

Annex 6C: DWP's arguments against split payments (are all flawed)

There have been countless inquiries, consultations, focus groups, and expert input into how split payments could work. DWP has replied to many of these insisting that DWP should continue to pay the perpetrators of domestic violence the benefits due to their victims, for a variety of reasons.

In this Annex, we cover those reasons – and briefly respond to some of them. Such work is incomplete as it's not like DWP necessarily believe what they're arguing.

DWP objections

In a somewhat condescending response to Parliamentary Committees,¹ the Senior Responsible Owner for UC stated one reason *not* to offer (more) separate payments is that *some* claimants may not have access to bank accounts. This statement is worth unpacking:

"What are the rules when neither partner has a bank account? Will you stop payments or pay them late while they try to set up a bank account? What if the banks will not let them do that?"

DWP is correct to note that some people of limited means may struggle to gain access to a bank account. However, given DWP itself insists that UC claimants **must** have a bank account, it is notable that UC's SRO deploys this line of argument *when there is something that would help victims of domestic violence which DWP does not wish to implement.*²

We also note DWP's stated concern about couples who "only" have a joint account. This is plainly irrelevant, and asking every claimant for bank account details would in no way disadvantage such couples. Each applicant would simply provide the same bank details – just as any couple with a joint bank account would do when asked for their bank details by an employer, or in any other commercial transaction – and UC payments should go nowhere other than the account to which they both have access.

The Revised Payment Services Directive (PSD2)³ requires that payees confirm the name of the recipients of bank transfers. While DWP may be using a broad exemption to this, if it wished to to maximise and normalise informed consent for payments, UC could ask claimants a question that confirmed the name of the recipient.

We note this would likely also provide a further constraint on fraud.

¹ <https://parliamentlive.tv/Event/Index/a032a122-2449-4de5-85fc-91975c69c72e> 16:22:00 onwards, question starts at 16:19:00

² Q18

³ Transposed into UK law in the Payment Services Regulations 2017.

Re-using the existing user journey, asking the same question of joint claimants as that asked of first claimants would not, in itself, solve every problem. It would however open up *options for improvement*, and a range of whole-of-Government policy responses which UC / DWP could not otherwise support.

The brute reality is that those who abuse or coerce access to money will still be able to do so. But in a world where *every* applicant is asked for their bank account details, individuals will have *some* degree of choice over their 'share' of the UC payment – instead of that 'choice' being only with the first applicant.

No single step by DWP will resolve domestic violence – a problem not usually amenable to 'nudges' – but requesting everyone's bank details provides the potential to shift balances of power, in a situation (i.e. abuse) where no balance of power can ever be equitable.

Annex 6C: DWP’s arguments against split payments (are all flawed)	1
DWP objections	1
Oral evidence to Parliamentary Inquiries	3
Work & Pensions Committee: UC and Domestic Abuse	3
Government responses to Parliamentary reports	12
Government Response to the Work & Pensions Select Committee Report on Welfare Safety Net	12
Domestic abuse: Government Response to the Home Affairs Committee’s Ninth Report of Session 2017–19	13
Universal credit and domestic abuse: Government response to the Committee’s Seventeenth Report	15
DWP Correspondence with Scottish Government and Work & Pensions Committee	19
Letter from the Chair to Cabinet Secretary for Social Security and Older People, relating to UC split payments – dated 10 October 2018	19
Letter from Permanent Secretary to Chair relating to UC split payments in Scotland – dated 20 March 2019	19
Letter from the Chair to Cabinet Secretary for Social Security and Older People, relating to UC split payments – dated 11 March 2019	19
Letter from Chair to Permanent Secretary relating to split payments of Universal Credit in Scotland – dated 4 March 2019	19
Letter from Cabinet Secretary for Social Security and Older People to Chair, relating to Universal Credit split payments – dated 12 February 2019	19
Letter from Cabinet Secretary for Social Security and Older People to Chair relating to Universal Credit split payments – dated 12 June 2019	19
Other ‘comfort blankets’ that DWP should have outgrown	19
‘If DWP says anything about the application process, that would help criminals’	19
‘If DWP says anything about the databases, that would help criminals’	19
Hiding behind ‘personal responsibility’	19

Oral evidence to Parliamentary Inquiries

Work & Pensions Committee: UC and Domestic Abuse

Oral evidence, 24 April 2018

- <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/universal-credit/oral/82052.pdf>

Q534 **Alex Burghart:** Thank you. This is something that will come out in subsequent questions, but last week we had a number of concerns raised with us about the possible effect of single payments on households in which one partner was being abused. The Committee is interested in whether payments should be split and whether they could be split. Neil, if I could move on to asking you whether the system could handle a significant volume of split payments. Is there a technical reason why this could not be done?

