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I. Universal Credit Advance (benefit transfer)

How to deal with a request for a Universal Credit Advance (benefit transfer)

A Universal Credit Advance (benefit transfer) is an advance of benefit for claimants in financial need. They can be considered when a new claim to Universal Credit has been made and the claimant was previously in receipt of a qualifying benefit within the last month prior to the claim to Universal Credit. In the case of a joint claim only one claimant needs to have been in receipt of a qualifying benefit. A request for a Universal Credit Advance (benefit transfer) can be received in writing or by telephone.

II. Universal Credit Advance (new claim, benefit transfer or change of circumstances)

How to deal with a Universal Credit Advance request for a new claim, benefit transfer or change of circumstances

1. Eligibility and entitlement

A Universal Credit Advance for a new claim, benefit transfer or a change of circumstance is an advance of benefit for claimants in financial need.

A request can be considered on a new claim prior to a claimant's first Universal Credit payment if there is underlying entitlement to Universal Credit. It can also be considered for
existing claimants when a change of circumstances has been reported and this will result in a significant increase in their Universal Credit entitlement. Examples of a significant increase would be the birth of a child or a partner joining a claim.

2. **When a request can be made**

Universal Credit policy states that a request for a Universal Credit Advance can be made within the following timescales:

- a Universal Credit Advance (benefit transfer) can be made at anytime throughout the first assessment period
- a Universal Credit Advance (new claim) cannot be considered if the claimant is requesting a new claim advance within 3 working days before the end of the assessment period
- a Universal Credit Advance (change of circumstance) cannot be considered if the claimant is requesting a change of circumstances advance within 3 working days before the end of the assessment period

Below are two examples to illustrate the points made above.

**Example 1**

A Universal Credit Advance application is made on 13/05/2015.

The assessment period is 15/04/2015-14/05/2015.

The application is too late because this is within 3 working days before the end of the assessment period.

**Example 2**

A Universal Credit Advance application made 14/05/2015.

The assessment period is the 20/04/2015-19/05/2015.

The application is not within 3 working days before the end of the AP as the 16/05/2015 and 17/05/2015 are a Saturday and Sunday and are not working days.

The 3 working days before the end of the AP in this example are the 15/05/2015, 18/05/2015 and 19/05/2015.

Only one Universal Credit (new claim) advance or (benefit transfer) advance can be made on a new claim. For a reported change of circumstances, claimants can have more than one advance if it relates to a different change of circumstances.

The maximum amount for a new claim advance is 50% of the claimant's estimated Universal Credit payment, or for a significant change of circumstances 50% of the expected increase to the Universal Credit payment.

3. **Recovery periods**

All advances are intended to be recovered promptly but must be recovered:

- over a maximum 6 month period in the case of a Universal Credit Advance (new claim and change of circumstances), or
over a maximum 12 month period in the case of a Universal Credit Advance (benefit transfer)

Repayments start from the claimant's next Universal Credit payment.

In exceptional circumstances repayments can be deferred for up to 3 months for a Universal Credit Advance (new claim and change of circumstances) and Universal Credit Advance (benefit transfer) awards. However, the deferment can't be considered at the time of application. If an agent receives a request for a deferral see *Claimant requests a deferral of their Universal Credit Advance repayments*.

A Universal Credit Advance (new claim or change of circumstance) is a discretionary payment and therefore the claimant is not able to appeal any aspect of the decision. A claimant requesting a Universal Credit Advance (benefit transfer) does have the right of appeal.

For administration purposes the agent who is dealing with the request for the Universal Credit Advance is the decision maker for this process, this could either be:

- a telephony agent (TA) for requests received by inbound call
- an account developer (AD) for requests received by post

### 4. Request for an advance received face to face or by post

If a Universal Credit Advance request is made face to face, the claimant is directed to request the advance for a new claim or a change of circumstances by phone.

If a written Universal Credit Advance request is received at the Mail Opening Unit (MOU) this will be scanned and uploaded into Document Repository System (DRS). A CAMLite task is then automatically generated for Universal Credit and is directed to an AD to consider the information given on the request and complete the UC271.

If the Universal Credit Advance request is made by text phone this will follow the same process as a written request.

The agent accesses the claimant records in the DRS and locates the Universal Credit Advance request letter.

