

## **Beneath the trends**

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

February 2024

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### **Introduction**

The Department for Work and Pensions (DWP) is in the process of moving legacy benefit claimants onto universal credit (UC) through managed migration. Gradually, claimants are being selected for managed migration and are sent a 'migration notice' informing them that they have three months to claim UC, after which their legacy benefits payments will be terminated.

Alongside the administrative challenge this poses to the DWP, the UC system requires claimants to make significant adjustments to how they manage their day-to-day finances. UC payments are less frequent, UC is primarily claimed and managed online, and claimants have their income assessed each month. Households who are financially worse off claiming UC may be entitled to 'transitional protection' to preserve their income at its pre-UC level. Some households will still be worse off in practice if higher debt deductions are made from their UC award.

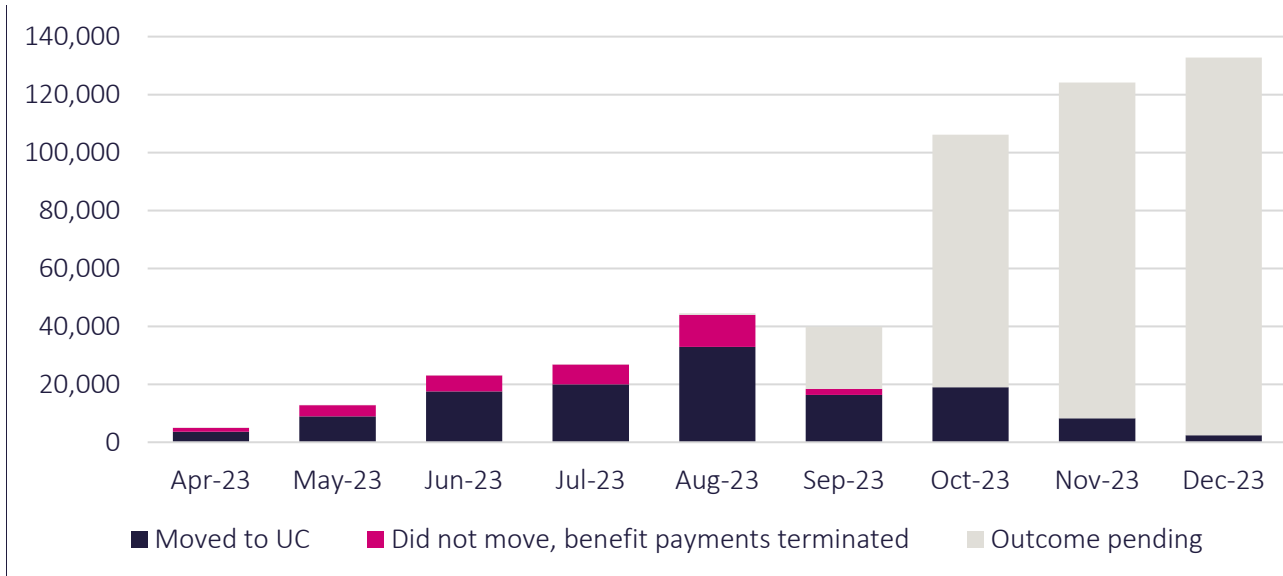
Child Poverty Action Group (CPAG) is undertaking research to identify the key issues affecting claimants going through managed migration, with the objective of helping to improve the process. Since early 2023 we have been gathering case studies, and speaking to both welfare rights advisers and claimants to understand how managed migration is affecting households, what is going well and how it can be improved. We are sharing our evidence with the DWP on an ongoing basis. This report is the fourth in a series of public briefings summarising our findings to date (our other reports are available [here](#)).

Since our last report was published, the DWP has revealed that it plans to send a migration notice to most remaining legacy benefit claimants by the end of September 2024, a significant increase in the scope and complexity of the roll out seen to date. This report puts those plans in context, highlights the risks ahead and makes recommendations for how the process can be improved.