Neil Couling: We have not yet automated the split payment process in the system. They are all manually prepared at the moment, so if you were to switch right now to a set of manual payments you would effectively be negating all of the automation that we have put into the payment system. It is a big job to do.

Q535 **Alex Burghart:** Has the Department considered separate online accounts for couples making joint claims?

Neil Couling: The accounts are linked for reasons of keeping the conditionality on both partners, where that applies, in step, but there are bits of the joint account that neither partner can see. Predominantly that is around the health conditions, so you cannot see what your partner is putting about their health conditions, for example.

Kit Malthouse: I wanted to add something about the split payments issue, because I have reviewed the evidence that you have had before. As somebody who has done quite a lot of work on domestic violence in the past when I had my policing role in London it strikes me that the discussion around this issue is slightly putting the cart before the horse, in that the most important thing, as far as I can see, and obviously this is a very important area, is that we are as well equipped as we can be to both identify and then direct those people who are victims of domestic or other kinds of abuse to the right kind of support before we decide jointly with them what the solution is or what assistance can be given. It strikes me that that is the most important thing. When you look at some of the cases that we have had through the Department that is broadly what happens.

If somebody comes to us and we are able to detect that they have been subject to this kind of abuse there are lots of other things, in many ways, that are more important that need to be done before you even consider a split payment that are really vital to their well-being that we get in place first. While I understand that split payments have become a bit of a political symbol, in terms of the great scheme of

things—of assisting those people and supporting them—it is a bit of a sideshow, to be perfectly honest. Much more important is that we are correctly skilled and that we have the right links into the support mechanisms to make sure that we are either ameliorating the abuse or we are eliminating it altogether.

Q536 Chair: We are going to come back to unpick and probe you on that answer, but, Neil, the question that Alex asked you was whether you could within the systems cope with a large number of split payments. Your reply was, “At the moment we do it manually”. Is there any intention of not doing it manually and therefore for the computer to be able to deal with a significant number of split payments?

Neil Couling: As you know we are developing the system in a so-called “agile” way, which in layman’s language means we are building it in stages and we have prioritised the stuff that has the high volumes attached to it to automate first. As split payments have very low volumes we have not prioritised that for automation and it is not in the plan to do that anytime soon. That might change with any proposals that might emanate from Scotland or Northern Ireland and then we would have to have a discussion with both Governments about the timing and fitting that into the work schedule. Right now if we had lots of split payments in the system it would undermine something we call “autopay” and “autocalc” that allows us to run the operation efficiently.

Q537 Chair: In theory at the end of your building of the system you would be able to do so automatically without any hiccup irrespective of the numbers of split payments you have to make?

Neil Couling: If I could get a clear policy position on it. The policy around this is quite tricky as well. It is one of the reasons probably the Scottish Government is yet to come forward with proposals, because there are a number of questions you would have to answer. We have split payments in the system not really for domestic violence cases. They are there for families who struggle, particularly the ones that I used to use when I had a real job and paid out benefits that were about people with, say, alcohol abuse and the claimant would take all the money and spend it on alcohol and there would be nothing left for the family. A 50:50 split would be quite rare. You would do 80:20 or 90:10. You would try and give a little bit of pocket money to the drinker and then get the lion’s share of the money going to the main carer.

Q538 Alex Burghart: Neil, at the moment when splits are made they are made on a simple proportional basis. They are not split as the housing component will go to one member of the family, the child component might go to a different member of the family?

Neil Couling: There are no components in Universal Credit. There are components in the calculation of gross entitlement, but when the money is settled there is just a chunk of money. There are no rules that say the child element erodes before the housing payment or before the personal allowance. There is no way of splitting it like that. You would need to decide a policy and, if you wanted a policy, the only policy I think you could come up with is a 50:50 split unless you could somehow decide on a

basis of caring how you split money. That is not easy to do. This is why it is a really complex area of policy before you even start to work out how you might deliver it.

Q539 **Heidi Allen:** It is perfectly doable. If the chunks go in individually they can come out individually.

Kit Malthouse: It is also worth reflecting perhaps on the fact that Universal Credit is a variable benefit. It depends on how many hours you have worked, and if one of the individuals in the couple is working more or works more then what should the split then be? You would have to require an ongoing split review, I guess, to say, "Well, are we happy as a couple that this is being split in the way it should be?" and is that monthly thing, a quarterly thing, an annual thing? Is that constant requirement for, effectively, budgetary negotiation within a couple likely to create more conflict? When you look at general indicators of conflict in couples out in society it is more often than not about finances, so creating a situation where there has to be more of a constant budgetary discussion might be more difficult.

...

Kit Malthouse: Obviously in both the legacy and the Universal Credit system if one of the members of the couple has reason to believe that a particular bill is unlikely to be paid for particular reasons then they can request the split payment. We do that with an alternative payment to landlords and there can be other provisions that can be made within the system. We can tailor it as in the legacy system, as it happens.