The agent then makes an outbound call to the claimant to make a decision on the Universal Credit Advance request. When the outbound call is successful, the AD follows the process in ‘Telephone call received for an advance’ below.

If the call is unsuccessful, see *Handling failed contact with claimant*.

### 5. Telephone call received for an advance

The agent (either a TA or AD) confirms the claimant's identity using the relevant SmartScript and confirms the claimant has made a claim for Universal Credit. See Handling calls.

The agent accesses the Agent Portal and identifies the date of claim in ‘Claim data and levers’ on the Claim admin homepage. This is to establish if the advance request is in relation to a new claim or change of circumstances.
If the advance request is relating to a new claim the agent accesses the Customer Information System (CIS) to establish if the claimant(s) were/are claiming any of the following qualifying benefits within the last calendar month prior to the Universal Credit date of claim:

- Jobseeker’s Allowance (income-based)
- Employment and Support Allowance (income-related)
- Working Tax Credit (claimant(s) can be in receipt of Working Tax Credit and still get through the Universal Credit gateway)
- Child Tax Credit
- Income Support
- Housing Benefit (claimant(s) can be in receipt of Housing Benefit and still get through the Universal Credit gateway).

In the case of a joint claim only one of the claimants needs to have been in receipt of a qualifying benefit.

If the agent establishes that the claimant(s) has been in receipt of a qualifying benefit (or credit) within the last calendar month prior to the Universal Credit date of claim, the request is treated as a Universal Credit Advance (benefit transfer), see Universal Credit Advance (benefit transfer).

If the request is relating to a new claim or change in circumstance the agent:

1. Accesses the UC271 and advises the claimant: “A Universal Credit Advance is an advance of benefit which you will be required to pay back if your application is accepted. The terms and conditions of your advance and your subsequent repayments will be explained to you in full later. Do you still wish to continue with your application?”

If the claimant doesn’t wish to continue with the Universal Credit Advance request the agent ends the call and updates CAMLite Contact history notes with 'Claimant requested Universal Credit Advance (new claim or change of circumstances) and did not wish to continue with the request'.

If the claimant wishes to continue with the Universal Credit Advance request, the agent advises the claimant: “I need to ask you some questions. This could take around 30 minutes and if you are part of a joint claim I will need to speak to your partner before an advance of benefit can be agreed.”

The agent also informs the claimant: “Your Universal Credit Advance can only be paid into the bank account that your Universal Credit award will or has been paid into. If you are awarded a Universal Credit Advance I will need these bank details, do you have the bank details available?”

If the claimant has no bank details available the agent advises the claimant they will need to call back when they have.

The agent asks the claimant the questions from the Data-gather tab on the UC271 and completes the proforma with the claimant's responses.
When the agent completes the field 'Date of Claim for UC Advance' the date entered is:

- for a postal or text phone application, the date the application was received
- for a telephone application, today's date

6. **New claim advance eligibility**

For new claim advances the agent:

1. Accesses the Agent Portal, opens Claim admin and selects 'View evidence'.
2. Checks if the claimant(s) identity has been verified. If the identity hasn't been verified this will show as one of the following and the agent goes to 'Request for advance disallowed' below:
   - Awaiting verification
   - Verification incomplete – awaiting further information
   - Verification incomplete – original required
   - Verification incomplete – illegible
   - Verification incomplete – out of date
   - Verification incomplete – please contact us

   If the identity has been verified this will show as one of the following:

   - Verification complete
   - Verification not required – data is superseded
   - Verification not required – requirement satisfied by another document

3. Accesses Claim admin, selects 'View claim data and levers' and completes the proforma with the Universal Credit claim start date and the Universal Credit assessment period end date. If the first assessment period end date has passed, the agent goes to 'Change of circumstances advance eligibility' below. If the first assessment period end date hasn’t passed, the agent accesses 'View claim data and levers', navigates to the Assessment screen and completes the 'UC Indicative Assessment amount' field on the proforma. (the agent views the most recent 'Creation date' and uses the 'Indicative assessment' amount displayed at that date)

   If the indicative assessment amount is zero, the agent goes to 'Request for advance disallowed' below.

   If the indicative amount isn't zero, the agent navigates to 'Assessment' within the 'View claimant data and levers' screen and views the most recent 'Creation date' and uses the 'Indicative assessment' amount (displayed at that date) to complete the UC271 'Decision tab' with the indicative assessment amount.
(4) Compares the 'Date of Claim of UC Advance' with the 'AP end date' on the UC271 'Decision tab'.

