ready
- both claimants in the case of a joint claim are available to accept the advance and the recovery terms

When a request can be made

Universal Credit policy states that a request for a Universal Credit Advance can be made within the following timescales:

- a Universal Credit Advance (benefit transfer) can be made at anytime throughout the first assessment period
- a Universal Credit Advance (new claim) cannot be considered if the claimant is requesting a new claim advance within 3 working days before the end of the assessment period
- a Universal Credit Advance (change of circumstance) cannot be considered if the claimant is requesting a change of circumstances advance within 3 working days before the end of the assessment period

Below are two examples to illustrate the points made above.

Example 1

- a Universal Credit Advance application is made on 13/05/2015
- the assessment period is 15/04/2015-14/05/2015
- the application is too late because this is within 3 working days before the end of the assessment period

Example 2

- a Universal Credit Advance application made 14/05/2015
- the assessment period is the 20/04/2015-19/05/2015
- the application is not within 3 working days before the end of the assessment period as the 16/05/2015 and 17/05/2015 are a Saturday and Sunday and are not working days
- the 3 working days before the end of the assessment period in this example are the 15/05/2015, 18/05/2015 and 19/05/2015

Only one Universal Credit (new claim) Advance or (benefit transfer) Advance can be made on a new claim. For a reported change of circumstances, claimants can have more than one advance if it relates to a different change of circumstances.

The maximum amount for a new claim advance is 50% of the claimant's estimated Universal Credit payment, or for a significant change of circumstances 50% of the expected increase to the Universal Credit payment.

Recovery periods

All advances are intended to be recovered promptly but must be recovered:

- over a maximum 6 month period in the case of a Universal Credit Advance (new claim and change of circumstances), or
- over a maximum 12 month period in the case of a Universal Credit Advance (benefit transfer)

Repayments start from the claimant's next Universal Credit payment.

In exceptional circumstances repayments can be deferred for up to 3 months for a Universal Credit Advance (new claim and change of circumstances) and Universal Credit Advance (benefit transfer) awards. However, the deferral can't be considered at the time of application.

If an agent receives a request for a deferral see Claimant requests a deferral of their Universal Credit Advance repayments.

A Universal Credit Advance (new claim or change of circumstance) is a discretionary payment and therefore the claimant is not able to appeal any aspect of the decision. A claimant requesting a Universal Credit Advance (benefit transfer) does have the right of appeal.

For administration purposes the agent who is dealing with the request for the Universal Credit Advance is the decision maker for this process, this could either be:

- a telephony agent (TA) for requests received by inbound call
- an account developer (AD) for requests received by post

Request for an advance received face to face or by post

If a Universal Credit Advance request is made face to face, the claimant is directed to request the advance for a new claim or a change of circumstances by phone.

The claimant is advised that:

- they must provide their ID and have this verified before they can apply
- must have provided all relevant documentation to support the change in circumstances (where appropriate)
- during the call they must have their bank details ready
- both claimants in the case of a joint claim are available to accept the advance request and recovery terms

The claimant's ID is verified by a personal and account support agent (PASA) before directing them to a telephone to make a claim for an advance. The PASA updates CAMLite Contact history confirming that an advance has been requested by the claimant, and that ID and all relevant documentary evidence has been verified.

The consequences of not doing this may include:

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- claimant may be refused an Advance although ID has been verified as system has not been updated automatically
 - if a claimant hasn't been asked to provide all relevant documentation at the interview, the advance claim can't be taken and may cause repeat calls
 - **extra resource time taken handling complaints or legal issues**

Request for an advance is received by post

If a written Universal Credit Advance request is received at the Mail Opening Unit (MOU) this will be scanned and uploaded into Document Repository System (DRS). A CAMLite task is then automatically generated for Universal Credit and is directed to an AD to consider the information given on the request and complete the Manual Payment Tool.

The task contains the following details:

- Task Type: Scanned Correspondence
- Sub Type: WHITE MAIL UN-STRUCTURED
- SLA: 3 Days

If the Universal Credit Advance request is made by text phone this will follow the same process as a written request.

The agent accesses the claimant records in the DRS and locates the Universal Credit Advance request letter.

The agent then makes an outbound call to the claimant to make a decision on the Universal Credit Advance request. When the outbound call is successful, the AD follows the process in 'Telephone call received for an advance' below.

If the call is unsuccessful, see Handling failed contact with claimant.