There is some early research, interestingly, back from 2016 in the early days of Universal Credit that shows that more Universal Credit payments are made into women's accounts than into men's, that the recipient is more often than not the woman rather than the man.

Ruth George: Yes, they tend to be the main budgeter.

Kit Malthouse: That is right, and so I think we should not necessarily characterise the system as the payment is all going off to a feckless man. It is much more nuanced and complex than that.

The key issue as I said before for me with the system is not necessarily split payments, because I do not think any of us believe that a split payment is somehow going to solve any kind of domestic violence or abuse. Certainly I think that in some of the evidence you have heard someone said that in certain circumstances it may exacerbate it, because it creates the opportunity for somebody to try to reclaim cash under duress from somebody who has received it. We do need to make sure that it does not make things worse.

Q541 **Ruth George:** Can I just say that it was the request for a split payment that was identified as making things worse, not the fact of the split payment itself? The fact that a woman receives, and it is usually women, money into her own name in her own account and therefore has the ability to leave an abusive relationship is

incredibly important in making sure that that relationship is not perpetuated beyond what she is able to bear.

Kit Malthouse: I completely agree with that, but the issue I am trying to put before you is that I think the issue of a split payment comes further down the track. The thing of primary importance is that first of all we are able to sensitively identify that somebody is being a victim of abuse and then we are able to get them the support and the help that is needed to try to get that abuse to stop, effectively. That might mean for them to flee or it might mean for them to have the support and confidence to be able to deal with it within the relationship. Whichever way, we would like to help them.

...

Q580 **Nigel Mills:** If the Scottish Government do decide they want to do default split payments, how will you do that system-wide? Would that be manual for all of them or will you have to bring forward automation of that?

Neil Couling: Ideally we would like to automate everything in the system, because any clerical system costs you to run, is more likely to get error in it and more likely to annoy Parliament when I can't tell them what is going on, because the easiest way to get data is off an automated system. I would look to automate it but, as the Minister was just setting out, this is a very complex area. I think some of your questions at the last hearing, Mr Mills, were honing in on that.

There are not simple, easy solutions to doing this and there is a risk that for the most vulnerable, splitting payments undermines their situation rather than enhances it, because they are in the system now, this very small group of people, who have specific needs. I would want to be certain, if I was designing the policy in Scotland or indeed in the rest of the United Kingdom, that in the dash for the split payment for everybody, we did not undermine the situation of those very vulnerable people.

Q581 **Nigel Mills:** Back to the system, on the current timetable, when will the automation be in place?

Neil Couling: After 2020. The number of people I suspect who are getting split payments is very small, it will not ever be large. I administered benefits on the frontline for four years and I did two in my entire career. Most people turn them down because they think it is going to exacerbate the situation in their relationship rather than help them. I think the numbers involved will be very small, hence it is at the end of the queue for any automation.

Q582 **Nigel Mills:** When you say after 2020, is that 2021 or is that 2025?

Neil Couling: I am hedging my bets a bit, because I would like to know what the Government's policy after leaving the European Union is and what the impact of that is on Universal Credit. I have planned across this period and I have planned up to 2020, but I have not planned beyond, because I have an eye to what might come in potentially before but also potentially afterwards as well, so I have not planned that

far out. But if it is a small number of people affected with a small gain, it will be at the end of the priority list, roughly speaking.

Chair: It does come back, doesn't it, about the Scottish Government, which is rather important?

Ruth George: Those of us who have been working on Universal Credit for a long time appreciate the complexities of the system that has come in and the problems there might be with a different payment system. Do you agree, notwithstanding the difficulties inherent with the DWP's computer systems, that the difficulties for a woman who is experiencing abuse, who cannot even get together the money for a taxi in order to flee that relationship, makes her position worse and more dependent on her abuser if she knows there is no physical way she can escape?

Kit Malthouse: Look, I completely admit and agree with you that economic circumstances are often used to abuse women and to trap them in particular circumstances—that is absolutely right. I have seen it again and again and again. The issue is what we can do to help and whether automatically splitting a payment will change that. Don't forget as well the vast majority of women are now in employment, we have women up at 72%-odd employment, and while there is still a significant amount that are not, if there are women who are trapped in those circumstances who cannot access the money to flee and should be fleeing, then I would hope that even in a split payment environment that we would be able to identify that and assist that woman to get out of that relationship as fast as possible. The split payment—

Q583 **Ruth George:** Often women don't identify themselves was the evidence that we heard last week—

Kit Malthouse: That is right, but that is—

Ruth George: —let alone when it happens in a split second.