(5) Establishes if the application was made within 3 working days before the end of the AP

(6) Selects 'Yes' on the UC271 'Decision tab' if the application was made within 3 working days before the end of the assessment period.

(7) Selects 'No' on the UC271 'Decision tab' if the application was not made within 3 working days before the end of the assessment period.

(8) If the application was not made within 3 working before the end of the assessment period, see 'Not within 3 working days before the end of the assessment period' below.

If the application was made within 3 working days before the end of the assessment period, see 'Request for advance disallowed' below.

7. **Not within 3 working days before the end of the assessment period**

The agent views CAMLite Contact history and the Central Payment System (CPS) to check if an advance has already been paid for this Universal Credit new claim:

- if an advance has already been paid the agent goes to 'Request for advance disallowed' below
- if an advance hasn't already been paid, the agent calculates the amount of the advance to be awarded by following the procedures in 'Advance of benefit awarded' below

8. **Request for advance disallowed**

If it is decided to disallow the application for Universal Credit Advance the agent advises the claimant:

For a new claim

"Thank you for your application but unfortunately you do not meet the criteria to qualify for a Universal Credit Advance New Claim. We will send you a notification confirming our decision. You may be able to obtain support from your local welfare provider within your local authority".

For a change of circumstances

"Thank you for your application but unfortunately you do not meet the criteria to qualify for a Universal Credit Advance. We will send you a notification confirming our decision. You may be able to obtain support from your local welfare provider within your local authority".
The agent then:

(1) Provides the claimant with contact information for a local welfare provider if required. This information can be found in the District Provision Tool (DPT).

(2) Updates the UC271

(3) Ends the call to the claimant and updates CAMLite Contact history with the action.

(4) Decides if a notification is appropriate:
   (a) if a Universal Credit Advance has been awarded but the outbound call with the advance decision was unsuccessful, the agent won't issue a notification as an agreement to the terms of the advance could not be obtained (or the partners consent if appropriate)
   (b) if a Universal Credit Advance has been awarded but the claimant/partner rejects the terms of the advance, the agent won't issue a notification
   (c) if the claimant/partner doesn't agree with any part of the Universal Credit declaration the agent won't issue a notification

(5) Issues UC297 if appropriate. See Supporting Documents for exceptions and advances.

(6) Uploads the notification letter and the UC271 to DRS.

9. Change of circumstances advance eligibility

If the claimant is requesting an advance due to a change of circumstances the agent follows the data-gather action as in ‘New claim advance eligibility’ above and then takes the following steps to decide if an advance can be paid:

(1) Establishes if the change of circumstances results in a significant increase to the claimant's Universal Credit award. The reported change of circumstances which could have the effect of increasing the Universal Credit award amounts are:
   - housing
   - child
   - partner
   - disabled child
   - childcare
   - carers
   - Limited Capability for Work (LCW)
   - loss of earnings (to be considered in the assessment period following the date final earnings were received)
Follows the steps in 'Request for advance disallowed' above if the change of circumstances hasn't resulted in a significant increase.

Asks if the claimant has already informed Universal Credit of their change of circumstances. If Universal Credit hasn't already been informed of the change of circumstances, the agent gathers the information from the claimant. See Manual change of circumstances overview.

Views CAMLlite Contact history to check if the change has been reported and/or an advance has already been paid in this assessment period for this change of circumstances. If an advance has already been paid for this change of circumstances the agent follows the steps in 'Request for advance disallowed' above.

Navigates to 'Assessment' within the 'Claimant data and levers' screen of Claim admin and completes the UC271 with the indicative assessment amount:
(a) the agent views the most recent 'Creation date' and uses the indicative assessment amount displayed at that date
(b) if the indicative assessment award shows zero, this means there is a 'Nil' Universal Credit entitlement and therefore no eligibility to Universal Credit Advances change of circumstances see Request for advance disallowed above

The agent:

(1) Compares the 'Date of Claim of UC Advance' with the 'AP end date' on the UC271 'Decision tab'.

(2) Establishes if the application was made within 3 working days before the end of the AP.

(3) Selects 'Yes' on the UC271 'Decision tab' if the application was made within 3 working days before the end of the AP.

(4) Selects 'No' UC271 'Decision tab' if the application was not made within 3 working days before the end of the AP.