Telephone call received for an advance

The agent (either a TA or AD) confirms the claimant's identity using the relevant SmartScript and confirms the claimant has made a claim for Universal Credit. See Handling calls.

The agent accesses the Agent Portal and identifies the date of claim in 'Claim data and levers' on the Claim admin homepage. This is to establish if the advance request is in relation to a new claim or change of circumstances.

If the advance request is relating to a new claim the agent accesses the Customer Information System (CIS) to establish if the claimant(s) were/are claiming any of the following qualifying benefits within the last calendar month prior to the Universal Credit date of claim:

- Jobseeker's Allowance (income-based)
- Employment and Support Allowance (income-related)
- Working Tax Credit (claimant(s) can be in receipt of Working Tax Credit and still get through the Universal Credit gateway)
- Child Tax Credit
- Income Support

- Housing Benefit (claimant(s) can be in receipt of Housing Benefit and still get through the Universal Credit gateway).

In the case of a joint claim only one of the claimants needs to have been in receipt of a qualifying benefit.

If the agent establishes that the claimant(s) has been in receipt of a qualifying benefit (or credit) within the last calendar month prior to the Universal Credit date of claim, the request is treated as a Universal Credit Advance (benefit transfer), see Universal Credit Advance (benefit transfer).

If the request is relating to a new claim or change in circumstance the agent accesses the Manual Payment Tool, selects 'Advance' and follows the enclosed script to complete the application process. The agent then considers payment and issues a decision notification to the claimant.

With regard to the 'Date of claim for UC Advance', the date entered is:

- for a postal or Textphone application, the date the application was received
- for a telephone application, today's date

New claim advance eligibility

For new claim advances the agent:

1. Accesses the Agent Portal, opens Claim admin and selects 'View evidence'.
2. Checks if the claimant(s) identity has been verified. If the identity hasn't been verified this will show as one of the following and the agent goes to 'Request for advance disallowed' below:
 - Awaiting verification
 - Verification incomplete – awaiting further information
 - Verification incomplete – original required
 - Verification incomplete – illegible
 - Verification incomplete – out of date

- Verification incomplete – please contact us

If the identity has been verified this will show as one of the following:

- Verification complete
- Verification not required – data is superseded
- Verification not required – requirement satisfied by another document

The agent also checks CAMLite Contact history for notes confirming that ID and all relevant documentary evidence has been verified and that an advance payment has been requested by the claimant.

The consequences of not doing this may include:

-
- claimant may be refused an advance although ID/evidence has been verified as system has not been updated immediately
 - may cause anxiety for the claimant
 - may increase repeat calls
 - **extra resource time taken in handling complaints or legal issues**
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3. Accesses Claim admin, selects 'View claim data and levers' to establish the Universal Credit claim start date and the Universal Credit assessment period end date. Legacy Dialogue CU1 can also be used to check date of Universal Credit claim:

- if the first assessment period end date has passed, the agent goes to 'Change

of circumstances advance eligibility' below.

- if the first assessment period end date hasn't passed, the agent accesses 'View claim data and levers', navigates to the Assessment screen to establish the 'UC Indicative Assessment amount' (the agent views the most recent 'Creation date' and uses the 'Indicative assessment' amount displayed at that date)
 - if the indicative assessment amount is zero, the agent goes to 'Request for advance disallowed' below
 - if the indicative amount isn't zero, the agent navigates to 'Assessment' within the 'View claimant data and levers' screen and views the most recent 'Creation date' and uses the 'Indicative assessment' amount (displayed at that date) to complete the Manual Payment Tool with the indicative assessment amount
4. Compares the 'Date of claim of UC Advance' with the 'AP end date' on the Manual Payment Tool.
 5. Establishes if the application was made within 3 working days before the end of the assessment period:
 - if the application was not made within 3 working before the end of the assessment period, see 'Not within 3 working days before the end of the assessment period' below

6. if the application was made within 3 working days before the end of the assessment period, see 'Request for advance disallowed' below

Not within 3 working days before the end of the assessment period

The agent views CAMLite Contact history and the Central Payment System (CPS) to check if an advance has already been paid for this Universal Credit new claim:

- if an advance has already been paid the agent goes to 'Request for advance disallowed' below
- if an advance hasn't already been paid, the agent calculates the amount of the advance to be awarded by following the procedures in 'Advance of benefit awarded' below

Request for advance disallowed

If it is decided to disallow the application for Universal Credit Advance the agent advises the claimant:

For a new claim

"Thank you for your application but unfortunately you do not meet the criteria to qualify for a Universal Credit Advance New Claim. We will send you a notification confirming our decision. You may be able to obtain support from your local welfare provider within your local authority".

