

Universal Credit and rented housing – frequently asked questions

This document provides private and social sector landlords with up to date information on Universal Credit and helps them understand what they can do to help their tenants prepare for their move to direct payments.

It explains how Universal Credit will ensure that the appropriate protections and safeguards are in place – both the trigger points for DWP intervention and recovery of arrears where they occur.

It also covers what budgeting and payment support is available for tenants who may need help moving to the new system. This includes alternative payment arrangements if claimants are finding it hard to manage their Universal Credit payment and pay their landlord themselves.

We remain committed to working closely with the rented housing sector to ensure implementation is safe and information is available.

For more information see the [Social landlord support pack](#).

Universal Credit and the Housing element – an introduction

Q1: What is Universal Credit?

Universal Credit supports people who are on a low income or are out of work, making it easier for them to start work and to stay in work. It will help to ensure that people are better off in work than on benefits.

Find out more about [Universal Credit](#).

Find out more about [Universal Credit and housing costs](#).

DWP has produced the [Universal Credit toolkit](#). The toolkit explains Universal Credit and how it will affect claimants.

Q2. Who will be able to claim Universal Credit?

Universal Credit will be available to people who are on a low income or are out of work.

To claim it people must be aged between 18 and 60 years six months, and must satisfy other eligibility criteria. See [Making your Universal Credit claim](#) for more details.

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Q3. How is Universal Credit being introduced?

Universal Credit is being introduced in stages and is available to single people, couples and families in some areas of the country. It is being rolled out to single claimants nationally from February 2015.

Whether a person can claim it will depend on where they live and their personal circumstances.

See the list of [jobcentres where Universal Credit is available](#).

Q4. How will Universal Credit be paid to claimants?

In the majority of cases Universal Credit will be a single, monthly payment which is paid in arrears directly into the claimant's account. Payments will include all eligible housing costs – which means that claimants will be responsible for paying their rent themselves.

Couples living in the same household will receive one monthly payment between them; this can be paid into a joint account or a single account in either person's name.

Any other adults living in the same household who are claiming Universal Credit will be paid separately.

Q5. How will claimants receive help with housing costs under Universal Credit?

Universal Credit payments are made up of different amounts (called 'elements') depending on the claimant's individual circumstances.

The Housing element of the Universal Credit payment helps tenants with their eligible rent and service charge costs. Regulations state that claimants must satisfy three conditions – payment, liability and occupation – to qualify for help with their housing costs.

DWP will, in the majority of cases, pay eligible housing costs directly to the claimant as part of the single Universal Credit payment. For private sector tenants, their Universal Credit Housing element will be whichever is lower out of their actual costs or the Local Housing Allowance rate.

For social sector tenants, their Universal Credit Housing element will be their actual housing costs. This cannot include service charges that are not covered by Universal Credit or charges for utilities, such as water or electricity.

If a social sector tenant claimant has any under-occupied bedrooms their Housing element will be reduced by:

- 14% for one spare bedroom
- 25% for two or more spare bedrooms

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Q6. How will Universal Credit affect social and private sector landlords?

There will be improved protection in place for landlords and tenants against arrears under Universal Credit.

Many landlords in the social rented sector receive their housing cost payments directly from their local authority. Universal Credit will be a single, monthly payment (including eligible housing costs) paid direct to claimants. Social landlords may need to look at how and when they collect their rent, and the level of support some tenants will need to make the transition to a single, direct monthly payment.

Landlords can get ready for Universal Credit by:

- familiarising themselves with the changes and looking at how they might need to adapt their policies and processes
- engaging with their tenants early, to start assessing their needs, and ensure they understand their responsibilities and the support available

Most private sector landlords will not see any change with the introduction of Universal Credit. This is because most working age claimants in the private rented sector are already used to receiving their Housing Benefit/Local Housing Allowance payments directly and are responsible for paying their rent to their landlord.

We encourage those private sector landlords who currently receive a managed payment from the local authority to familiarise themselves with the changes and look at how they can prepare themselves.

You can find more information in the [Universal Credit Toolkit](#) or contact your [regional partner manager](#) for specific advice and guidance.

Providers of supported exempt accommodation will not see any change as their residents will have help with their housing costs provided separately to Universal Credit in a similar way to Housing Benefit.

Q7. How can landlords help their tenants prepare for Universal Credit?

Landlords can help tenants to get ready for Universal Credit by encouraging them to:

- go online – Universal Credit is designed to be claimed online, if tenants don't have access to the internet or are not confident using a computer the jobcentre can tell them about local services that can help
- open a bank account to receive payments – Universal Credit will usually be paid monthly in arrears, into a single account so they will need to be able to set up direct debits or standing orders to pay their bills and their rent
- use the Universal Credit [Personal Planner](#) which checks what changes they may need to make to get ready for Universal Credit
- read the Welcome Guide. All claimants receive a [Universal Credit Welcome Guide](#) when they make a Universal Credit claim, to help support them through the changes. This

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Guide is available online and you can use this as a basis for your conversations with tenants.