Kit Malthouse: Yes. As I said, this is the issue that everybody has, including the police, that it is very difficult to identify where a victim does not wish to or is nervous about doing so. That is why we have to develop our skills, along with other organisations, in helping to identify it. Having even a split payment by default I do not think would solve the abuse in that relationship, albeit that I guess in some circumstances it might allow a woman to accumulate the funds to flee, but she has to flee to somewhere, to a refuge, and she has to flee to assistance and support. Hopefully there needs to be a crime report so that the perpetrator can be dealt with through the criminal justice system. It is much more complicated, I guess, than just the economic side of it.

...

Q588 **Neil Coyle:** You mentioned that the numbers of people accessing split payments will always be very small, but is this because the Universal Credit guidance says that they can only be used in very exceptional circumstances? Minister, perhaps

you could say something more—I know you have touched on this already—about the numbers accessing split payments and the characteristics and whether you believe the eligibility could be widened.

Neil Couling: My assumption around the numbers will always be small is driven from my experience in the legacy system. In the legacy system we have the ability to split payments: we have them in supplementary benefit, we have them income support, jobseeker's allowance, employment support allowance and the like. The numbers there are very small, so I am expecting that to continue in Universal Credit, assuming there is not a policy change to routinely split the payments. That was what was behind that.

Q589 **Neil Coyle:** But there is also a requirement that it is only provided in very exceptional circumstances in the guidance, which I assume you contributed to.

Neil Couling: Yes, because it is not a see situation, split payment, go to 50:50, it is to take a decision to look—many of the points Ms George has been making—at that family circumstance and is the money just going into a betting terminal or down the pub or is it going to support the children in that family and maintain the household, maintain the rent and so forth? That is why I say a 50:50 general split will be a problem for those small number of cases who need a 90:10 split or an 80:20 split. That is the point I was trying to make.

Kit Malthouse: My general view is in an abusive relationship, where a customer has declared that there is abuse and requires a split payment, then they should be given one. As Neil says, then there has to be a discussion about what the split is and what the best balance of the split is, but fundamentally, in any abusive situation and particularly in domestic violence, it is very important that the victim feels in control, so allowing the victim to make that decision effectively about having the split payment is key.

Oral evidence, 23 May 2018:

- <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/universal-credit/oral/83489.pdf>

Q631 ...

Iain Duncan Smith: No, the idea was that the split payments, the payments I think you were referring to, were always seen as an exceptional position, not as the norm. In fact that is mostly borne out. The work we did beforehand was based on the fact that the vast majority of people both in cohabiting relationships and in marriage sort their own finances out between them. They may not have joint accounts, but they certainly sort out who pays the bills and how that works. I think it is only about 2% of married couples who do not pool their resources in the way that they settle their household requirements, and only about 6% or 7% of cohabiting couples say that they simply do not and that they do it individually.

That, therefore, was one of the main drivers of saying that we want to make this as simple as possible so that people understand it. Again, I am scratching my head about this, but I think now the latest evidence is that the majority of payments are made through the woman in the relationship, There are some figures on that—I know it is something like 40% to 50% —and then a minority at a lower level are made and done by the man. So the settlement is agreed internally as to who is paying those bills and who is not paying them.

The point was to make it as easy as possible for the majority to be resolved through this, because the vast majority of people on Universal Credit will fall into the unemployed bit of it, then go through the employed bit and out again. Then there are a minority who will not do that, so how do you deal with a minority and resolve their issues, and how flexible is the system for that?

The system therefore does have the capacity to make those kinds of directed payments for exceptional circumstances, but to make them as a standard process was never conceived inside the system for the very simple reason that it gets very complex if you start doing that and everyone talks about various elements of Universal Credit but there are not any identified elements. The issue becomes what you pay somebody, and it would have to be done on a proportionate basis. If you wanted to split the payments you would have to know categorically who was making the payments on the household side and so what proportion of their payments does that mean—how are you going to split that?

It is an issue I know that is going on at the moment with the Scottish Government, because they have the devolved responsibility to decide that and they have argued that they would like to see a more statutory basis for split payments. I have to say that I am not sure that I have seen the real evidence that it resolves a series of major problems that are out there. There are elements of this where you would take that advice and do that for individuals—obviously in abuse cases or whatever. You would then say, “Right, okay, we will settle that. The money goes over there”, and that is how it is done. You can do that on a case by case basis, but to do it as a systematic choice would end up complicating the system and defeating the objective, which is to design a system around what the majority do and then give the isolated incidents the chance to resolve as and when they are needed.

Q632 Ruth George: How would you identify the abuse cases in those situations, either the potentially abusive ones or the existing abuse?

Iain Duncan Smith: Identifying that is the perennial issue in every single area, because it obviously requires the individual who is the victim in this particular process to identify that there is a problem and an existing ongoing issue—at what point does the individual finally decide, “This is my life, and it is being destroyed by another individual”? Where that evidence and information is available, the DWP should have that evidence, and if that is the case then they have the arrangements and the ability to make changes in that individual case as recommended both by the individual and by the authorities that are involved in it. The flexibility is there to do that, but it is done on a case by case basis.