For a change of circumstances

"Thank you for your application but unfortunately you do not meet the criteria to qualify for a Universal Credit Advance. We will send you a notification confirming our decision. You may be able to obtain support from your local welfare provider within your local authority".

The agent then:

1. Provides the claimant with contact information for a local welfare provider if required. This information can be found in the District Provision Tool (DPT).

2. Ends the call to the claimant and updates CAMLite Contact history with the action.
3. Decides if a notification is appropriate:
 - if a Universal Credit Advance has been awarded but the outbound call with the advance decision was unsuccessful, the agent won't issue a notification as an agreement to the terms of the advance could not be obtained (or the partners consent if appropriate)
 - if a Universal Credit Advance has been awarded but the claimant/partner rejects the terms of the advance, the agent won't issue a notification
 - if the claimant/partner doesn't agree with any part of the Universal Credit declaration the agent won't issue a notification
4. Issues UC297 if appropriate. See Supporting Documents for exceptions and advances.
5. Uploads the notification letter to DRS.
6. Updates CAMLite Contact history and closes the task.

Change of circumstances advance eligibility

If the claimant is requesting an advance due to a change of circumstances the agent follows the data-gather action as in 'New claim advance eligibility' above and then takes the following steps to decide if an advance can be paid:

1. Establishes if the change of circumstances results in a significant increase to the claimant's Universal Credit award. The reported change of circumstances which could have the effect of increasing the Universal Credit award amounts are:
 - housing
 - child

- partner
 - disabled child
 - childcare
 - carers
 - limited capability for work (LCW)
 - loss of earnings (to be considered in the assessment period following the date final earnings were received, if the claimant is four weekly or monthly paid or in the current assessment period if the earnings significantly reduce sooner for example weekly paid)
2. Follows the steps in 'Request for advance disallowed' above if the change of circumstances hasn't resulted in a significant increase.
 3. Asks if the claimant has already informed Universal Credit of their change of circumstances. If Universal Credit hasn't already been informed of the change of circumstances, the agent gathers the information from the claimant. See Manual change of circumstances overview.
 4. Views CAMLite Contact history to check if the change has been reported and/or an advance has already been paid in this assessment period for this change of circumstances. If an advance has already been paid for this change of circumstances the agent follows the steps in 'Request for advance disallowed' above.
 5. Navigates to 'Assessment' within the 'Claimant data and levers' screen of Claim admin and completes the Manual Payment Tool with the indicative assessment amount:

- the agent views the most recent 'Creation date' and uses the indicative assessment amount displayed at that date
- if the indicative assessment award shows zero, this means there is a 'Nil' Universal Credit entitlement and therefore no eligibility to Universal Credit Advances change of circumstances see 'Request for advance disallowed' above

The agent:

1. Compares the 'Date of Claim of UC Advance' with the 'AP end date' on the Manual Payment Tool.
2. Establishes if the application was made within 3 working days before the end of the assessment period:
 - if the application was not made within 3 working days before the end of the assessment period, see 'Not within 3 working days before the end of the assessment period' below
 - if the application was made within 3 working days before the end of the assessment period, see 'Request for advance disallowed' below

The agent follows the steps in 'Request for advance is disallowed' above if the amount shown on the Universal Credit decision is the same or more than the amount in the 'Maximum allowable Universal Credit change of circumstances advance'.

The agent follows the steps in 'Advance of benefit awarded' below, if the amount shown on the Universal Credit decision is less than the amount in the 'Maximum allowable Universal Credit change of circumstances advance'.

Checking the claimant's ability to repay the advance for a change of circumstances

The agent navigates to 'Deductions and sanctions' and records the total amount of current deductions for fraud penalties and conditionality sanctions. Any other deductions are disregarded for the purpose of this calculation.

The repayment cap is 40% of the claimant's monthly Standard Allowance.

