

Beneath the trends

A detailed look at the issues facing claimants going through managed migration

November 2023

Executive summary

Background

The Department for Work and Pensions (DWP) is in the process of moving legacy benefit claimants onto universal credit (UC) through managed migration. This report summarises the outcomes of managed migration to date, and our findings from interviews with 19 tax credit claimants who had received a 'migration notice' informing them they have three months to apply for UC before their tax credit payments are terminated.

Progress to date

The latest data shows that by the end of August 2023, 118,000 legacy benefit claimants had been sent a migration notice. Among those, 64,000 had reached their deadline date including 16,000 who did not claim UC and had their legacy benefit payments terminated, a non-move rate of 27 per cent. Claimants who had their legacy benefits terminated were previously receiving, on average, £300 a month through tax credits.

Interview findings

- The migration notice effectively conveyed to the participants we interviewed (all of whom spoke good English) that their legacy benefits were ending and that they may be able to claim UC. But the notice also triggered a range of negative emotions and further questions.
- Participants sought further information to help them plan and budget during the move to UC. They wanted to know roughly how much UC they would receive, when their tax credits would end and when the first UC payment would be. Not being able to find answers to these questions increased anxiety about moving to UC.
- Providing claimants with more information about when their tax credits will end, and even a rough estimate of their UC award, would help them plan for and budget during the five-week wait for their first UC payment.
- A small minority of the participants called the managed migration helpline for more information, with mixed results. Even fewer sought independent advice. The vast majority sought information online

which did not provide them with a complete picture and often caused further confusion. In some cases, misunderstandings about managed migration left claimants worse off financially.

- Some of the participants were asked to attend an in-person ID verification appointment and had to miss work to do so. One disabled participant repeatedly requested a phone appointment to verify her ID, as she faced difficulties leaving the house, before her request was eventually granted.
- Appointments with a work coach are stressful for claimants. Using these appointments as the point at which some of UC's more complex rules are explained can be difficult for claimants, given that they are also having to provide evidence about their employment and do not feel able to ask questions about their entitlement.
- Claimants, particularly the self-employed, would benefit from the opportunity to get authoritative information about the relevant UC rules outside of a work coach appointment and before they have made a claim for UC.

Conclusions

Our interviews show that claimants did not have the information they needed or wanted to understand how moving to UC would affect them. Such misinformation and misunderstanding are likely to be reasons some people are not moving to UC despite having a strong financial incentive to do so.

Recommendations

Slow the pace of managed migration roll out in order to:

- Collect more evidence about the reasons people are not responding to their migration notice.
- Develop a booklet of information for claimants which offers important supplementary information about the transition from legacy benefits to UC alongside their migration notice.
- Clarify how the DWP is interpreting the transitional protection regulations. The current ambiguity is undermining welfare rights advisers' ability to calculate a claimant's entitlement and support claimants to make informed budgeting decisions about managed migration.
- Amend the migration notice to explicitly mention that claimants can get bespoke information about their entitlement to UC through the help-to-claim service.

Background

The Department for Work and Pensions (DWP) is in the process of moving legacy benefit claimants onto universal credit (UC) through managed migration. This began in mid-2022 when small numbers of claimants were informed that they had three months to claim UC and that their legacy benefits were ending. In April 2023, the DWP began to roll out managed migration at scale focusing on tax credit-only claimants. By the end of the financial year, it plans to have sent over 500,000 families a 'migration notice'.¹

Alongside the administrative challenge this poses to the DWP, UC requires claimants to make significant adjustments to how they manage their day-to-day finances. UC payments can be less frequent, UC is primarily claimed and managed online, and claimants have their income assessed each month. The vast majority of households who are financially worse off claiming UC will be entitled to 'transitional protection' to preserve their income at its pre-UC level but there is uncertainty about how this is being applied.

Child Poverty Action Group (CPAG) is undertaking research to identify the key issues affecting claimants going through managed migration, with the objective of helping to improve the process. We are sharing our evidence with the DWP on an ongoing basis.

This is the third in a series of public briefings summarising what we have found to date (our previous reports are available [here](#)). This report summarises our key findings on the DWP's progress to date, as well as our findings from interviews we conducted between April and October 2023 with 19 people who had received a migration notice.

