

Refugee Council submission to the Work and Pensions Universal Credit Inquiry

March 2017

We welcome the opportunity to submit evidence to the inquiry relating to the particular difficulties encountered by new refugees attempting to claim Universal Credit.

Summary

- We expect, on evidence available to us of roll out thus far, Universal Credit will result in the increase of destitution and homelessness amongst refugees moving from asylum support.
- The 28 days 'move on' period, already inadequate in practice to enable a smooth transition to welfare benefits, is now completely insufficient due to the design of the Universal Credit process.
- The government should urgently address the anomaly of the asylum support system and Universal Credit timescales to avoid routinely forcing new refugees into destitution and homelessness.
- Flexibility must be built into the application procedure in order not to exclude those with no National Insurance Number and/or no bank account at the time of application.
- A solution must be sought to the effect of limiting the Universal Credit Advance to those already assessed to be eligible, in order to avoid complete destitution.

About the Refugee Council

The Refugee Council is one of the leading organisations in the UK working with asylum seekers and refugees. We give help and support to asylum seekers and refugees, and also work with them to ensure their needs and concerns are addressed by decision-makers.

The evidence in this submission is taken in the main from our experience assisting refugees who are moving from asylum support having been granted protection in the UK; the service focuses on those refugees who are experiencing destitution and/or homelessness as they attempt to navigate the transition from asylum support to mainstream welfare benefits. Most of our clients experience a period without income and housing as a result of the difficulties they encounter. Some of these issues are reported in our recent research reports [28 Days Later](#), in 2014 and [England's Forgotten Refugees](#), published in May 2016.

We have also drawn on the limited experience we have with Universal Credit roll out in our work with resettled refugees through the Gateway Protection Programme and the Syrian Vulnerable Persons scheme.

Our experience of assisting refugees to integrate into life in the UK leads us to the conclusion that the roll out of Universal Credit will increase the difficulties encountered by refugees, particularly those who are moving on from the government's asylum support system which provides them with accommodation and subsistence whilst they await the outcome of their claim for asylum. We envisage more refugees will experience homelessness and destitution as a result of the roll out of Universal Credit, mainly due to the timescales involved in its processing. The 'move on period' prescribed by government for those granted a form of leave to remain in the UK, is 28 days. Our evidence shows that this is insufficient time for a claim for Universal Credit to provide an income for the refugee. Additional barriers to a smooth transition arise from the refugee's lack of prior financial engagement in the UK, unlikelihood of having a bank account prior to claiming Universal Credit, as well as any delay in providing the required documents and the additional requirement for some of our clients to undergo the Habitual Residence 'test' even though they are exempt.

The impact of these additional delays resulting in homelessness and destitution should not be underestimated. For our clients, the practicalities of being without an income and a safe place to live results in at best a stalling of their recovery from their traumatic experiences, but frequently means a deterioration of their mental health. Our clients do not have ready access to family and friends who can provide a 'safety net'; we frequently hear disturbing accounts of women feeling they have no option but to engage in transactional sex with men to secure a roof over her head and a night away from the streets. Continued uncertainty about when they will next have money for a meal or a bus, or worrying about where they will sleep on a daily basis impedes our clients' ability to engage with the process of seeking work or navigating the systems, including showing eligibility for specific benefits and/or housing.

Those clients who have been supported by the government because they have been trafficked have even less time to move from their specific support system to mainstream welfare benefit provision. The move on period for refugees supported under the Victim Care Contract which we understand only requires the Salvation Army to provide for 14 days support following a positive resolution to the asylum claim. This seems particularly harsh and surely warrants further examination.

Resettled refugees receive an emergency payment from the Home Office as a 'safety net' for their days in the UK before the claim for welfare benefits has been processed. Even with the assistance of our dedicated staff and some very helpful, well informed JobCentrePlus staff in areas with years of experience, our clients are not receiving Universal Credit payments until after the period this money is meant to cover.

