

DWP Central Freedom of Information Team

e-mail: freedom-of-information-request@dwp.gsi.gov.uk

Our Ref: Fol 4134

DATE: 30 November 2016

Dear Mr Jefferson,

Thank you for your Freedom of Information request of 30 October 2016. You asked:

Please kindly provide the procedure used to check you are not over-paying claimants. I would have thought it safer to bypass the claimants and perform some kind of detailed credit check which allows you to see the information you need. You did announce a while ago that you would also be cross-checking with HMRC.

In order to help my request here is a letter you sent to a claimant:

<http://freepdfhosting.com/5d574fce95.pdf>

The letter, dated 23rd October 2016, informs a claimant that their Universal Credit has been suspended immediately because you do not know how much money the claimant has earned between 24th September 2016 and 23rd October 2016. The letter threatens to close the claim if such proof isn't received by 24th November 2016.

I'm concerned that you are relying on the claimant to provide you with such information. I'm also concerned that the claim was suspended without any notice giving the claimant no money to live on.

It may be helpful if I explain the role of the Freedom of Information Act. The Act provides a right of access to recorded information held by a public authority like DWP (subject to certain exemptions). The Act does not oblige a public authority to create new information to answer questions; nor does it require a public authority to give advice, opinion or explanation in relation to issues/policies under question.

Anyone can request copies of information which a public authority already holds in a recorded form, but the Freedom of Information Act does not require the Department to generate answers to questions, or create or obtain information it does not hold.

We were unable to open the link to the letter that was sent to the claimant so cannot comment on the contents.

Entitlement to Universal Credit is calculated in monthly assessment periods. The amount of Universal Credit paid reflects, as closely as possible, the actual circumstances of a household each assessment period, including any earnings reported by the employer during that

assessment period. Monthly reporting allows Universal Credit to be adjusted on a monthly basis, which ensures that if a claimant's income falls, they will not have to wait several months for a change in their Universal Credit.

Wherever possible, employed earnings are received through the Real Time Information (RTI) system used by employers to report Pay As You Earn (PAYE) data to HMRC. RTI enables a claimant's Universal Credit award to be automatically adjusted to reflect their earnings, which eases the reporting burden on claimants.

If earnings are not reported through RTI for any reason, the claimant needs to self-report their earnings to DWP as they have the responsibility to manage their claim, including reporting changes and paying their own housing costs. This is currently done via a telephone call to the service centre.

The guidance is as follows:

Employed earnings are not received – LIVE SERVICE only

Where employed earnings are expected but not received, the process for Live service is:

- First assessment period (AP1) – if no earnings for a claimant are received at the end of AP1 then the Universal Credit payment is calculated on the basis of nil earnings.
- Second assessment period (AP2) – if there are missing earnings in the end of the following assessment period (a double zero), then the system automatically suspends the award at the end of AP2 and the system prompts the case manager to contact the claimant.
 - o If a claimant self-reports earnings for previous APs: the UC award suspension is lifted and arrears payment are made.
 - o If we don't get hold of the claimant/claimant cannot self-report/RTI is not received in the third assessment period (AP3): after 32 days of the claim being suspended the case manager will get the consider claim closure "To do" and the award will be terminated.

Notes:

- If the claimant is a member of a couple and one of the members of the couple does not receive RTI earnings for two consecutive assessment periods – the double zero policy and process applies for both claimants and the claim is automatically suspended
- Normal rules apply regarding conditionality – once we receive earnings in AP2 the suspension is lifted and the conditionality altered.

We only need earnings from AP2 to unsuspend a case. This is because there will be cases when a claimant does not have earnings in AP1 to report. E.g. employer pays employees if they have started before the 14th of that month. If an employer starts after that date (e.g. 18th) their earnings for half of month one and all of month two will be paid at the end of month 2.

Employed earnings are not received – FULL SERVICE only

Where a claimant does not provide information or evidence within one calendar month of being asked, their award of UC can be terminated.

If you have any queries about this letter please contact me quoting the reference number above.

Yours sincerely,

DWP Strategy Fol Team

Your right to complain under the Freedom of Information Act

If you are not happy with this response you may request an internal review by e-mailing freedom-of-information-request@dwpgsi.gov.uk or by writing to DWP, Central Fol Team, Caxton House, Tothill Street, SW1H 9NA. Any review request should be submitted within two months of the date of this letter.

If you are not content with the outcome of the internal review you may apply directly to the Information Commissioner's Office for a decision. Generally the Commissioner cannot make a decision unless you have exhausted our own complaints procedure. The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow Cheshire SK9 5AF www.ico.gov.uk