Progress to date

The latest data shows that by the end of August 2023, 118,000 legacy benefit claimants had been sent a migration notice. Among those, 64,000 claimants have reached their deadline date including 16,000 who did not claim UC before the deadline and had their legacy benefit payments terminated, a non-move rate of 27 per cent.²

What the statistics do not tell us is how much people who don't move to UC are losing in tax credits. A recent freedom of information (FOI) request submitted by Z2K reveals that these claimants were receiving on average £300 a month through tax credits (this data refers to 770 claimants who were sent a migration notice between November 2022 and March 2023 and did not claim UC before their legacy benefit claims were closed).³

Through another FOI we sought to understand what analysis the DWP had done to understand why so many claimants with a strong financial incentive to move to UC did not.⁴ The DWP told us that:

- The themes they identified on why people did not claim UC⁵ were based on in-depth discussions with 'a small sample of claimants' who were sent their migration notice in 2022. These findings 'were not specifically coded or broken down numerically.'
- They did not conduct any research with the 770 people who did not make a UC claim and had their tax credit claims terminated by August 2023.

¹ DWP, [Completing the Move to Universal Credit: learning from initial Tax Credit migrations](#), 15 August 2023

² DWP, [Move to Universal Credit statistics, July 2022 to August 2023](#), 14 November 2023

³ FOI2023/66627. Available at: z2k.org/wp-content/uploads/2023/11/MM-FOI-non-claims.pdf

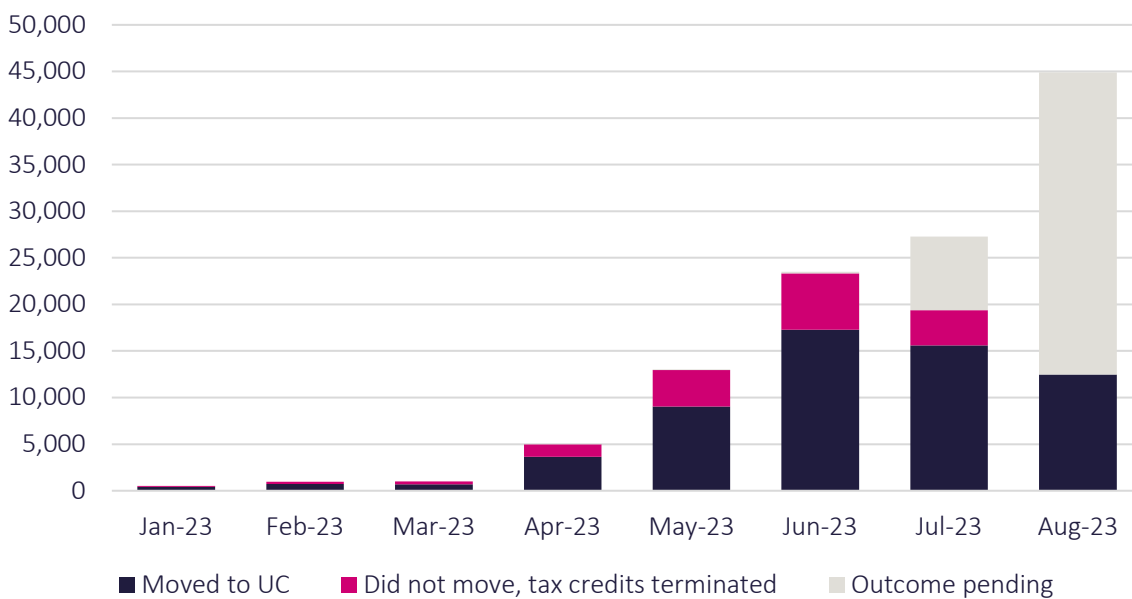
⁴ FOI2023/66627. Available at: cpag.org.uk/sites/default/files/files/post/Response_to_FOI_on_managed_migration_9Oct23.pdf

⁵ The DWP specified three themes about why people did not claim UC in a report published in August 2023. See note 1.

- They have not conducted analysis to estimate how many people may not have moved to UC because their circumstances have improved, and they no longer need tax credits, or because their tax credit claims were fraudulent.

Simply put, the DWP doesn't know what proportion of claimants are making a truly informed decision not to claim. Despite that, the DWP is rapidly increasing the number of migration notices it sends out each month.

Figure 1: Number of claimants sent a migration notice by outcome



Interview findings

Methodology

We advertised the opportunity to be involved in the research online and through stakeholder networks. People who wanted to take part could express their interest via an online form, after which the interviewer contacted them to arrange the interview.

Only people who had received a migration notice were able to take part. At the time of interview two participants were already in receipt of UC, the rest had either not yet made a claim or were waiting for their first payment.

Interviews were semi-structured and conducted over the phone or on zoom. They lasted 30 minutes to an hour. Participants were provided with a £25 voucher as a thank you for their time.

