



DEBT AND DEDUCTIONS FACT SHEET

December 2022

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SUMMARY

Nearly half of people referred to food banks are facing hardship due to government deductions from their benefits, new research from the Trussell Trust has revealed.

- 47% of people referred to food banks face deductions from their or their partner's benefit income to pay back a benefit advance, benefit overpayment, Department of Work and Pensions (DWP) loan or other debts and fines.
- This rises to 57% of people referred to food banks who are in receipt of Universal Credit.
- More than half (56%) of all people claiming Universal Credit who experience deductions from their benefits in the general population had more than one day when they didn't eat at all, or had only one meal, because they couldn't afford to buy enough food in the previous 30 days.
- The Trussell Trust is calling for the UK Government to reform the deduction system to ensure that people are able to repay debts in an improved and affordable manner.

This fact sheet sets out what we currently know from the most recent internal and external sources of (qualitative and quantitative) data and information. The fact sheet aims to be both informative, and act as a means of highlighting gaps in our knowledge to be explored in the future.

WHAT ARE DEDUCTIONS?

The DWP make deductions from people's regular benefit payments for the repayment of various debts which are owed by a claimant. Deductions can also be applied to people's wages via a Direct Earnings Attachment (DEA), however 'DEA only applies to a small proportion of people owing money to DWP'.¹

The claimant can be in debt to Government itself or certain third parties.^{2 3}

¹ UK Government (Guidance). Make benefit debt deductions from an employee's pay. ND. Available at: <https://www.gov.uk/make-benefit-debt-deductions>

² Hobson, F. Universal Credit: Ten years of changes to benefit claims and payments. 2021. Available at: <https://researchbriefings.files.parliament.uk/documents/CBP-9109/CBP-9109.pdf>

³ UK Government. Universal Credit: Third party payments creditor and supplier handbook. 2022. Available at: <https://www.gov.uk/government/publications/how-the-deductions-from-benefit-scheme-works-a-handbook-for-creditors/universal-credit-third-party-payments-creditor-and-supplier-handbook>

Deductions on benefits can be applied for a variety of reasons, primarily:

- a benefit overpayment;
- a budgeting loan or ‘advance payment’;
- a local council debt; or
- other third-party debt (i.e., for rent arrears, utility bills or court fines).⁴

A full list of reasons can be found in Appendix A.

SCALE

Despite recent changes to the system, mounting evidence suggests benefit debt is a significant amplifier of hardship and affects millions of people. With growing numbers of people claiming Universal Credit (UC), the majority of deductions are made from this benefit. However, a minority remain on legacy benefits, which can also be deducted.

Universal Credit - Latest Official Figures (May 2022, GB)

In May 2022 alone in Great Britain there were:

- 4.7m Universal Credit claims
- 2.1m claims had a deduction, equating to 45% of all claims

These figures remained largely unchanged from those published by the UK Government for February 2022.

In May 2022 alone in Great Britain:

- The total amount deducted from UC claims was £130.5m, this represents a slight (0.5%) increase on the total amount deducted in February 2022 (£129.8m).
- The total deducted for advance repayments was £55m (42% of the £130.5m total), a slight decrease on February 2022, when 56.3m (43%) was deducted for advance repayments.
- This leaves approximately £75.5m (58% of the total amount deducted in May 2022) deducted for other reasons, including benefit overpayments or third-party debt.
- This equates to approximately £1.6bn deducted from UC per annum.

Legacy Benefits

As stated above, most deductions are from Universal Credit, however, a significant number of people in receipt of legacy benefits are in debt to the government. In May 2022, official data showed 170,000 individual claimants had their legacy benefits deducted to repay overpaid benefits.

⁴ Ibid.

DEDUCTION SIZE

Deduction size varies from claimant to claimant. For UC, deductions are currently capped at a maximum of 25% of the standard allowance. Therefore, people receiving the lower rates (e.g., single under-25s) will pay less than people on the higher rates. This cap was reduced from 30% in April 2021, additionally, the Government extended the period over which a UC deduction can be paid from one year to two years. The maximum 25% cap of the standard allowance can be surpassed for several reasons, including ‘last resort deductions’ to cover rent or certain utility bills if the claimant risks eviction or a loss of power etc.

Deductions due to benefit overpayments are capped at 15% of the standard allowance. However, the cap on overpayments can rise from 15% to 25% if household earnings are above a certain level. Repayment of debt related to fraud can also take people over the 15% cap for overpayments.

The average size of a deduction to legacy benefits in May 2022 was £61 and the average UC reduction was £62 in the same month. The standard allowance for a single (under 25) claimant is currently £265.31 and £416.45 for a couple (both under 25). This means that, if the average deduction and cap were applied to the average single under-25 and couple under-25, the standard allowance would reduce to £203.31 and £354.45 per month respectively.

IMMEDIATE REASONS FOR A DEDUCTION

There are a number of immediate reasons deductions can be made. Latest available official government data (for November 2021) shows that most of the money deducted is because of deductions for budgeting advances, tax credit overpayments, DWP benefit overpayments, and advances on new Universal Credit claims. Table 1 below provides a proportional breakdown of these immediate reasons for November 2021.