## Progress to date and plans for completion

The latest data shows that by the end of 2023, 519,000 legacy benefit claimants had been sent a migration notice. Figure 1 shows how the DWP has rapidly increased the number of migration notices, exceeding 100,000 a month since October. To date, 116,000 claimants have reached their deadline date, of whom 30,000 did not claim UC before the deadline and had their legacy benefit payments terminated. This is a non-move rate of 25 per cent.<sup>1</sup>

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



To date, managed migration has focused on tax credit-only claimants. The DWP has taken a geographical approach to roll out, bringing more Jobcentre Plus districts into scope of managed migration month by month. Since February 2024, managed migration has been in operation nationwide.<sup>2</sup>

From April 2024, the DWP plans to begin scaling managed migration so that other legacy benefit claimants are included.<sup>3</sup> This will not follow a geographical pattern, but new benefit combinations will be brought into scope sequentially across the country. The current plans for roll out, which are subject to ongoing assessment against the DWP's unpublished 'readiness criteria',<sup>4</sup> are displayed in figure 2 below.

<sup>1</sup> Department for Work and Pensions, [Completing the move to Universal Credit: Statistics related to the move of households claiming Tax Credits and DWP Benefits to Universal Credit: data to end of December 2023](#), 13 February 2024

<sup>2</sup> UK Parliament, [Move to Universal Credit – Managed Migration from April 2024](#), Statement made on 25 January 2024, [UIN HCWS213](#)

<sup>3</sup> Department for Work and Pensions, [Universal credit – Preparing for the commencement of managed migration for housing benefit claimants](#), Letter from Neil Couling, Senior Responsible Owner for Universal Credit, to Local Authority Delivery Partners, 4 December 2023.

<sup>4</sup> Despite multiple freedom of information requests, the DWP has refused to publish the 'Readiness Criteria'. See [FOI2023/28557](#)

Figure 2: Planned dates when claimants of DWP legacy benefits will be sent their migration notice<sup>5</sup>

Benefit received	No. of claimants <sup>6</sup>	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Housing benefit and tax credits only	120,000						
Income support	110,000						
Housing benefit only	100,000						
Employment and support allowance (ESA) and tax credits	90,000						
Jobseeker's allowance	20,000						

Under current plans, most legacy claimants will have been sent a migration notice by the end of September 2024.<sup>7</sup> Exceptions are ESA-only claimants, and ESA and housing benefit claimants not claiming tax credits. These two groups will have their migration delayed until 2028.

This represents an increase in the scope and complexity of managed migration compared to what we have seen to date. The DWP gave itself 12 months to send 500,000 migration notices to tax credit-only claimants during 2023/24.<sup>8</sup> It now plans to send out 440,000 notices over six months to claimants in much more varied and vulnerable circumstances.

### Barriers for claimants with additional needs

The DWP's initial *Discovery* phase of managed migration in 2022 found that tax credit-only claimants were, overall, more digitally capable and required less support than claimants of DWP legacy benefits.<sup>9</sup> But some tax credit-only claimants have additional needs and struggled with the process of managed migration. Through evidence collated as part of our research we know that some claimants have difficulties dealing with unfamiliar demands, uncertainty, stress and change. Other claimants will, because of their vulnerabilities, find it difficult to open or understand their migration notice.

*A single working tax credit claimant with mental health problems and in receipt of personal independence payment (PIP) was sent a migration notice a year before she was due to reach state pension age. She works part time and received the disabled worker element of working tax credit. She suffers from panic attacks which are often triggered by change. She struggled with the prospect of moving to UC and, through an advice worker, requested a deadline extension.*

<sup>5</sup> National Audit Office, [Progress in implementing Universal Credit](#), Figure 11, 27 February 2024

<sup>6</sup> UK Parliament, [Question for Department for Work and Pensions, UIN 12821](#), tabled on 2 February 2024

<sup>7</sup> Some legacy benefit claimants will remain out of scope of managed migration, specifically: claimants who receive ESA only, receive ESA and housing benefit only, receive housing benefit only and live in supported or temporary accommodation.

