



Spotlight



On Research and Campaigns

Universal Credit.

The introduction of Universal Credit to replace many benefits and Tax Credits has continued in this area.

Universal Credit does have advantages, such as

allowing claimants to obtain benefits and Tax Credits all from one single claim and the fact that it is adjusted in line with real time information on earnings, so avoiding potential overpayments.

However, we have had numerous Evidence Forms related to problems with Universal Credit.

Some of these report real hardship among claimants and resort to Food Bank use as a consequence.



Here are some cases where clients have experienced hardship:

A single mother from the Stamford area is unable to work as one of her two children is disabled and needs care. The client gets some maintenance from the father of the children and Universal Credit. She really struggles to make the money last out until the next monthly payment and often borrows from friends to help out. The client came to Citizens Advice for a food voucher to help stretch her income.

A 60 year old man from Spalding, who is unable to work due to illness, claimed Universal Credit and obtained an Advance Payment. However, having used this to pay off some bills, he was left with very little money to manage until the next monthly payment. A food voucher was requested to help out.

A Grantham client lives with her partner. Both have severe health problems and consequently claim Universal Credit. The client found some temporary part-time work, bringing in a small income. However, the Universal Credit payment for the next month was much reduced after she had to stop working. This left the couple very short of funds and asking for help in the form of a food voucher.

A 25 year old client lives with her partner who is employed on low wages. The couple claim Universal Credit, but after prioritising rent and utility bills, they have little left over for groceries. The couple requested a food voucher.

Some problems with Universal Credit have been addressed, particularly the need to apply online. Citizens Advice now works with the Job Centre to provide a help to claim service. However, there can still be problems with claiming.

A homeless client contacted us through webchat. He had no money and had lost his National Insurance number. He tried to claim Universal Credit but was told he first needed to get his National Insurance number. This can take a week or two, meaning the client has an extra wait until he can get some funds.

A 49 year old Stamford lady cares for her 20 year old disabled son. On his 20th birthday, the Tax Credits she relied on ceased and she was told to claim Universal Credit. She claimed online but the claim seemed to be rejected before she could fully explain her circumstances. As a result she had to reapply, causing a delay.



A 32 year old Holbeach couple were unable to complete their Universal Credit claim as it required both partners to attend the Job Centre. One partner works full time and could not get time off to go, not least because the Job Centre is several miles away. As a result of this problem the claim was rejected, leaving the couple in financial difficulty.

A 64 year old client from the Spalding area is unable to work due to long term illness. He applied for Universal Credit with the assistance of Citizens Advice help to claim service. He was too ill to attend the Job Centre as required to complete the claim and had to request a home visit. This caused a delay in completing the claim and left the client without income.

A 39 year old man from the Spalding area is partially sighted, so limited in what work he can do. He claims ESA to supplement his wages. On a visit to the Job Centre he asked whether it was worth him claiming Universal Credit instead of ESA. He was told it would make no difference, whereas a benefit check at Citizens Advice suggested he would be at least £10 a week better off on Universal Credit.

We will continue to monitor Universal Credit and hope that improvements continue to occur. Later in Spotlight, you will find results of a survey of Food Bank use, including by Universal Credit claimants.

What is Citizens Advice saying about Universal Credit?

“At Citizens Advice we’ve helped people with over 200,000 Universal Credit (UC) issues since it was introduced. Our clients’ evidence helped us play a key role in persuading the Government to make changes that ensure UC works for the people who need it most.”

See this link for further information <https://www.citizensadvice.org.uk/about-us/our-campaigns/all-our-current-campaigns/Universal-Credit/>

Food Bank Voucher Study: Spalding



Across the months of October, November and December 2019, we collected 92 forms, filled in by our assessors/advisers in response to client request for food vouchers: 23 in October, 36 in November and 33 in December. They have helped us gain a basic insight into what a generic claimant profile may be. Although this analysis does not aim to speak for every claimant through the door, it may hint at some of the extenuating circumstances which are leading to Foodbank use.

Figures in brackets correspond to the number of claimants cited.

The data indicates that the profile claimant may be living alone (39) and living in rented accommodation (59). They may be in receipt of Housing Benefit (32). In terms of employment, the claimant may be likely unemployed, but of working age (51) and in receipt of Universal Credit (45). They may be also in the process of claiming Universal Credit (5) or have been advised to (8).

The claimant will probably have English as a first language (69), but where English is not the first language evidence suggests that the first language would most likely be Lithuanian, Polish or Portuguese (19). There were 77 instances of debt, with some clients presenting with more than one type of debt. Of these, accommodation arrears (19) and council tax (16) are the most common debts. Clients will very likely have the skill to use a computer (61), but they may not necessarily be able to access one (29). There is early evidence to suggest that there may also be physical or mental health impairments (48).

For the next issue of Spotlight, we are planning to examine food voucher claims on a month-to-month basis.

In the news.

The Times reports that the number of Payday Loans taken out continues to fall rapidly. They predict that Payday lending could cease completely in the near future with several companies such as Wonga having closed. This is thanks to successful lobbying by Citizens Advice and others to more strictly regulate the business.

Which? magazine January 2020 publishes a report on hospital parking problems in England. They found that charges vary widely and that the different rules applied confused people when parking. Many people were caught out by such rules resulting in fines, often unfair. The findings are similar to those reported in the October edition of Spotlight, based on local clients' experiences.

Spalding Guardian reports that telephone scammers, pretending to be from South Holland District Council, have been targeting local people.

Campaign News

Supporting Thomas Cook Staff.

Alan, from the R&C team, and another volunteer supported a drop in session for Thomas Cook staff at Stamford College recently. The event was well attended and there were sessions held on CV writing and use of social media as well as advice from ourselves and recruitment agencies.