Q8. What support is in place to help tenants with budgeting?

A number of safeguards are in place to support tenants and help them manage their money. Budgeting support will be offered when claimants first move onto Universal Credit; this can be money advice or, depending on their individual circumstances, an advance of benefit.

A claimant can ask for a Universal Credit new claim advance if they are in financial need and cannot manage until their first monthly payment of Universal Credit. This will be a proportion of the full payment and will be recovered over a period of time.

[Alternative Payment Arrangements](#) will be available in some circumstances for claimants who genuinely can't manage their monthly payment. This might mean having a managed payment made to their landlord, a split payment, or a more frequent payment (see section on 'Support and Alternative Payment Arrangements' for more information).

Paying Rent

Q9. What do landlords need to do to ensure that rent is paid?

Claimants will be expected, where possible to arrange their own rent payments as they would if they were in full-time work.

Landlords need to think about how this will fit with their own payment calendars. If landlords have previously received a managed rent payment from the local authority, they will need to speak to their tenants to agree arrangements for collecting rent from them.

In a minority of cases Alternative Payment Arrangements can be put in place to support claimants (see section on 'Support and Alternative Payment Arrangements').

Q10. When will a claimant get their first Universal Credit payment?

Universal Credit is assessed monthly and paid monthly in arrears. The first payment will usually be received 1 month and 14 days after they submit their claim.

Q11. If payments are made monthly, how will tenants pay their rent while they are waiting for their first payment of Universal Credit?

Many new claimants of Universal Credit will be coming from work and will be able to support themselves in the first month using their final payment of earnings.

However, where needed, a claimant can ask for a Universal Credit new claim advance if they are in financial need and cannot manage until their first monthly payment of

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Universal Credit.

Evidence requirements and checking claims

Q12. How will DWP check rent and tenancies under Universal Credit?

The claimant will be asked to provide the appropriate evidence to support their Universal Credit claim.

Q13. If a tenant doesn't have a copy of their tenancy agreement, will DWP accept other evidence as proof of a tenancy (e.g. letter from landlord)?

DWP may accept a landlord letter confirming the current rent and service charge.

Q14. How will annual rent increases be dealt with under Universal Credit?

Claimants should tell DWP of any changes that might affect their Universal Credit payment, including annual rent increases.

Q15. Will I know if a tenant is claiming Universal Credit?

Yes. DWP will send a letter to social landlords in all Universal Credit live areas identifying whether the tenant is a Universal Credit claimant. The letter will be sent out when the tenant makes a Universal Credit claim. This information will help landlords in assessing which Universal Credit claimants may need advice, support and assistance in relation to managing their financial affairs.

This is in line with the Social Security (Information Sharing in Relation to Welfare Services etc.) (Amendment) Regulations 2015 that will enable the sharing of limited relevant information with social landlords. The supply of information and its appropriate use is governed by requirements of the Data Protection Act. Social landlords will have an obligation only to use the information supplied by DWP for its specific intended purposes.

Q16. What do I do if the details supplied by DWP do not match my tenant?

If the details provided by DWP do not match those of your tenant, you can email: UC.SERVICECENTREHOUSING@DWP.GSI.GOV.UK to let them know as soon as possible. DWP will investigate any anomalies in the information supplied.

Calculating rent

Q17. How will monthly rent be calculated if a claimant's rent is paid weekly?

Universal Credit will be paid monthly. Weekly rents will be calculated using the following formula: weekly rent multiplied by 52 and divided by 12.

Q18. What about other payment frequencies, for example, four weekly?

Other payment frequencies will be calculated as follows:

- four-weekly payments are multiplied by 13 and divided by 12

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- three-monthly payments are multiplied by 4 and divided by 12
- annual payments are divided by 12

Q19. What will happen in 53 week years?

Universal Credit will always be calculated based on a 52 week year, unless rent is charged over fewer than 52 weeks.

Q20. Some social landlords have rent-free weeks – how will these be dealt with under Universal Credit?

If rent is charged over fewer than 52 weeks, the monthly payment will be worked out based on the number of weeks rent is charged. For example, if rent is payable 48 weeks of the year, Universal Credit will be calculated as weekly rent multiplied by 48 and divided by 12.

Tenants should be made aware of any rent-free weeks they may be entitled to so that they can notify DWP. This will help to avoid confusion and ensure payments are accurate.

Paying for two homes

Q21. In what circumstances can Universal Credit be paid on two homes?