It is important to note that refugees resettled here will arrive with no funds and are completely reliant upon the government for financial support. Refugees who have been through the asylum support system will not have been permitted to work, nor are they able to save any money from the £36.95 per week, per individual, provided through the asylum support system. Indeed any savings or other income they secured would make them ineligible for asylum support as it is only available to those who would otherwise be destitute. It is vitally important that people in need of international protection are able to move on smoothly from one government safety net to another. As we show below, this is not possible where the client lives in a Universal Credit roll out area.

Timescales

The issues relating to the seven day 'waiting period', four week 'assessment period' and a week's processing time have been well reported and concerns raised about them. The impact on those who are moving from government provided asylum support, which ends 28 days after a refugee is notified of

their leave and entitlements, which means that even without the already documented delays, a refugee is unable to secure an income within the time allowed by government.

A very simple amendment that would slightly ease the situation immediately would be to add refugees and others granted leave to remain who are eligible for welfare benefits to the list of individuals who are exempt from the seven day waiting period.

Another immediate improvement would be to ensure that the policy to make refugees exempt from the Habitual Residence Test is applied automatically in practice, so that undue delays are not caused by unnecessarily interviewing a person whose document says s/he a refugee or beneficiary of Humanitarian Protection.

The government must find a way to amend one or other timescale (either the 28 day move on period or the 6 weeks delay in Universal Credit) to avoid making new refugees destitute as a matter of government policy.

Requirements to use online system and associated difficulties (including bank accounts and Experian checks)

Legally one does not have to already have a National Insurance Number in order to apply for welfare benefits, although the absence of one has frequently delayed the processing of the claim, as documented in the research reports cited above. However, applications for Universal Credit cannot be submitted without a National Insurance Number, which introduces a delay that is no fault of the applicant. In our experience, calling the Universal Credit helpline has not eased this barrier. Similarly the requirement for bank account details to be entered onto the online application in order for a claim to be processed. Refugees are amongst the cohort of benefit applicants to be disadvantaged due to a lack of stable address and income, effectively preventing them from opening a bank account; almost all of our clients are affected in this way. The result is that even those applicants who previously had been able to submit an application for welfare benefits, even with difficulties, once in a Universal Credit area, it is not possible to see how this will be achieved. **Urgent attention must be given to this serious problem.** Our clients are disproportionately likely to 'fail' the Experian identification check due to a lack of presence in any of the usual online resources e.g. electoral registers and credit applications, utility bills in their names etc. This causes further delays to the processing of any claim made.

The continued need for a financial safety net

Many of the refugees we advise are wholly reliant upon an alternative to a bank account, currently at least theoretically available to those who have been unable to open a traditional account. The Simple Payment system, when used correctly by the Department for Work and Pensions, has actually saved people from destitution and hunger. Without a similar scheme we are incredibly concerned that the problems encountered by refugees, looking to rebuild their lives in safety and with dignity, will significantly worsen. At the moment the Simple Payment system does not fit well with Universal credit, and we understand that it will be completely unavailable from June 2017.

Ruth (not her real name) began the process of applying for Universal Credit online on 27th January 2017. With the help of her adviser at the Refugee Council she submitted the final claim on 17th February. Her one month assessment period ended on 23rd March. If she is 'lucky' and encounters no additional difficulties, she will receive a payment on 30th March. On our advice, she has applied for, and been granted, an emergency payment from her local authority but their policy is to limit such payments to one a year per client. She is a survivor of torture, her distress at her situation is palpable. She is worried about bills, has hardly any food and is increasingly experiencing a return of the severe mental health difficulties she had begun to slowly recover from. An application for a Universal Credit Advance was refused because she has not been interviewed for her Habitual Residence Test, despite being exempt due to her refugee status.

Housing

Whilst our experience at the actual impact of Universal Credit on a person's ability to secure rental accommodation are limited as distinguished from the general difficulties encountered for all welfare benefit claimants, we note that several housing agencies advertising properties or rooms to rent specifically state 'No Universal Credit'. Obviously this will limit the already small pool of vacancies that are available to our clients living on welfare benefits whilst they try to secure an income or those who are unable to work due to the impact of their refugee experience on their health.

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