<sup>8</sup> Department for Work and Pensions, [Completing the Move to Universal Credit: learning from initial Tax Credit migrations](#), 13 August 2023

<sup>9</sup> Department for Work and Pensions, [Completing the move to Universal Credit: Learning from the Discovery Phase](#), 10 January 2023

*A PIP and working tax credit claimant was selected for managed migration. He is in his twenties and lives at home with his parents. He has significant mental health problems and can only work part time. He needed significant support from his parents and a local advice charity to make a UC claim.*

*A tax credit claimant with mental health problems told their benefits adviser that they were thinking of not going ahead with a UC claim because they simply couldn't cope. They were getting 'a fair amount' in tax credits each month but the move was daunting enough that they almost didn't go ahead. According to the adviser, 'they persevered with support' in the end.*

Cases like these were the reason many organisations, including CPAG, called for the DWP to transfer claimants to UC automatically and verify any missing information as necessary, rather than requiring the individual to make a claim. Unfortunately, the DWP has not taken this step. Within an environment where claimants are not automatically transferred, a system of safeguards and supports is vital, alongside a comprehensive method for identifying claimants in potentially vulnerable circumstances.

The DWP has recognised that 'the likelihood of vulnerabilities amongst ESA claimants is higher',<sup>10</sup> but it has not indicated if it will consider non-ESA claimants as potentially vulnerable or what support will be available as managed migration scales. Given the vulnerabilities identified among the tax credit-only claimants described above, indicators of vulnerability must go beyond receipt of ESA. An obvious extension of this is receipt of any disability benefit (like PIP) or disability component. But vulnerability is not limited to health conditions and impairments. Up to a point, the DWP acknowledges this. In the list of 'good reasons' to request a deadline extension that it provides decision makers, having significant caring responsibilities, experiencing homelessness, and experiencing a domestic emergency are included among others.<sup>11</sup> The Social Security Advisory Committee has also suggested categories of vulnerability with regards to managed migration, such as living in unstable accommodation, risk of domestic violence, not having fluent English and not having digital access or skills.<sup>12</sup> All of these examples could be used to indicate that a claimant needs extra support.

### Deferred claimants have been receiving migration notices and refused cancellations

Some benefit claimants are not being migrated yet due to special circumstances. However, these 'deferrals' are not being applied comprehensively. When people fall through the gaps, they have struggled to have their migration deadline deferred by the DWP despite guidance stating that the DWP does not yet intend to migrate them.

Claimants with a child aged 19 in non-advanced education are a deferred group because UC and tax credits define a 'qualifying young person' in a different way. These claimants are deferred until their child turns 20, at which point UC and tax credit rules align. While HMRC knows the education status of 19-year-olds associated with a tax credit claim, the DWP does not hold this information (unless the child is also linked to a DWP benefit claim) so the DWP will end up sending a migration notice to people in this deferred group. It is therefore important that DWP staff are aware of deferral guidance, but we have received cases of claimants being denied a deferral they were entitled to.

<sup>10</sup> See note 9

<sup>11</sup> [ADM Chapter M7](#)

<sup>12</sup> [Report by the Social Security Advisory Committee under Sections 172\(1\) and Section 174\(1\) of the Social Security Administration Act 1992 and statement by the Secretary of State for Work and Pensions in accordance with Section 174\(2\) of that Act](#), November 2018

*One single parent with 19-year-old twins in non-advanced education received a migration notice in April 2023. This was eventually cancelled after extensive intervention from a local authority welfare rights adviser.*

*One family with a 19-year-old in non-advanced education sought independent benefits advice and were told that they should be in a deferred category until their child turns 20. The parents contacted the DWP to ask for a cancellation of their migration notice but this was refused by staff on the managed migration helpline. The couple even requested a call-back from a supervisor, and the refusal was repeated by the supervisor.*

Claimants who are terminally ill are another example of a deferred group. The DWP's guidance<sup>13</sup> states that their migration is deferred 'until a process is designed to include them'.<sup>14</sup> In light of their difficult circumstances, this group is being deferred so that appropriate supports can be put in place for their migration. However, we have received several reports of migration notices being sent to claimants whom the DWP already knows to be terminally ill – for example, because they have provided an SR1 form when claiming PIP. When we raised this with the DWP, they confirmed that they were not systematically using information from PIP claims to exclude terminally ill claimants from receiving a migration notice, although they would cancel those notices on request if necessary. This approach puts the onus on terminally ill claimants and their support network to find out about the option for deferral and request it. One Macmillan benefits adviser told us:

*'I have three [terminally ill] clients who have PIP under an SR1 [and] also receive working tax credit. DWP guidelines state this group will not be subject to managed migration 'until an appropriate system is devised' but they have all received migration notices. We are dealing with them one at a time. The first client has had her migration notice cancelled. My contact at the DWP asked me to send him a copy of the DWP guidance on deferred groups of which he was not aware.'*

While the DWP will not know the status of all terminally ill claimants, our evidence shows it is not using the information it holds to prevent causing these claimants undue stress and potential hardship during an exceptionally difficult time.

Again, due to their more complicated circumstances, claimants who have an appointee to help them manage their benefit claims are also deferred from managed migration 'until a process is designed to include them'.<sup>15</sup> However, we have received case studies about claimants who have an appointee for their PIP (which is not a legacy benefit) but not tax credits. As tax credits only require claimants to complete an annual renewal, it is less common for people with additional needs to have an appointee for their tax credit claim.

*A migration notice went to a young disabled man whose parents were his appointees for PIP but not working tax credit. The family sought independent advice. The benefits adviser knew that appointee cases were deferred from managed migration, so they queried this with the DWP. They were told that, unless there was an appointeeship for the legacy benefit, the deferral did not apply. The notice was eventually cancelled for a different reason.*

Additional safeguards will be needed in preparation for the roll out of managed migration to DWP legacy benefit claimants, as a much higher proportion of these claimants will be vulnerable. Deferrals are an example of a

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<sup>13</sup> See [FOI2023/10502](#), Annex I Exclusions and deferrals

<sup>14</sup> See note 13

<sup>15</sup> See note 13

safeguard as they exempt people from managed migration until the system has been designed to support their specific circumstances. However, these safeguards must be implemented in a way that guarantees that eligible claimants will benefit from them. As a minimum, the DWP should ensure claimants who need support to move to UC are aware of the support that is available and how to access it.

## Unclear or misleading claimant communications

One of the recurring issues we have seen through our research has been that claimants have misunderstood information or struggled to find information about managed migration. This has increased anxiety among claimants and, in some cases, left families financially worse off.

Given claimants are required to move to UC themselves this is, to an extent, unavoidable. Managed migration is complex. However, it has been exacerbated by unclear claimant communications. For example, in autumn 2023 the DWP sent a 'tax credits are ending' leaflet to all tax credits claimants. This was intended to increase awareness that claimants would soon receive a migration notice, after which they would need to claim UC to continue receiving benefit payments. The leaflet included statements about tax credits ending, both on the cover and in bold red text on page one. Meanwhile, other important information (for example, that the leaflet was not a migration notice, and about transitional protection) was not explained clearly or made to stand out visually.<sup>16</sup> The case studies below show that some claimants mistook this for their actual migration notice.

*A couple receiving working and child tax credits, with three children, became several hundred pounds a month worse off when they claimed UC after mistaking their leaflet for a migration notice. If the couple had received a migration notice, they would have been entitled to transitional protection and they would have seen no drop in their income after moving to UC.*

*A claimant receiving working tax credit with a disabled worker element believed her leaflet was a migration notice. Had she not sought independent advice, she would have lost out on transitional protection of over £400 a month.*

The leaflet also directed people who wanted to know how much UC they will receive to use an online benefit calculator. However, these calculators are not able to provide everyone who is going through managed migration with a robust estimate of their UC entitlement that includes transitional protection, as they do not have access to the details of their legacy benefit entitlement and how this has been calculated.<sup>17</sup> While benefit calculators caveat their results, some claimants use them and wrongly assume that they are not entitled to UC.