All participants were single, tax credit-only claimants. Most had children. Some also received personal independence payment (PIP) because they had a long-term health condition or disability, or disability living allowance (DLA) for a disabled child. All participants were in work either as an employee or self-employed. Among the employees, there was a mix of earnings cycles and fixed/variable hours. Participants included owner-occupiers and renters. All were able to participate in an interview conducted in English.

Even within the narrow cohort of those within scope of managed migration at the time of our interviews (single tax credit-only claimants) the circumstances of claimants varied widely. Each participant's situation was unique and typically their transition from tax credits to UC involved some degree of complexity (for example, because their earnings were not paid on a monthly cycle).

We intend to conduct follow-up interviews to see how participants' situations and opinions have changed two to three months after their deadline date.

Experience of tax credits

Participants generally had a positive opinion of claiming tax credits. They liked that it 'left you alone' (no behavioural requirements), 'paid the same amount on the day you expect it' (predictable), and that claiming tax credits felt 'dignified, like tax filing'.

Participants reported that the annual renewal process was generally straightforward. But some mentioned drawbacks of the tax credit system, namely:

- Difficulty predicting their annual income over 12 months (a concern of employees as well as the self-employed).
- Difficulties for some in reporting a change in income mid-year ('very rigid', 'clunky').
- Concern about the prospect of overpayments, and having to repay them.

While self-employed participants were more likely to report struggling to predict their income over 12 months and difficulties with overpayments, they thought the annual system worked well for them. This was because even though their earnings appeared volatile from month to month, it was smoother from year to year. Knowing they would be paid the same amount on a fixed date through tax credits helped them budget.

Participants often reported that tax credits provided a valuable top-up to their income, making statements such as 'thanks to tax credits, we were able to cope.'

Migration notice

Participants reported that the migration notice was brief, clear and easy to understand. But receiving the notice triggered a range of emotions:

- Worried – many participants said they felt very concerned about their income changing and how they would cope.
- Sad – some participants already had a negative opinion about UC and were reluctant to move but felt they had no choice ('despair', 'my heart sank', 'gutted').
- Confused – some participants were surprised that they had to move to UC because they had recently renewed their tax credits or thought that the move to UC would be automatic.
- Intimidated – some participants described the notice as 'threatening' and that they were 'being forced' to claim UC ('like an eviction notice').

Although participants appreciated that the notice was short and easy to read, they still had many questions about how managed migration would affect them, and the information they needed was not readily available.

Information seeking

Helplines

Most participants did not call the managed migration helpline either because they wanted to get information elsewhere or because they believed the helpline would involve a 'long wait', 'rude staff' and no resolution. Among those who called the helpline, satisfaction varied.

- One participant, who was concerned about how her savings would affect her UC entitlement, spoke to someone 'friendly' and got a 'helpful' answer.
- One participant called the helpline to find out how much they would be entitled to on UC and was told that he had to claim UC to find out. He described the helpline as 'useless'.
- One participant called the helpline wanting more information about how moving to UC would affect her and this gave her the confidence to make a claim. She later got contradictory information about UC and felt 'tricked into applying'.

One participant called the tax credits helpline and got no answer (she seemed to be unaware that there was a separate managed migration helpline). She was particularly keen to speak to someone to get more information about UC but concluded that 'the first time I'll get the chance to speak to a human will be at a [mandatory] job centre appointment'.

Specialist advice

Only two participants sought independent advice about managed migration – both accessed it through their union. One of them was confused that the information provided by the adviser contradicted what they had read online and wasn't sure what to believe. Another participant went to the job centre to speak to someone in person about claiming UC (and later returned to claim UC in person).

Participants' reasons for not seeking advice included:

- They had no choice about moving to UC so saw no advantage in getting advice.
- Advice services are only for those 'who really need it'.
- Advice services are already 'inundated'.
- Getting advice would be time-consuming.

Independent research

The vast majority of participants undertook some form of independent research to understand more about UC before making a claim. But one participant specifically did not seek further information: 'when you know it's going to be bad, you don't want to know more'.

The main sources of information were:

- Friends, family or colleagues who were already on UC or were seen as a reliable source of information.
- Facebook groups were used to get a 'realistic' information about UC from the perspective of existing claimants.
- Websites such as Revenue Benefits, Citizens Advice and gov.uk, and benefit calculators, were also used. With this kind of research some participants reported being 'overwhelmed', 'more confused' and worried about the accuracy of the information.