So you come back to the point that there is no statutory point that allows you to say, "We can take the housing element of this" or whatever. It will have to be done as a percentage basis, so either 100% goes to an individual and you are isolating somebody, or 60% or 70% goes to them because they have care and you make an assumption about how much of the total payment that means. But there does not exist an elemental basis to this that would allow you to go, "Right, we will just pay these two elements and those three over here", or however it goes across the board. It has to be done on the percentage basis, and that means you have to look at the case specifically and say, "On balance, what proportion is required on the split basis by this individual as opposed to that?" That is essentially the way that it is done, and that was how it was designed to be.

Q633 Ruth George: Okay. So from your time, were those interactions between DWP and the third-party agencies who dealt with abuse, and the police and women's support agencies, in existence for communication?

Iain Duncan Smith: Again, I come back to the original question. Universal Support is the element that should allow that process to happen, because the local authority would be involved, and through the local authority that information should be made available to the police and the other agencies. Citizens Advice are involved in this. They are able to bring that evidence to the table immediately.

You can, and it should be feasible to, make speedy decisions on this. It is important to make a speedy decision, particularly in abuse cases, obviously, but that requires that knowledge to be gleaned immediately on request. If the individual themselves makes the request, that immediately triggers the whole process and if the request is made on that basis that immediately triggers the DWP to say, "Right, okay. Well, we are going to have to make a change on this. Talk to CAB, talk to the local authority. How deep is this problem? Are the other agencies involved?"

There is another positive on this: if they then come to the DWP and say, "I have a problem", of course that immediately becomes an opportunity for the authorities to say, "We are not engaged in this. Why are we not engaged in this if she is asking for this request? What is going on?"

Q634 Chair: There is nothing in the IT that could prevent large-scale splitting of payments. The IT could deliver Universal Credit.

Iain Duncan Smith: The digital system, of course, can at any stage be changed and modified, which is why this particular design is so unique and successful at the moment. You do not hear cases, because it works. The problem is that if you try to go in and make that change to make it a statutory process, that is going to complicate the existing processes, particularly as you are rolling it out. The more change you make the more likelihood of what has happened with some of the banks recently, where they go and make an arbitrary change to something and then suddenly they find it knocks on through the system.

Q635 Chair: Is there not an IT bar to this, Iain? Could the IT system do it?

Iain Duncan Smith: The IT is there first to serve the requirements of policy. Whether they would do that hugely depends on whether or not it is seen as a particular problem. I know that if I was sitting there now they would argue that doing this right now would cause all sorts of different problems, and that when you fully roll this system out, that would be the best time to do it. There is another year or so of that before you are finally settled.

While I understand that the Department retains an open mind to this, it has not seen the evidence to suggest that this is such a problem that it needs to be dealt with in a more statutory way in terms of the structure, or whether it is still better to deal with it on a case by case basis. I would think that case by case would be the right way to do it now, but just to come back to the original point in my answer to Ms George, Universal Support is there also as an early warning system. If you are working with the local authority and an individual or whoever makes a request like that, and the Universal Support relationship with the local authority is good, or the relationship with the CAB, which is the local authority's agent, the question will be, what do you know about this individual that means they are now arriving at the jobcentre with a problem and asking for a split payment or direct payment? Have they declared to you? Is there a case? Are the police involved? If not, why not? What is happening?

In a sense I would turn it the other way round and say that this becomes quite a good early warning device to say that something needs to be done about this. So the payment is an indicator of a problem, not necessarily the solution to the problem. While it is part of a solution it is not the whole solution. Therefore, as an individual process, it works.

The work is having to go on at the moment in Scotland to decide to what degree the Scottish Government want to do this, and that will unearth the issues that are involved. They call it open-mindedness, as I understand it, but they do not want to plunge into something right now. I would suggest that the Committee does not recommend that right now, because the scale of the problem would have to be significant for this to have been recommended at this stage.

Government responses to Parliamentary reports

Government Response to the Work & Pensions Select Committee Report on Welfare Safety Net

- **Government response:** [https://old.parliament.uk/documents/commons-committees/work-and-pensions/Government-Response-WPSC-Welfare-Safety-Net.docx%20\(003\).pdf](https://old.parliament.uk/documents/commons-committees/work-and-pensions/Government-Response-WPSC-Welfare-Safety-Net.docx%20(003).pdf)

Recommendation 8

We recommend that, while it devises a system for splitting payments, the Department makes all UC payments to main carers by default.

The Department does not agree with this recommendation. Currently, around 60% of UC payments go to the woman in a joint claim, who is usually the main carer. We feel it is important that the household maintains choice about who the UC payment is paid to. However, we have recently introduced changes to the claimant messaging to encourage couples with children to direct the UC payment to the main carer and we have committed to reviewing the effectiveness of this change.