*A couple – a disabled person and a carer working part time – were receiving tax credits. They received the 'Tax credits are ending' leaflet and used a benefit calculator to check their UC entitlement. They approached an advice service 'terrified' when the calculator told them that they would not be entitled to receive any UC at all. The calculation was incorrect: they had nil indicative UC due to their earned income, but they would receive a transitional element if they waited for their migration notice.*

In two of the three cases above, claimants were not worse off because they sought advice. As CPAG's main source of evidence on the roll out of managed migration is the advice sector, we primarily hear about cases where a claimant has sought help. There are likely to be many undetected cases of claimants who have misunderstood

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<sup>16</sup> A copy of the leaflet can be seen at: [forums.moneysavingexpert.com/discussion/6474308/migration-from-tax-credits-to-universal-credit](https://forums.moneysavingexpert.com/discussion/6474308/migration-from-tax-credits-to-universal-credit)

<sup>17</sup> In late 2023, the migration notice was amended to remove the suggestion that claimants could use benefit calculators to estimate their entitlement.

information about managed migration, are worse off financially and do not know that the outcome could have been different. This is what makes clear claimant communications so crucial.

### The need for information and advice

Benefit calculators are usually valuable tools for claimants who need to know how much UC they are entitled to so they can prepare for any changes and budget accordingly. This was the main information need of the claimants we interviewed – they wanted to know how much UC they would get and when. As long as benefit calculators are unable to accurately calculate the UC award of all people going through managed migration, these claimants will lack an important source of information. They will only find out how much UC they will be paid a week before their first payment, four weeks after they complete the application. And without an independent benefits calculator to check their payment amount, they will struggle to know if there has been a mistake in their award.

On the migration notice, claimants who want support with the claiming process are directed to contact their local advice service or call the Help to Claim service. However, these services, alongside benefits calculators, are not able to provide all claimants with a robust estimate of their entitlement to UC after managed migration, as the DWP's exact approach to calculating transitional protection has been unclear for several groups of claimants. This has severely limited the help that advice services can offer claimants and the ability of claimants to know that the amount of UC they are eventually awarded is correct.

Through its stakeholder engagement channels, the DWP recently clarified its approach to calculating transitional protection for tax credit-only claimants with the advice sector, by which point over 400,000 people had been sent their migration notice. Further information is urgently needed in advance of April 2024 on how the transitional protection calculation will apply to recipients of other legacy benefits so that the services claimants are directed to in their migration notice can provide claimants with the information they need.

### Comprehensive support for vulnerable claimants

In the DWP's initial *Discovery* phase in 2022, when 500 migration notices were sent to claimants receiving a range of legacy benefits, we heard about an autistic ESA claimant in his thirties without a formal appointee who did not open the first migration notice. The claimant's mum eventually discovered the first reminder letter sometime later and he was supported to claim UC by his parents and an adviser from their social landlord. When the advice worker called the managed migration helpline to explain the circumstances of the claim, helpline staff agreed to arrange a home visit to complete the claim, rather than requiring the claimant to attend a job centre appointment. DWP staff also proactively suggested appointeeship which the family proceeded with.

In this case, the availability of independent advice, plus flexibility and support from the DWP, were crucial in ensuring that the vulnerable claimant made the transition to UC safely and avoided a break in his benefit payments. It shows how vulnerable people can be successfully supported to migrate to UC with additional help.

This claimant benefited from intensive support from family, an independent advice service and the DWP. There will be many more people needing help like this as DWP legacy benefit claimants begin receiving their migration notices. Last September the DWP resumed its *Discovery* work, sending a small number of people receiving DWP legacy benefits a migration notice in order to understand what additional support they would need and testing an 'enhanced support journey'. It is not yet clear what 'enhanced support' will be available for those who need it in 2024/25 and how this can be delivered at scale given the complex needs of many claimants. It is especially

important to ensure supports are comprehensive for claimants who, unlike the case above, cannot draw on the support of friends or family and/or may struggle to access independent welfare rights advice.

Advice services will certainly struggle to provide sufficient and timely support to vulnerable claimants going through managed migration if the DWP proceeds at the pace it intends to – many advice services are already over-subscribed, facing funding challenges, and in some cases closing entirely.

It is understandable that the DWP began to scale managed migration with tax credit-only claimants, who are less likely to be vulnerable and more likely to have other sources of income, before migrating claimants of income support, ESA and jobseeker's allowance (JSA). But given the support needs that many claimants within the 2024/25 cohort will have and the impact that not moving could have on them financially, proceeding at the pace that the DWP is planning is, in CPAG's assessment, dangerous.