“You don’t properly think about the future deductions when you take the advance payment, you just think about the fact that you’re in need now and it feels like your only option. It is your only option”

Debt to Government, Deductions and Destitution participant

Table 1: Top Ten Reasons for a Deduction by the Total Amount (£) Deducted; Universal Credit;

Reason for Deduction	Amount Deducted (£m)	Proportion of Total Amount Deducted
Budgeting Advance	34.3	28%
Tax Credit Overpayments	23.8	19%
DWP Benefit Overpayments	17.5	14%
New Claim Advance	16.4	13%
Rent or Service Charge Arrears	6.4	5%
Benefit Transfer Advance	5.1	4%
Social Fund Loans	4.0	3%
Fines	3.3	3%
Housing Benefit Overpayment	2.6	2%
Council Tax Arrears	2.6	2%

Source: Analysis by the Trussell Trust of the DWP's Response to Written Question, UIN:989, Top ten by amount only⁵

UNDERSTANDING AND AWARENESS

Previous research has identified confusion and a lack of information on deductions among people who have them, including why they even have one.⁶ Analysis by the Trussell Trust of data collected by YouGov indicates that this is a multifaceted problem.⁷

⁵ UK Government. Response to written question 989. 2022. Available at: <https://questions-statements.parliament.uk/written-questions/detail/2022-05-11/989>

⁶ Alex Bennett-Clemmow, Joanne Oguntimehin, Gail Steeden, and Sinead Jefferies. Debt to Government, Deductions and Destitution. The Trussell Trust. Available at: <https://www.trusselltrust.org/wp-content/uploads/sites/2/2022/02/Debt-to-government-deductions-and-destitution-qualitative-research-report.pdf>

⁷ Total sample size was 1,506 adults in receipt of Universal Credit. Fieldwork was undertaken between 24th January - 15th February 2022. The survey was carried out online. The figures have been weighted and are representative of all UK adults on Universal Credit (aged 18+). Results presented here are for 400 adults in receipt of Universal Credit who said that they, or their partners benefits were currently having deductions.

Of people claiming Universal Credit with any deduction in February 2022:

Low understanding of what is owed and their ability to restructure or reduce their repayments

Over one in three (34%) said they were confused about what is owed and why.

62% reported not knowing what options are available if they are unable to afford their repayments.

40% said that they do not receive clear, understandable communication about the repayments.

28% disagreed that they were told about the repayments before money started being taken from their benefits.

Poor comprehension of what is owed

32% said they did not 'understand the deductions, including how much money [they] owe, how much is taken each month and how long the payments will continue for'.

Little optimism around the ability to change repayment levels

67% agreed with the statement 'I don't think there's any point trying to reduce the repayment amounts, as nothing will change'.

67% reported that they are or would be anxious or nervous to request a lower repayment level.

21% said they had attempted to reduce the amount they repay.

43% of claimants who had attempted to reduce the amount they repay were unsuccessful.

The findings presented above resonate with official Government statistics. Concerningly, from February 2021 to the end of 2021, DWP debt management received just 96 requests for their UC overpayment repayments with a classification of official error to be waived, indicating many people are unaware they can dispute the amount.⁸ Of those 96 requests, just 9 repayments were waived,⁹ this suggests that the waiver of a DWP repayment is highly unlikely to succeed.

These figures firmly support those of previous qualitative research which highlighted low awareness around benefit deductions amongst people who have one.¹⁰

Indeed, recent research by the Trussell Trust found:

'Many people who have experienced government debt repayments were not supported to understand the situation they were in. They didn't know why the money was owed, they didn't

⁸UK Government. Response to written question HL1410. 2022. Available at: <https://questions-statements.parliament.uk/written-questions/detail/2022-06-30/hl1410>

⁹Ibid.

¹⁰ See e.g., Alex Bennett-Clemmow, Joanne Oguntimehin, Gail Steeden, and Sinead Jefferies. Debt to Government, Deductions and Destitution. Trussell Trust. Available at: see link above.

*know how much they needed to repay, and they didn't know how long the repayments were going to last. Of particular concern was that they also didn't know what - if any - options or choices were available to them.'*¹¹

IMPACT

The UK Government argues 'that deductions help claimants to manage their finances, and that a balance has to be found between helping people out of debt and affordability',¹² however, this claim is robustly contradicted by both qualitative and quantitative evidence.

Debt to Government Deductions and Destitution (Trussell Trust, 2022)¹³

Previous qualitative research by the Trussell Trust highlighted several detrimental effects of the 'broken debt management system', including how it:

- harms mental health;
- pushes people into destitution and further debt; and
- increases pressure on other services (e.g., housing and mental health services).

The negative impact of benefit deductions has been consistently evidenced across multiple studies. This section draws on our most recent YouGov polling data to provide a brief overview of the impact deductions have on **mental wellbeing, financial situation, food security, destitution and food bank need**.

Mental Wellbeing and Emotional Impact

Debt to Government (Trussell Trust, 2022) found deductions were significantly damaging to people's mental health. This was partly due to the unbearable and unmanageable situation into which claimants are pulled.