We believe that most couples can and want to manage their finances jointly without state intervention. We recognise though that there are circumstances in which split payments are appropriate and when someone requests a split payment, we will support them by putting this into place and will discuss with them the other support available. Split payments can be used to support claimants in a number of different scenarios where there is financial mismanagement, for example when one member of the couple has an addiction, or is a victim of domestic abuse.

We will continue to work closely with the Scottish Government to establish the practicalities of delivering split payments in Scotland. We will observe their implementation to further understand the impacts, potential advantages and challenges of this policy.

The Government shares the determination to support and protect victims and survivors of domestic abuse. Universal Credit continues to support all victims of domestic abuse to claim benefits through a range of measures. These include easements, advance payments, referring to a local authority for accommodation support and signposting to expert partner organisations. We have listened to the concerns of stakeholders and, are taking forward a range of initiatives to improve our service.

We now have Domestic Abuse Points of Contact in every Jobcentre who have been trained by Women's Aid to identify and support the needs of anyone experiencing domestic abuse. They will work closely with local services to share knowledge, signpost victims and survivors to expert external support and be a source of support for Work Coaches.

Domestic abuse: Government Response to the Home Affairs Committee's Ninth Report of Session 2017–19

Domestic Violence – Home Affairs Committee

- **Report:** <https://publications.parliament.uk/pa/cm201719/cmselect/cmhaff/1015/1015.pdf>
- **Government response:** <https://publications.parliament.uk/pa/cm201719/cmselect/cmhaff/2172/2172.pdf>

Recommendation 6

That no payments under Universal Credit are made to the main carer by default, after decades in which the importance of independent resource for the main carer has been recognised, appears to be a particularly retrograde and damaging step. (Paragraph 42)

When couples make a joint claim to Universal Credit (UC), both are responsible for servicing the claim, and both benefit from the claim. A single payment of UC enables a household to clearly see the effect of their decisions about work on total household income.

Additionally, UC is designed to mirror work so that when claimants enter work there are only a minimal number of changes for claimants to undergo. As employers pay employees and do not divide salary payments amongst households, the UC payment arrangements mirror that. We believe that most couples can and want to manage their finances jointly without state intervention, so these arrangements fit with how the majority of people organise their lives.

We have listened to and recognise the concerns of Refuge, Women's Aid and others about the single payment structure of UC. For those couples currently claiming UC, around 60% of payments already go to the woman's bank account. While the concept of paying the household award to the main carer reintroduces complexities and practical challenges, we are looking at what more we could do to ensure the main carer receives the UC payment, and we will begin to make changes later this year.

Recommendation 7

Witnesses suggested that the Government's welfare reform policies were making it even more difficult for victims to leave their abusers and establish financial independence. We heard that the default single household payment for Universal Credit can reduce the autonomy of some women, make them more vulnerable to abuse and more likely to stay with an abuser. We recommend that the UK Government should make split payments standard for all couples in England and Wales, in line with the approach taken in Scotland. (Paragraph 43)

We recognise that domestic abuse, including economic abuse, is a horrific crime that can affect anyone. For those in receipt of Universal Credit who are experiencing economic abuse we ensure that split payments and managed payments to landlords are provided whenever requested, as well as easements in benefit conditionality, and referrals to local support. However, the government does not believe that introducing split payments by default is the appropriate policy solution and are instead taking forward a programme of wider initiatives that will better address the issue highlighted by the Committee. This includes directing household payment to the main carer.

We believe that most couples can and want to manage their finances jointly without state intervention. As indicated above, research has found that only 2% of married couples and 7% of cohabiting couples keep their finances completely separate indicating that introducing split payments by default for all would introduce unnecessary complexity to the vast majority of claimants.

The UC system is dynamic and flexible in that we can tailor claims to individuals' needs, whether this is through establishing split payments, or making other alternative payment arrangements. In UC, split payments can be guaranteed for those that require them, whilst the simplicity of the overall system is secure for others.

Split payments were created to prevent hardship to the claimant and their family, in circumstances where there is vulnerability in the household which leads to financial difficulty including financial mismanagement/abuse including where one member has difficulty managing the household finances due to an addiction; inability to budget for the household's basic day to day needs; and domestic abuse.

Anyone in a joint claim, including individuals suffering from domestic abuse, can request a split payment arrangement and we will support them in putting this arrangement in place. In order for this process to begin, all the claimant has to do is ask for a split payment to be applied. Claimants can request a split payment during a face to face meeting, a phone call, or online via the journal. A Case Manager, Decision Maker or Work Coach will then make a decision on the split payment request and on the next pay date, instead of receiving one household payment, claimants will receive split payments.