Support through Universal Credit can be paid on two homes, if:

- liability for two homes has arisen because of fear of violence in the normal home. Both liabilities can be paid for up to 12 months as long as there is an intention to return to the original property.
- a disabled person can't move into a new home because it needs adaptations. The claimant must show that the delay is reasonable. Both liabilities can be paid for up to 1 month.

Multiple homes can be treated as a single home, for benefit purposes, where a family has been housed in two homes because of the size of the family, this is not time bound. The Housing element of Universal Credit can also be paid where someone is not able to occupy their home because of essential repairs but will only cover either the housing costs of the other accommodation or the accommodation which they normally occupy as their home (not both).

If someone cannot move into accommodation immediately because he/she is in hospital or a care home then the Housing element of Universal Credit can be paid on the new accommodation for up to one month.

Service charges

Q22. Will service charges form part of Universal Credit and how will they be paid?

Any eligible service charges will be paid directly to tenants as part of the housing

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element of their Universal Credit payment.

For more details see [Universal Credit service charges – guidance for landlords](#).

Q23. Do landlords need to make their tenants aware of what service charges are eligible for Universal Credit?

Landlords in the social rented sector will be responsible for clearly setting out to the tenant which of their service charges are eligible – in accordance with the eligible service charges regulations and guidance. The claimant will report this as part of their claim.

In the private rented sector, a tenant's total rent is usually made up of both rent and service charges, which are not separately identifiable. DWP will not need to collect separate service charge information for the private rented sector group as DWP will pay the lesser of the total rent or the appropriate Local Housing Allowance.

Support and Alternative Payment Arrangements

Alternative Payment Arrangements and managing rent arrears

For more detailed information see the [Personal Budgeting Support and Alternative Payment Arrangements guidance](#).

Q24. What happens if a tenant gets into arrears?

We would expect landlords to follow their usual rent collection practices. However, if the claimant is unable or unwilling to resolve a payment issue that puts them at risk of eviction, DWP can assist landlords by considering if a managed payment to the landlord (Alternative Payment Arrangement) is appropriate.

When arrears reach the equivalent of one month's rent, DWP will review the situation following notification from the claimant or the landlord. At this point DWP can offer the claimant budgeting support and may decide to pay the rent directly to the landlord.

When arrears reach an equivalent of two months' rent the landlord (or the claimant) can ask DWP to consider if an Alternative Payment Arrangement would be an appropriate course of action.

To notify DWP at either the one or two month stage, please open the [Universal Credit: Rent Arrears Form](#) and either email it (if you have access to a secured email system) or post it to DWP – full instructions are included on the form.

DWP offers an email address for landlords to use for urgent enquiries UC.SERVICECENTREHOUSING@DWP.GSI.GOV.UK. This should only be used for cases facing eviction or in instances where landlords require an urgent response.

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These measures will help to avoid the build-up of excess levels of rent arrears and to reduce the risks to landlords.

Q25. Will any claimants have their rent paid directly to their landlord from the start of their claim?

Yes, when a claim for Universal Credit is made it will be decided if a claimant needs support with budgeting and this may include putting in place an Alternative Payment Arrangement where significant support needs are identified. In these cases DWP staff will consider information from tenants and landlords before taking a decision.

Q26. If a tenant is already in arrears when they make a claim for Universal Credit, will their rent be paid to the landlord from the start?

This will depend on the claimant's circumstances. When a Universal Credit claim is made, DWP will work with the claimant and landlord to decide if budgeting support or an Alternative Payment Arrangement is required.

All cases will be looked at on an individual basis.

Q27. Under Local Housing Allowance, if a tenant currently gets a managed rent payment to their landlord, will this be the same when they move to Universal Credit?

All cases will be looked at on an individual basis. Universal Credit intends claimants to take responsibility for their own finances, but help will be provided for those who need it.

Q28. Can rent arrears be recovered from claimants through a deduction to their Universal Credit?

Yes, arrears of rent and service charges for the property the tenant is currently living in are included in the list of deductions that can be made from a Universal Credit payment.

The maximum rate at which deductions for rent arrears can be made is 20%. The rate used will depend on the claimant's circumstances.

Landlords can contact the Universal Credit Service Centre by calling 0345 600 0723* to request a 'third party deduction' for rent arrears when they reach the equivalent of two months' rent.

Q29. What information can DWP disclose to landlords calling the Universal Credit Service Centre regarding managed payments and third party deductions?

When landlords call the Universal Credit Service Centre, the telephony agent will verify their identity as the claimant's landlord before proceeding with the enquiry.