## Recommendations

**Slow down.** To avoid vulnerable claimants falling through the cracks in large numbers in 2024/25, the DWP should revise its plans to send out migration notices to DWP legacy benefit claimants between April and September 2024. Pausing, or at least slowing the pace of roll out, will provide the department with time to clarify remaining ambiguities about how the policy will be delivered (such as how any remaining terminally ill claimants will migrate to UC); provide independent services with information to support claimants; and to resource and deliver an intensive support package at scale so that all claimants will be able to access the help they need to safely migrate to UC. We understand that the government intends to close down tax credits, income support and JSA to reduce the cost of having legacy systems running alongside UC, but aiming to do this by the self-imposed deadline of April 2025 puts many of the poorest families in the UK at risk of falling out of the social security system altogether.

**Automatically transfer at-risk claimants.** The DWP's approach of requiring legacy benefit claimants to apply for UC themselves puts some of the most vulnerable claimants at risk. To make sure that all claimants safely move to UC without an interruption in their benefit payments, the DWP should automatically transfer the most at-risk claimants and verify any missing information as necessary. This should include terminally ill claimants, care-leavers and people with a recent experience of homelessness.

**Identify vulnerability exhaustively and early.** To administer PIP, JSA, ESA and income support, the DWP holds a range of information about a claimant. These records should be checked prior to a migration notice being sent to identify if a claimant is likely to be vulnerable, and consider if it is appropriate to send a notice to the claimant and if additional support is needed (eg, such as if the claimant is terminally ill).

**Work with local authorities to identify potential vulnerability.** Local authorities also hold a range of information about their residents which can indicate potential vulnerability among claimants. For example, residents who have sought housing support, applied to a hardship fund, are registered with social care services, have experienced domestic violence, or are in council tax arrears. As much as data sharing restrictions allow, the DWP should work with local authorities to identify any indications that a claimant selected for managed migration may be vulnerable.

**Bring in new safeguards.** The DWP should immediately adopt new safeguards for managed migration by:

- Granting at least one one-month deadline extension to any claimant who requests it (currently decision makers must find that the claimant has a 'good reason' to request an extension, but our August 2023



report presented evidence that extensions request by claimants in difficult circumstances were being rejected).

- Taking additional safeguarding steps (eg, making home visits) before stopping the legacy benefit of claimants who are vulnerable. The definition of vulnerable should include, but must not be limited to, 'being in receipt of PIP or ESA'.
- Ensuring that claimants are informed about support available, and that DWP staff receive training and information about any safeguards in place.

**Resource advice services.** The migration notice directs people who need help to use the website [advicelocal.uk](https://www.advicelocal.uk) to find free independent advice services in their area. Access to services like this will be crucial to ensure that claimants successfully migrate to UC. They can provide face-to-face support, coordinate with other support services and inform the DWP if mitigations are needed. However, many advice services are already over-subscribed, experiencing serious funding pressures, and in some cases closing entirely. Without extra support and a more gradual pace of roll out, they will be unable to meet demand when 440,000 migration notices are sent out promoting their vital services.

## Conclusion

The DWP is on course to send out over 500,000 migration notices to tax credit-only claimants by April 2024 and many people will transition to UC without the need for assistance. But managed migration is about to expand to DWP legacy benefit claimants – a much more vulnerable cohort – and a process that works for 'most' people will not be sufficient.

The stakes are much higher for these claimants as benefits will be their primary, often sole, source of income. Those who do not successfully move to UC may find themselves without any financial support at all – at risk of destitution or threatened with homelessness. While many will eventually manage to make a claim for UC, they will have lost their entitlement to transitional protection and had to cope without benefit income in the interim, facing mounting debts or rent arrears. Most concerningly, some claimants may fall out of the social security system altogether. Situations like this could be avoided but, as things stand, the most vulnerable claimants are at the greatest risk in the face of the DWP's plans for a sprint finish.

## Do you have evidence to share?

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

## About Child Poverty Action Group

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

## Acknowledgements

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