Whilst we do not intend to implement split payments by default, we will work closely with the Scottish Government as it designs the split payment policy and will observe their implementation to further understand the impacts, potential advantages and challenges of such policy.

We also have a range of support available for those victims who feel able to flee an abusive relationship. These include easements to benefit conditionality to give claimants the space and time needed to stabilise their lives, special provisions in both Housing Benefit and Universal Credit housing support when a claimant is temporarily absent from their home through fear of abuse, and exemptions from Child Maintenance Service application fees.

Support is available from the moment that claimants report their circumstances to us. We support them to open a new claim on the same day and ensure they are aware of the offer of an advance which can total up to a full month of their indicative entitlement. Work Coaches will also discuss and signpost or refer domestic abuse victims to organisations that can provide further support.

Following meetings with Women's Aid and Refuge, the Minister for Family Support, Housing and Child Maintenance has committed to inviting these key stakeholders and others to help us review and design learning and development products, which will help to understand the victim's perspective. We will apply this feedback and

consultation on work coach training, as well as sharing knowledge and expertise. By summer 2019, we will also have implemented domestic abuse specialists in every Jobcentre, to further raise awareness of domestic abuse and support work coaches.

Universal credit and domestic abuse: Government response to the Committee's Seventeenth Report

- **Government response:** <https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/1611/1611.pdf>

Recommendation 4

... The online journal for couple claims should be redesigned to ensure each partner has access to their own, private communication log with their work coach, not accessible by the other partner. (Paragraph 33).

21. The model of a separate journal for each member of a couple in a UC claim presents issues which may prove detrimental to victims of domestic abuse. In some households, couples within a joint UC claim may already know the login details to each other's accounts, including in a domestic abuse context. In these situations, the victim of domestic abuse may request a split payment and the perpetrator could potentially see that the payments are separated in the account, which could create risk of further domestic abuse instances occurring.

The Department is keen to ensure every individual has every opportunity to have private communications with their Work Coaches, therefore the claimant can phone, email or have face to face discussions in the Jobcentre. We are therefore not considering implementing separate journals for each member of a couple.

22. It is the Department's duty of care that claimants are protected at all times and ensure the use of sensitive information is applied correctly. Any sensitive or private information provided by the claimant will be recorded on other areas of our IT system so other staff members can access this. Therefore, in the event that the claimant's dedicated Work Coach is not available, another member of staff can continue to pick up these sensitive conversations with the claimant.

Recommendation 5

We recommend the Department publish all existing data on split payment requests. It should then work to fill in the remaining evidence gap by monitoring the disclosure of abuse and collating quantitative and qualitative data on the number of split payment requests, reasons for the request, and the number of split payment being made. It should publish its findings in a regular statistical bulletin. (Paragraph 40)

23. We agree on the importance of data and evaluation in order to monitor the use of split payments.

24. On 11th September, the Department published figures on the number of split payments as part of the Universal Credit Official Statistics series.⁴ The data shows us that in June 18, there were 20 households with split payments.

25. There are a number of reasons why the number of split payments may be low, such as the number of 'couples households' making up just 12% of all households in payment at present on UC – the majority of claims still being from single claimants. Additionally, some claimants may not see split payments as the solution, and domestic abuse victims may choose not to return to the household and will therefore make a claim in their own right.

26. The data published on the 11th September does not, however, provide information on the reasons split payments were requested.

27. Providing data on the reasons for split payments is not something the Department is currently considering as we need to consider sensitivities and protecting our claimants as a priority.

28. We will continue to commit to publish split payment statistics as part of the Universal Credit official statistical release. This will provide information on the number of split payments made in a given month. The next release is due on the 13th November and will subsequently be updated each quarter.

Recommendation 6

We recommend the Department commit in response to our report to providing the regular updates on its progress negotiating automation of split payments with the Scottish Government. This will provide a clearer understanding of the challenges, costs and feasibility of splitting payments by default. (Paragraph 66), and;

Recommendation 7

We recommend the Department support the Scottish Government to scope out and, if appropriate, support them to pilot different approaches to split payments in Scotland as soon as possible. This might include proportional and entitlement-based models. To ensure lessons are learned from the Scottish experience the two Governments should agree to co-commission and publish a full, independent evaluation of the pilots. In response to this report, the Department should tell us when this work will begin, and set out a clear timetable. It should also provide quarterly updates to Parliament on the progress of these pilots. When the final evaluation report is published, the Department should give careful consideration to whether, on the basis of the

⁴ <https://www.gov.uk/government/collections/universal-credit-statistics#contents>

evidence, there is a case for splitting payments by default in the rest of the UK. (Paragraph 75)

29. The Government notes the Committee's recommendations. The Department agrees that observing the implementation of split payments in Scotland will provide the Government an opportunity to further understand the impacts of such policy.