If the application was not made within 3 working before the end of the assessment period, see 'Not within 3 working days before the end of the assessment period' below.

If the application was made within 3 working days before the end of the assessment period, see 'Request for advance disallowed' above.

Follow the steps in 'Request for advance is disallowed' above if the amount shown on the Universal Credit decision is the same or more than the amount in the 'Maximum allowable Universal Credit change of circumstances advance' section of the UC271. Follow the steps in 'Advance of benefit awarded' below, if the amount shown on the Universal Credit decision is less than the amount in the 'Maximum allowable Universal Credit change of circumstances advance' section of the UC271.

10. **Checking the claimant's ability to repay the advance for a change of circumstances**

The agent navigates to 'Deductions and sanctions' and records the total amount of current deductions for fraud penalties and conditionality sanctions on the advance proforma. Any other deductions are disregarded for the purpose of this calculation.
The repayment cap is 40% of the claimant's monthly Standard Allowance.

11. **Considering exceptional circumstances when the repayment cap is reached**

If the repayment cap has been reached, the agent considers the claimant's responses on the advance proforma and determines if exceptional circumstances apply. The decision to breach the repayment cap is at the discretion of the agent:

- if yes, the agent advises that an advance can be offered and gets agreement from the claimant that they can afford the repayment, as their Universal Credit will be significantly reduced over the next 6 months (if the claimant doesn't wish to proceed the agent goes to 'Request for advance disallowed' above)
- if exceptional circumstances don't apply the agent goes to in 'Request for advance disallowed' above

12. **Claimant requests an amount higher than repayment cap**

If the claimant requests an amount higher than the repayment cap, the agent offers the available repayment cap amount and informs them of the monthly amount to be recovered:

- if accepted the agent advises the claimant of the recovery period and checks if they wish to continue
- if rejected the agent goes to 'Request for advance disallowed' above

13. **Claimant requests an amount up to the repayment cap**

If the claimant requests an amount up to the repayment cap, the agent offers this amount and informs them of the monthly amount to be recovered. If the claimant accepts the agent informs them of the recovery period and checks if they wish to continue.

14. **Advance request on a joint claim**

If the advance is requested on a joint claim the agent needs the partner's verbal consent before the advance can be issued. The agent advises the claimant: "As we told you at the start of this process we do require your partner's verbal consent before we can issue your advance. Is it possible to speak to them now?"

If the partner is available the agent returns to CIS and selects 'Relationship history' and current partner details and asks appropriate security questions.

If security is passed the agent advises the partner: "I need to confirm the details of your Universal Credit Advance and obtain your consent and agreement to the following declaration before we continue. I understand that my partner and I have joint liability to pay back this advance. I also understand that if this advance is paid, money will be taken from our Universal Credit award to pay it back. If we stop claiming Universal Credit or our award reduces due to a change of circumstances, we will remain liable for the remaining balance and it will be passed to the DWP debt recovery department. I understand that if any other deductions need to be taken from our Universal Credit account, this advance may take longer to pay back. Your advance will be (agreed amount), payable over (x) months at (monthly payment) per month, starting on the date of your first Universal Credit payment"
Your advance will be paid into the following account (agent relays account details given). Do you agree to this?

If the partner doesn't consent the agent informs them: "As you are both liable to repay this advance you must reach agreement on whether you wish to proceed or not. This advance has been agreed in principle and will remain available to you until close of business on the next working day. If you both choose to go ahead within this time frame please make sure you call us back. If you do call us back please have your bank details to hand so we can pay the money into the right account".

The agent then goes to 'Request for advance disallowed' above.

If the partner consents the agent asks them: "Can you please pass me back to your partner so I can continue?"

The agent then goes to 'Authorising the advance payment' below.

If the partner fails security the agent asks to speak to the claimant and advises them: "Unfortunately your partner has not passed the security questions and as a result we cannot continue with your application for an advance. As you are both liable to repay this advance we cannot proceed with payment of your advance until we verify your partner’s identity and obtain their consent. This advance has been agreed in principle and will remain available to you until close of business on the next working day. If you choose to go ahead within this time frame please make sure they call us back. As you have already agreed to this advance, we will not need to speak to you about this again, just your partner. If they call us back, please ask them to have bank details to hand so we can pay the money into the correct account."

The agent then goes to 'Request for advance disallowed' above.