Considering exceptional circumstances when the repayment cap is reached

If the repayment cap has been reached, the agent considers the claimant's responses and determines if exceptional circumstances apply. The decision to breach the repayment cap is at the discretion of the agent:

- if yes, the agent advises that an advance can be offered and gets agreement from the claimant that they can afford the repayment, as their Universal Credit will be significantly reduced over the next 6 months (if the claimant doesn't wish to proceed the agent goes to 'Request for advance disallowed' above)
- if exceptional circumstances don't apply the agent goes to in 'Request for advance disallowed' above

Claimant requests an amount higher than repayment cap

If the claimant requests an amount higher than the repayment cap, the agent offers the available repayment cap amount and informs them of the monthly amount to be recovered:

- if accepted the agent advises the claimant of the recovery period and checks if they wish to continue
- if rejected the agent goes to 'Request for advance disallowed' above

Claimant requests an amount up to the repayment cap

If the claimant requests an amount up to the repayment cap, the agent offers this amount and informs them of the monthly amount to be recovered. If the claimant accepts the agent informs them of the recovery period and checks if they wish to continue.

Advance request on a joint claim

If the advance is requested on a joint claim the agent needs the partner's verbal consent before the advance can be issued. The agent advises the claimant: "As we told you at the start of this process we do require your partner's verbal consent before we can issue your advance. Is it possible to speak to them now?"

If the partner is available the agent returns to CIS and selects 'Relationship history' and current partner details and asks appropriate security questions.

If security is passed the agent advises the partner: "I need to confirm the details of your Universal Credit Advance and obtain your consent and agreement to the following declaration before we continue. I understand that my partner and I have joint liability to pay back this advance. I also understand that if this advance is paid, money will be taken from our Universal Credit award to pay it back. If we stop claiming Universal Credit or our award reduces due to a change of circumstances, we will remain liable for the remaining balance and it will be passed to the DWP debt recovery department. I understand that if any other deductions need to be taken from our Universal Credit account, this advance may take longer to pay back. Your advance will be (agreed amount), payable over (x) months at (monthly payment) per month, starting on the date of your first Universal Credit payment Your advance will be paid into the following account (agent relays account details given). Do you agree to this?"

If the partner doesn't consent the agent informs them: "As you are both liable to repay this advance you must reach agreement on whether you wish to proceed or not. This advance has been agreed in principle and will remain available to you until close of business on the next working day. If you both choose to go ahead within this time frame please make sure you call us back. If you do call us back please have your bank details to hand so we can pay the money into the right account".

The agent then goes to 'Request for advance disallowed' above.

If the partner consents the agent asks them: "Can you please pass me back to your partner so I can continue?"

The agent then goes to 'Authorising the advance payment' below.

If the partner fails security the agent asks to speak to the claimant and advises them:

"Unfortunately your partner has not passed the security questions and as a result we cannot continue with your application for an advance. As you are both liable to repay this advance we cannot proceed with payment of your advance until we verify your partner's identity and obtain their consent. This advance has been agreed in principle and will remain available to you until

close of business on the next working day. If you choose to go ahead within this time frame please make sure they call us back. As you have already agreed to this advance, we will not need to speak to you about this again, just your partner. If they call us back, please ask them to have bank details to hand so we can pay the money into the correct account."

If no contact is made by the partner by close of business the following day, the agent goes to 'Request for advance disallowed' above.

If the partner is unavailable, the agent advises the claimant: "As you are both liable to repay this advance we cannot proceed with payment of your advance until we obtain your partner's consent. This advance has been agreed in principle and will remain available to you until close of business on the next working day. If your partner agrees and you choose to go ahead within this time frame please make sure they call us back. As you have already agreed to the advance, we will not need to speak to you about this again, just your partner. If they call us back, please ask them to have bank details to hand so we can pay the money into the correct account."

Advance of benefit awarded

The allowable advance amount will be restricted to 50% of the Universal Credit assessment amount. The agent:

1. Records the claimant's age on the Manual Payment Tool and selects the appropriate Standard Allowance from the drop-down list on the proforma. There are 4 values of Standard Allowance:

- Single rate – under 25 years of age
- Single rate – 25 years of age and over
- Couple rate – both under 25 years of age
- Couple rate – one or both 25 years of age and over

2. Calculates the Repayment Cap amount which is 40% of the benefit unit Standard Allowance multiplied by 6.

3. Uses the drop-down list to select the number of months the advance is to be recovered over. The Manual Payment Tool calculates the advance recovery amount by dividing the award amount by the relevant recovery period. The recovery will start from the first available payment date:

- the Universal Credit advance recovery amount based on the information entered by the agent

- if the recovery amount auto-calculated is higher/lower than the Universal Credit Advance agreed, the agent ensures that the final month's recovery is adjusted

4. Navigates to the 'Payment and Deductions' screen in the Agent Portal.

5. Identifies all outstanding new claim and change of circumstances advances by viewing the 'Payment and deductions' screen.