30. Policy and design teams in the Department and Scottish Government are working collectively to establish the practicalities of delivering split payments in Scotland. We continue to explore and follow closely the outcome of Scottish Government approach to split payments.

31. The Government's view is that a pilot considering different methods for how payments are split is not the best approach. The volume of work involved in delivering multiple solutions would markedly increase the scale of the challenge so further pre-pilot research would need to be carried out to decide on the best course of action.

32. The policy will be applied to a sufficiently large area for us to obtain strong data, allowing us to explore both the potential advantages of such a policy, as well as any previously unidentified challenges which may appear.

33. We will continue to work closely with Scottish Government officials as they design the split payment policy, as we have done previously with the design of the first Scottish flexibilities in Universal Credit known as Scottish Choices. Once agreed, we will implement the policy on their behalf when it is feasible to do so.

34. Our previous collaborative work with the Scottish Government involved joint user research labs, joint testing in Scottish job centres and co-hosted design work shops in London and Edinburgh.

35. This joint effort has built trust between the Universal Credit programme and the Social Security design teams in Scotland. We have also delivered Fair Start Scotland and the Scottish Carer's Allowance.

36. It is important to consider that, as a result of Scotland's devolution powers, the method by which the Scottish Government introduce their policy is a decision for the Scottish Government to make. The Government is certain, however, that the Scottish Government will have read the Committee's report and recommendations.

37. We will continue to observe the progress of the Scottish Government in implementing their split payment policy, but it would be inappropriate for the Government to comment or report on a devolved matter.

Recommendation 8

We recommend that where claimants have dependent children, the entire UC payment should be made to the main carer by default. Where alternative split payments requests are permitted, the higher proportion of the split payment

***should remain with the main carer other than in exceptional circumstances.
(Paragraph 76)***

38. Universal Credit is paid to a nominated individual in the household, with the option for claimants to request split payments. This is the same position as for many legacy benefits. This money is paid to the household to support the family unit as a whole. In situations where there is a fundamental breakdown or domestic abuse, the right response is to signpost and support claimants. Changing the way payments are made does not solve these problems.

39. For example, we use face to face meetings with claimants to signpost them to more specialist support services. Each district area has a team of partnership managers whose purpose is to make links with local partners, providers and refuges who work with or can help vulnerable persons, including refuges. For those leaving situations of domestic abuse, we make support available from the moment they report their circumstances to us, enable them to open a new claim on the same day with the offer of an advance, which can total up to a full month of their indicative entitlement.

40. In addition, for people who need extra support, we have a well-established system of hardship payments and budgeting loans within the benefits system. We also provide Personal Budgeting Support tailored to the individual's needs to help claimants manage their money, which is funded through Universal Support.

DWP Correspondence with Scottish Government and Work & Pensions Committee

Universal Credit - Domestic Abuse Inquiry page:

<https://old.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/inquiries/parliament-2017/inquiry/universal-credit-domestic-violence-17-19/>

[Letter from the Chair to Cabinet Secretary for Social Security and Older People, relating to UC split payments](#) – dated 10 October 2018

[Letter from Permanent Secretary to Chair relating to UC split payments in Scotland](#) – dated 20 March 2019

[Letter from the Chair to Cabinet Secretary for Social Security and Older People, relating to UC split payments](#) – dated 11 March 2019

[Letter from Chair to Permanent Secretary relating to split payments of Universal Credit in Scotland](#) – dated 4 March 2019

[Letter from Cabinet Secretary for Social Security and Older People to Chair, relating to Universal Credit split payments](#) – dated 12 February 2019

[Letter from Cabinet Secretary for Social Security and Older People to Chair relating to Universal Credit split payments](#) – dated 12 June 2019

Other ‘comfort blankets’ that DWP should have outgrown

‘If DWP says anything about the application process, that would help criminals’

Criminals clearly already know how the application process works, as they are able to make fraudulent claims. Consequently, the criminals know where DWP’s blindspots are; the only people who *don’t* know are those who abide by the law... and DWP itself.

‘If DWP says anything about the databases, that would help criminals’

DWP Digital is perfectly happy to talk about its databases at recruitment events, and whenever DWP wishes to blow its own trumpet. The Department is just not willing to tell the public when and where things are in the public interest, rather than in DWP’s own interests.

Hiding behind ‘personal responsibility’

<https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/2422/2422.pdf>

*19. From a policy perspective, it is also important to remember that **one of the key principles of UC is that it mirrors the world of work where claimants take greater personal responsibility for their finances and budgeting.** Parents not in receipt of UC have to manage their finances in order to pay their childcare providers and we feel it is right that this principle is maintained for working parents in receipt of UC. Where parents are eligible for reimbursement of the childcare costs element it*

forms an integral part of the overall UC entitlement amount that is paid following the end of the assessment period.