Scams Awareness Presentations to Community Groups.

During the last two months, Richard and Juliet have met 4 community groups to talk about Scams Awareness – the Ladybird Group in Sutton Bridge and Dementia Support Groups in Market Deeping, Stamford and Bourne. It becomes more and more clear that, although people are generally aware of the danger that scams can present, they are increasingly worried about the prospect of becoming a scam victim. This means that they welcome with enthusiasm the opportunity R&C provide to discuss the scams that have come their way as well as the ones that affect others in their age group and are keen to know about keeping themselves as safe from scams as possible.

Talks to date have been to groups of about 25-35 in size. The team is planning to provide presentations for larger groups in 2020 and is also developing links with a local Sixth Form to deliver presentations to a younger age group.

Currently, 40 volunteers have become Friends Against Scams and R&C looks forward to more doing so in the New Year.

Pension Scams

As many as 5 million people are at risk of being approached by Pension scammers. The billions of pounds being held by savers designed to provide them with a retirement income offers a major enticement to those fraudsters who would like to help themselves to our money.



Evidence obtained through the Financial Conduct Authority (FCA) and the Pensions Regulator (TPR) suggests that as many as 25% of people receiving a “cold call”, would be willing to accept and presumably listen to contact regarding their retirement savings. Their interest often centres around the worry that any savings will not be enough to provide the type of lifestyle that is hoped for. Consequently scammers concentrate on exploiting this interest and frequently offer opportunities to potential victims to boost their retirement income by investing in questionable schemes which would, at the very least, be described as high-risk. The chance to gain early release access to pension plan savings (before age 55) is also a popular approach.

Evidence suggests that:

- **the average pension pot loss is around £91,000 (FCA)**
- **more than £42 million has been taken from pension pots since pension freedom and choice regime was introduced in 2014 (police estimate)**
- **the number of pension scams continues to increase**
- **not all victims report such scams**

Typical contacts appear professional and use high pressure sales techniques. Urgency and secrecy are regularly promoted. They often offer a free review linked to the promise of high/guaranteed returns well in excess of any savings opportunities available elsewhere. The fraud is frequently hidden in the complexity which surrounds financial transactions - and the long term nature of pension investment can prevent problems from becoming obvious for some time. Typical high risk options include Overseas Properties and Hotels, Renewable Energy Bonds, Forestry, Car Parking and Storage Units. Money may well be spread around a range of unusual investments which are purposely complex with various different parties taking fees. In other schemes, scammers simply take the victims cash, making no attempt to invest at all.

Many scammers are located outside of the jurisdiction of either UK or EU law.

Some contacts claim to be tied in with the FCA or backed by Pension Wise. They may use the Pension Wise logo or say that the guidance they offer is Pension Wise approved. However, Pension Wise never cold call.

In reality full, good quality, specialist, legitimate pension advice is not free.

Fraudulent advice claims to be free but aims to drain our pension pots of money. It may offer itself as promoting pension liberation, exploiting a loophole or taking advantage of a tax opportunity – with the proposal to create the base for a loan, provide the chance for cashback or open the door to a unique, one-off investment

We can protect ourselves by rejecting unexpected offers, checking out who we are dealing with, contacting the FCA consumer helpline 0800 111 6768, not allowing ourselves to be rushed or pressurised, seeking impartial advice and reporting any actual or potential scam to either the FCA or Action Fraud.



It is rare that transferring resources from a final salary pension scheme is a good idea.

Access to Cash

Over the last few months the CASL Research and Campaigns team have been looking into the issue of diminishing numbers of bank branches and ATMs in the country, and with it the potential issues of restricted access to cash, especially in small or remote communities.

According to Which?, over 3000 bank branches have closed in the UK during the last four years, and a similar number of cash machines disappeared from the high street in the last six months of 2018. These closures are mainly being caused by the boom in online banking, decreased customer numbers as a result and high rents for business on the high street.



However, significant numbers of people, especially older people and lower income groups, rely on being able to access cash on a regular basis, and these people risk being marginalised from society by the trends in online banking and high street closures. Many people who prefer cash could potentially face having to pay to access their own money in the future, with many cash machines that remain being converted to charging customers for use. According to Which?, almost 1700 cash machines were converted from free to charging in the first three months of 2019.

Another trend is the rise in businesses and organisations who now refuse to accept cash as a form of payment, leading to growing concern that the UK is 'sleepwalking' towards a cashless society. This has led the Access to Cash Review and Which? to write a letter to Chancellor Sajid Javid urging him to take steps to prevent this from happening.

The Research and Campaigns team will be conducting an 'Access to Cash' survey in January, with questions relating to any experiences or issues concerned with accessing cash. Alongside this we will be running a slide display at Spalding Citizens Advice office, raising awareness of the issues.

Evidence forms (October to December 2019)

These are forms filled in, electronically, by our assessors/advisers after interviewing any client who comes to us with an issue of unfairness. The forms are monitored both by the CASL Research and Campaigns team and by national Citizens Advice.

Type	Number
Benefits	43
Universal Credit	31
Consumer	12
Debt	10
Discrimination	5
Education	2
Employment	15
Finance	5
Health	4
Housing	26
Immigration	2
Legal	3
Relationships	5
Tax	0
Travel	5
Utilities	7
Other (mostly food vouchers)	10
Total	185

Contact us.

We hope you found this edition of Spotlight of interest. If you wish to contact the Research & Campaigns team with questions or comments, please use the email, randc2@citizensadviceSouthlincs.org.uk.

Members of our team will be pleased to give presentations, about scams awareness or energy saving, to groups in the area. Just use the email address above for enquiries.