If the partner is unavailable, the agent advises the claimant: "As you are both liable to repay this advance we cannot proceed with payment of your advance until we obtain your partner’s consent. This advance has been agreed in principle and will remain available to you until close of business on the next working day. If your partner agrees and you choose to go ahead within this time frame please make sure they call us back. As you have already agreed to the advance, we will not need to speak to you about this again, just your partner. If they call us back, please ask them to have bank details to hand so we can pay the money into the correct account."

15. **Advance of benefit awarded**

The allowable advance amount will be restricted to 50% of the Universal Credit assessment amount as calculated on the proforma. The agent:

1. Records the claimant's age on the proforma and selects the appropriate Standard Allowance from the drop-down list on the proforma. There are 4 values of Standard Allowance:
   - Single rate – under 25 years of age
   - Single rate – 25 years of age and over
   - Couple rate – both under 25 years of age
   - Couple rate – one or both 25 years of age and over
2. Calculates the Repayment Cap amount which is 40% of the benefit unit Standard Allowance multiplied by 6.

3. Accesses the Data Gather tab on the proforma and views the amount of advance the claimant has requested. The agent then accesses the decision tab and views the ‘Repayment cap’ and the ‘Maximum allowable Universal Credit new claim advance’ amounts and then determines which one is the lesser amount. The amount of the Advance that the claimant has requested will automatically populate into the UC271 decision tab and the agent uses the lesser amount as the award for the Advance.

4. Uses the drop-down list to select the number of months the advance is to be recovered over. The proforma calculates the advance recovery amount by dividing the award amount by the relevant recovery period. The recovery will start from the first available payment date:
   - the UC271 calculates the Universal Credit advance recovery amount based on the information input by the agent
   - if the recovery amount auto-calculated is higher/lower than the Universal Credit Advance agreed, the agent ensures that the final month’s recovery is adjusted

5. Navigates to the ‘Payment and Deductions’ screen in the Agent Portal.

6. Identifies all outstanding new claim and change of circumstances advances by viewing the ‘Payment and deductions’ screen.

7. Views current deductions to identify recovery amount of advance outstanding and views previous deductions to identify if there is an advance amount outstanding.

8. Identifies if the deductions screen shows a Budgeting Advance outstanding. If so, this is not to be used.

9. Checks if recovery of an advance is being made by viewing the Universal Credit decision.

10. Identifies if there was a clerical advance recovery by viewing CAMLite Contact history. If the following note: ‘ARP1 no longer required. Advances now input on UC system for automation’ isn't held in CAMLite Contact history, this will confirm that there will be no clerical advance recovery on the claim.

11. Calculates the advance amount outstanding and the amount of advance to be awarded to establish the total advance recovery amount. When there is an outstanding advance amount held on an ARP1, the agent adds the amount from the ARP1 to the amount of the newly awarded change of circumstances. When there is an outstanding advance amount held on the Universal Credit system the agent adds this amount to the amount of the newly awarded change of circumstances advance.

The agent advises the claimant: "Based on the information you have told me and your claim information, I can offer you (amount). This will be recovered at (amount) per month for (x months) from your Universal Credit. Your first repayment will be taken on (date). Would you like to continue with the application for this amount?"

If yes, the agent advises the claimant: "I need to confirm the details of your Universal Credit New Claim Advance and obtain your consent to the following declaration before we continue".

"I declare that the information I have provided is correct and complete as far as I know and believe. I understand that if I have knowingly given information that is incorrect or incomplete I may be liable for prosecution. I understand that I will have to
pay back this advance. I also understand that if this advance is paid, money will be taken from my Universal Credit award to pay it back.

If I stop claiming Universal Credit or my award reduces due to a change of circumstances, I will remain liable for the remaining balance and it will be passed to the Department for Work and Pensions debt recovery department. I understand that if any other deductions need to be taken from my Universal Credit account this advance may take longer to pay back. Your advance will be (agreed amount), payable over (x) months at (monthly payment) per month, starting on the date of your first Universal Credit payment. Do you agree to this?"

If the claimant doesn't agree to either of these statements the agent goes to 'Authorising the advance payment' below, from step 6.

If the partner's consent is required the agent goes to 'Advance requests on a joint claim' above. If payment is to be made the agent must use the Special Payments Portal whenever possible. Faster payments should only be made by exception.