Independent research did little to reassure participants about moving to UC (one person who spoke to a friend on UC said: 'the government claims that UC ends poverty, but it doesn't'). They often appeared to have misunderstood some aspects of managed migration even after thorough research of reputable websites. For example, one claimant (an employee without savings) thought that transitional protection would last for one year and that her tax credits would have a two-week run-on.

Incomplete information

Despite participants' efforts, many had unanswered questions about UC or made decisions based on incomplete information that they later regretted. For example, one self-employed claimant believes she will be about £1,000 worse off because she was given misleading information from the managed migration helpline about the start-up period. She claimed UC early when she would have been better-off waiting until the deadline date.

Another claimant began her UC claim soon after receiving the notice and wanted to understand when her tax credits would stop before completing the claim. She called the managed migration helpline to get more information but was told to call the tax credits helpline instead. The tax credits helpline incorrectly told her there was 'nothing she could do' as her tax credits stopped automatically, when in fact they would not stop until the claim was submitted (though the helpline operative may not have realised that the UC claim had not yet been submitted).

Even participants who were very well informed (eg, they understood important aspects of UC such as the monthly assessment period and the administrative earnings threshold) struggled to get all the information they needed to anticipate their UC award. Many participants had at least one complexity in their income and were unable to find out how it would affect their UC entitlement such as: rental income from a caravan, income from a divorce settlement designated for the mortgage, forthcoming back-pay and savings in their child's name.

Often participants struggled to get very basic information about when their tax credits would end and how any over/underpayments would be resolved.

Digital UC

It's important to note that interview participants were recruited online and communicated with by email so were comfortable with digital communication.

The participants who had not yet made a claim for UC felt comfortable with the prospect of applying online. Among the participants who had already made a claim for UC, the process was mostly positive ('easy', 'quicker than I expected'). Despite this, many found the process stressful – they wanted to 'get it right' or were worried that seemingly relevant information wasn't requested, and their UC award would be incorrect. Self-employed claimants were the most frustrated with the claim form as the questions did not seem relevant to them or were difficult to answer. One participant who had to complete their tax credit renewal form at the same time reported 'cognitive overload'.

Not all participants managed to claim online independently. One person felt more comfortable applying in the job centre where staff supported him through it. (He was not concerned about managing his claim online subsequently as he could ask a friend to help).

Participants were mostly (but not universally) positive about the prospect of managing their claim online (though some were worried about 'the lack of human contact' on UC). Those who were less digitally confident said they would ask friends if they needed help managing their online claim. In the second wave interviews we will ask participants how they have found managing their UC claim online in practice.

Job centre appointments

ID verification

Two of the participants who completed their UC claim form also attended an in-person ID verification process. Both had to miss work to attend this appointment and waited over an hour to be seen, but the ID verification part itself was quick and straight forward.

Another participant who works from home, receives PIP and is too ill to leave the house experienced considerable difficulty verifying her ID. After submitting a claim for UC online she received a journal notification informing her that she had to attend an in-person appointment to verify her ID. She rang the helpline to request a phone appointment and the helpline operative told her to explain her circumstances through the journal. Despite doing this the participant's journal request for a phone appointment was refused and she then raised a complaint through the journal. Soon after she received a phone call from the 'job centre manager' who continued to insist that she attend an in-person appointment. When the participant mentioned that she had been signed off work, the job centre manager asked if she had a sick note, which the participant did, at which point she was told that if she uploaded the sick note to her journal a phone appointment could be arranged. Reflecting on the experience, the participant remarked 'you're making me jump through hoops, then to say you can do it anyway'.

In-person ID verification appointments are, at best, an inconvenience. At worse, they pose a significant barrier to claiming UC. In the case of this participant, a level of assertiveness was required on her part to have her needs accommodated. A claimant in more vulnerable circumstances may not realise alternative arrangements can be made and may not successfully complete a UC claim as a result.

Gateway interviews

Three of the participants (all self-employed) had attended a gateway interview, and they all expressed feelings of anxiety in anticipation. They described doing a lot of preparation in advance of their meeting. One said that the letter was 'helpful' in explaining what they needed to bring and appreciated the SMS reminders. One participant requested a different appointment time as the assigned one was inconvenient but was refused.

Of the three participants, one had a positive experience – he spoke to the 'self-employment specialist' for over an hour, and felt heard and validated. Despite this, he remarked that 'on UC you're at the mercy of the work coach'.

The other two participants had very negative experiences. They both reported being asked intrusive and personal questions and felt scrutinised rather than supported. One participant, who was also claiming PIP, presented a doctor's note which explained that she had a health condition that made it difficult for her to process complex information, but said that the work coach was not interested in this and proceeded in 'overwhelming' her with information about the minimum income floor and start-up period.