6. Views current deductions to identify recovery amount of advance outstanding and views previous deductions to identify if there is an advance amount outstanding.

7. Identifies if the deductions screen shows a Budgeting Advance outstanding. If so, this is not to be used.

8. Checks if recovery of an advance is being made by viewing the Universal Credit decision.

9. Identifies if there was a clerical advance recovery by viewing CAMLite Contact history. If the following note: 'ARP1 no longer required. Advances now input on UC system for automation' isn't held in CAMLite Contact history, this will confirm that there will be no clerical advance recovery on the claim.

10. Calculates the advance amount outstanding and the amount of advance to be awarded to establish the total advance recovery amount. When there is an outstanding advance amount held on an ARP1, the agent adds the amount from the ARP1 to the amount of the newly awarded change of circumstances.. When there is an outstanding advance amount held on the Universal Credit system the agent adds this amount to the amount of the newly awarded change of circumstances advance.

Universal Credit claim 'in payment' in the portal

If the claimant's Universal Credit claim is 'in payment' the system will automatically input the advance deductions when the Universal Credit payment is issued.

Universal Credit claim 'in progress' in the portal

If the advance application was made more than 7 working days before the end of the assessment period, the agent creates a new case then selects 'Create new task' and completes as below:

- Task Type: Deductions

- Sub Type: Advance
- Start Task From: 7 days before the end of AP
- SLA: 3 days
- Notes: Please commence deductions - claim was not 'in payment' when the advance was originally awarded
- Assigned to: UC - Work Services

If the agent establishes the application was made within 3 working days before the end of the assessment period (Benefit Transfer advances only), the agent creates a new case then selects 'Create new task' and completes as below:

- Task Type: Deductions
- Sub Type: Advance
- Start Task From: Today's date
- SLA: 3 days
- Notes: 'Please commence deductions - check for manual deduction of first payment of advance in the first AP'
- Assigned To: UC - Work Services

The standard method of payment for advances is by direct payment, Faster Electronic Payments(FEP)should only be made in exceptional circumstances.

Authorising the advance payment

From 24th November 2014 the Special Payments Portal (SPP) will be available to make payments which had previously been completed clerically.

Many of these payments can now be entered in the SPP and CPS for payment.

To authorise the advance payment the agent access the SPP for instruction on:

- recoverable payments
- Budgeting Advance
- Recoverable Hardship Payment

- Universal Credit Advance (new claim)
- Universal Credit Advance (change of circumstance)
- Universal Credit Advance (benefit transfer)
- non-recoverable payments
- arrears payment
- Cold Weather Payment
- approver action
- change payment status

If the advance is requested on the same day as the Initial Work Search Interview at the Jobcentre, the SPP may not be available. It can take up to 7 hours for the SPP to become available when verification evidence (including housing costs) is updated and the Claimant Commitment recorded as signed on the Universal Credit system:

- if the SPP is unavailable, the agent completes and retains the Universal Credit Payment Instruction. On the following day the agent uses the SPP to record details of the advance
- if housing costs are not verified, the payment of the advance cannot be made through the SPP

The agent uses CPS when they cannot make payment using the SPP because housing costs have not been verified, or the portal is unavailable and the claimant requires an immediate payment.

If agent is unable to make payment via the SPP the agent:

1. Completes the Universal Credit Payment Instruction (UCPI) with the details provided by the claimant. This will be the bank account their Universal Credit has or will be paid into.
2. Enters the payment details into CPS.
3. Updates CAMLite Contact history with a summary of the action taken in all cases, for example the amount requested, amount

offered, if rejected, zero awards, amount agreed in principle, whether awaiting partner consent and the date up to which the advance will remain available. If an advance has been accepted the agent records the following for recovery of the advance:

- amount of advance
 - date of award
 - reason for the award
 - assessment period
 - recovery amount
 - schedule of recovery
 - agent's initials and location
4. Decides if a notification about the advance is appropriate.
 5. Completes the UC296 and issues a copy to the claimant. See Supporting Documents for exceptions and advances.
 6. Uploads the notification and the Manual Payment Tool to DRS. When saved before uploading the MPT automatically obfuscates the claimant's bank account details except the last 4 digits from the UCPI. If a clerical UCPI is completed the agent manually obfuscates the bank account details except the last 4 digits from the UCPI before uploading to DRS.
 7. Initiates recovery of the advance where appropriate. See Recovering advances.
 8. Securely destroys any printed copy of the UCPI.