For Social Landlords

Where a confirmed managed payment/ third party deduction for rent arrears is in place, the telephony agent may disclose the following details:

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- the start date of the managed payment and/or third party deduction
- when to expect to receive the first payment of the managed payment and/or the third party deduction from DWP
- the amount of the first payment
- the maximum amount of the Housing Cost Element payable in the next payment of Universal Credit (this may reduce if there is a change in the claimant's circumstances - for example, in earnings). However, the circumstances that led to the change will not be discussed.

For Private Landlords

Where a confirmed managed payment/ third party deduction for rent arrears is in place, the telephony agent may disclose the following details:

- when to expect to receive the next payment of the Housing Cost Element and/or third party deduction.
- The amount of the payment and the period it covers (this may reduce if there is a change in the claimant's circumstances for example in earnings). However, the circumstances that led to the change will not be discussed.

Telephony agents are not able to disclose any additional information to either social or private landlords over the telephone.

Q30. Will landlords and other third parties be able to tell DWP if they know a claimant is likely to need support (e.g. because they are in rent arrears)?

Yes. Information from third parties (e.g. family members, support workers, the claimant's landlord), can be considered when assessing a claimant's ability to manage their finances.

For those claimants who are not yet in arrears with their rent but may benefit from some budgeting advice the DWP can refer the third party, family member or landlord to appropriate supporting organisations. Personal Budgeting Support or Alternative Payment Arrangement may also be deemed appropriate.

A relevant third party can contact the Universal Credit Service Centre by calling 0345 600 0723* to notify any concerns that they may have about a Claimants financial capability.

Budgeting support

Q31. What budgeting support will be available from DWP and how do claimants access this?

Personal Budgeting Support can be offered to anyone claiming Universal Credit. Claimants needing help with monthly budgeting will be identified through conversations with their Universal Credit work coach.

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Many claimants will be able to help themselves through the online budgeting support services that are already available, but DWP will help any claimants who have a clear need for more intensive support.

Money advice will be offered at a national and local level, and will include a mix of online, phone and face to face services.

The **Money Advice Service** offers advice and support to [claimants](#) and [landlords](#) to help them prepare for the move to Universal Credit.

Q32. Can a claimant have their Universal Credit paid more frequently than once a month?

More frequent payments are one of the options that will be considered if a claimant is having difficulty budgeting.

The claimant should contact DWP to be considered for an Alternative Payment Arrangement. They will also be offered personal budgeting support.

For more information see the [Personal Budgeting Support and Alternative Payment Arrangements guidance](#).

Q33. Will budgeting or ‘jam jar’ accounts be available to Universal Credit claimants?

While the majority of Universal Credit claimants will continue to be paid through mainstream current or basic bank accounts, we are looking at ways to make accounts with budgeting functionality more widely available.

We are consulting with financial providers across the private, social and third sectors and considering the best ways to make these types of products more available.

Universal Support – delivered locally

Q34. What support will be available to those who are not able to make and manage a claim independently?

DWP is currently working with local authorities and voluntary sector organisations, in Local Delivery Groups, to support claimants with the transition to Universal Credit. Claimants who are new to monthly budgeting or getting online will get the help they need to manage this process.

In addition, DWP has developed Universal Support – delivered locally (formally Local Support Services Framework). This will further develop the support for claimants with additional needs to help them make and manage a claim under Universal Credit. Eleven trials are currently running across Great Britain.

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More information is available on [Universal Support – delivered locally](#).

Q35. How can landlords become involved in local delivery partnerships?

DWP district managers and local authority managers have been asked to work together to create Local Delivery Groups for developing services for claimants with complex needs. Housing providers who are interested in becoming part of a Local Delivery Group should speak to their local authority about what's happening locally to plan for Universal Credit. Most local authorities have an individual who leads on planning for welfare reform. If this person can't be easily identified then landlords should contact the Revenues and Benefits teams in the local authority.

The **Money Advice Service** offers advice and support to [landlords](#) to help prepare themselves and their [tenants](#) for Universal Credit.

Specialist accommodation needs

Q36. How will supported housing be dealt with under Universal Credit?

Residents of supported exempt accommodation will have help with their housing costs provided separately to Universal Credit in a similar way to Housing Benefit in the short term.

DWP are also exploring the feasibility of a localised scheme to meet the needs of individual providers and their tenants.

Q37. How will temporary accommodation be dealt with under Universal Credit?

Tenants in temporary accommodation are not currently eligible to claim Universal Credit, so they will need to claim another benefit instead.

If the claimant is already claiming Universal Credit and then requires temporary accommodation they will receive the Housing element of Universal Credit based on Local Housing Allowance rates for the household size including a shared accommodation rate.

For more information visit www.gov.uk/universalcredit or the [Universal Credit toolkit](#).

*You can use the 0845 code to call any of our 0345 numbers. Check with your phone company which code is cheaper for you.