Appointments with a work coach are stressful for claimants. Using these appointments as the point at which some of UC's more complex rules are explained can be difficult for claimants given that they are also having to provide evidence about their employment and do not feel that they are in a position of power. Evidence from our interviews suggests that claimants, particularly the self-employed, would benefit from the opportunity to get authoritative information about the relevant UC rules outside of a work coach appointment and before they have made a claim for UC.

Waiting for the first payment

Participants were acutely aware that it would take five weeks after making a claim to receive their first UC payment; many were in this stage of the migration process at the time of the interview. Some participants

reported that they had delayed claiming UC because they could not afford to have a gap in their benefit payments, and others had not yet claimed for that reason. When asked if they had heard of or considered requesting an advance payment, they all said they would rather wait than fall further into debt (one participant remarked about the option for an advance payment '[I] didn't trust that').

Participants in the midst of the five-week wait reported financial difficulties (eg, 'struggling to cope', 'can't wait much longer', 'life has deteriorated'). One participant called up her mortgage provider to explain that the next payment would be late but did not know if she would be able to make a late payment.

Not knowing when their tax credit payments would end, how much their UC payments would be and the date they would be paid made it harder for participants to cope and added to their anxiety. Multiple participants were very worried about tax credit overpayments, or that they'd 'get nothing on UC'. One participant felt she was 'living in limbo' having no way of knowing what her benefit income would be.

Providing claimants with more information about when their tax credits would end and even a rough estimate of their UC award would help them plan for and budget during the five-week wait.

Perceptions of UC

Participants who were only claiming tax credits and renting their homes tended to be more positive about UC. From internet research, or after making a claim, they believed they would be better-off on UC as they would access more support for their housing costs, childcare costs and/or council tax ('It's easier to understand', 'unified', 'if UC works out fine, it will be a nice upgrade').

But most participants had negative opinions about UC and would have preferred to remain on tax credits: 'UC is for the helpless and the hopeless', 'it's high maintenance', 'precarious', 'less humane', 'trying to limit what people get rather than support them'.

Conclusion

The DWP has sought to avoid overwhelming claimants by limiting the amount of information in the migration notice and using it to sign-post recipients to further sources of information. However, our interviews with claimants found that they did not have the information they needed or wanted to understand how moving to UC would affect them. This lack of information made the transition to UC more challenging. Many developed an incorrect understanding of UC, sometimes leading them to make decisions that left them worse off financially.

This should also be seen within the context of 27 per cent of people being sent a migration notice not claiming UC and having their legacy benefits terminated. We know that families having their tax credits terminated are losing, on average, £300 a month in tax credits, but we can only speculate on the reasons they have not claimed. Given the difficulty our interview participants had trying to find out key information about UC, misinformation and misunderstanding may be contributing to people with a strong financial incentive to move to UC not doing so.

Before the DWP begins to scale managed migration to people who also claim DWP legacy benefits, for whom benefits will be their primary or even only source of income, it must ensure that people sent a migration notice have the information they need to understand what it means for them and how to claim. Our interviews with claimants show that there is considerable room for improvement in this area.

Recommendations

Slow the pace of managed migration roll out in order to:

- Collect more evidence about those not claiming to understand if the vast majority are making an informed decision not to claim. Managed migration should not be scaled to people claiming DWP legacy benefits until this is fully understood.
- Develop a booklet with supplementary information about the transition from legacy benefits to UC to send to claimants alongside their migration notice. This booklet should be tailored to the claimant's circumstances (eg, if they are self-employed or claiming housing benefit). It should cover:
 - When legacy benefit payments stop
 - When the first UC payment is made
 - How UC is calculated
 - How outstanding benefit under/over payments are resolved through UC
 - How earnings affect UC
- Clarify how the DWP is interpreting the transitional protection regulations. The current ambiguity is undermining welfare rights advisers' ability to calculate a claimant's entitlement and support claimants to make informed budgeting decisions about managed migration.
- Amend the migration notice to explicitly mention that claimants can get bespoke information about their entitlement to UC through the help-to-claim service.

Do you have evidence to share?

If you are a benefit claimant, welfare rights adviser or third sector stakeholder affected by managed migration, please get in touch. We want to hear about your experience (good and bad) of managed migration to help us understand what's going well and issues the DWP needs to address. More information is available at cpag.org.uk/managed-migration-project.

About Child Poverty Action Group

Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. Our vision is of a society free of child poverty, where all children can enjoy a childhood free of financial hardship and have a fair chance in life to reach their full potential. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and end poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need.

Acknowledgements

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