The report highlighted several mental health and emotional impacts:¹⁴

- Deductions lead to 'constant worry about whether they're going to be able to make ends meet'.
- They can 'trigger or worsen mental and physical health conditions'.
- They 'affect the way people see themselves, e.g. feeling like a failure or a bad parent'.
- They make people feel 'isolated as can't afford to see friends and family, or trapped in relationships for fear of financial repercussions'.

¹¹ Ibid.

¹² Hobson, F. Universal Credit: Ten years of changes to benefit claims and payments. 2021. Available at: <https://researchbriefings.files.parliament.uk/documents/CBP-9109/CBP-9109.pdf>

¹³ Alex Bennett-Clemmow, Joanne Oguntimehin, Gail Steeden, and Sinead Jefferies. Debt to Government, Deductions and Destitution. Trussell Trust. Available at: <https://www.trusselltrust.org/wp-content/uploads/sites/2/2022/02/Debt-to-government-deductions-and-destitution-qualitative-research-report.pdf>

¹⁴ Alex Bennett-Clemmow, Joanne Oguntimehin, Gail Steeden, and Sinead Jefferies. Debt to Government, Deductions and Destitution. Trussell Trust. Available at: see link above.

With 2.1 million UC deductions in February 2022 alone, findings such as these are gravely concerning.

*“[E]very day I feel like my mental health is being stripped a little bit more”
Debt to Government participant*

*“I struggle daily. Mentally, most times I'm depressed.
You look and think 'What am I going to do today?' It's just constantly, 'What am I going to do?'
Because I've got this, I've got that, and then when you don't have it you just have to work out
another way.
It's not unusual to run out of milk, and things like that.”
Debt to Government participant*

*“It's like living under a big cloud”
Debt to Government participant*

*“It has worsened my physical and mental health and has made me feel disenfranchised and
disempowered and excluded from everyday society. Feels like the minimum we can pay you the
better, feels like you're dealing with this massive machine. It's not assistance or help, it's the
contrary. Like many others, I've had a very bad time dealing with local and central government.
It's a very prescriptive system, so it's just a 'this is how it is'.”
Debt to Government participant*

*“I had been brought up, if you can't afford it, you can't have it. For me to end up in a situation
where I had to take a loan, I wasn't comfortable with that because that's not how I live my life. I
didn't have friends or family that I could have borrowed that money from so the better option
was to do it with income support but of course I would rather not have had to do it at all. I
found it upsetting and felt like I'd let myself down a bit”
Debt to Government participant*

Financial Situation

In response to an August 2021 YouGov survey, conducted on behalf of the Trussell Trust,¹⁵ 30% of UC claimants with a deduction said deductions had a ‘fair amount’ of negative impact on their ability to afford essential living costs, and 40% said the deduction(s) had ‘a great deal’ of impact.¹⁶ These figures resonate with StepChange’s survey of their clients wherein 98% with a deduction said that they ‘were unable to afford essentials as a result’.

*“No, it's not even enough to get essentials. When you think about it, out of £56 if I pay my £16
rent, I'm left with £40 a week, and that's supposed to, like you said, feed me, clothe me, buy all
my essentials for washing and cleanliness and everything else.”
State of Hunger participant with a deduction*

¹⁵ Total sample size was 2,008 adults who receive Universal Credit. Fieldwork was undertaken between 5th - 19th August 2021. The survey was carried out online. The figures have been weighted and are representative of all UK adults who receive Universal Credit (aged 16+). Results presented here are for 514 adults in receipt of Universal Credit who said that they, or their partners benefits were currently having deductions.

¹⁶ Ibid.

“Every month, I have to pick one bill that can't be paid, just to be able to live through the month until my next pay day.”

Debt to Government participant

Our analysis of YouGov survey data, collected on behalf of the Trussell Trust, indicates that not only do deductions make it more difficult to afford the essentials, they are also highly likely to increase debt and borrowing.

Two in three (67%) of people claiming UC surveyed in February 2022¹⁷ who had a deduction said that the mandatory repayments have meant they needed to ‘borrow money (e.g. from family or a payday loan), or use [their] overdraft to afford essentials’.¹⁸ A similar proportion (65%) said that the deduction has resulted in rent/utility bill arrears, or other essential costs.¹⁹ In a similar vein, JRF research found ‘some 85% of families with deductions from their benefits are in arrears with household bills, compared to 40% of all low-income families’.²⁰ Combined, this is clear evidence that deductions are driving people into severe hardship, creating new, or enlarging existing, debt spirals.

It also suggests deductions may be a significant driver of housing insecurity and homelessness. This supports previous research by the Trussell Trust which identified ‘**benefit overpayments themselves were a common trigger event leading directly to a debt spiral**’.²¹

In August 2022²² the majority (56%) of people claiming Universal Credit who said that their or their partner’s benefit payments were currently being deducted had more than one day when they didn’t eat at all, or had only one meal because they couldn’t afford to buy enough food. This is significantly higher than the equivalent figure for people not facing deductions (32%) and the average for all people claiming Universal Credit (38%). The full breakdown of what essentials people experiencing deductions have gone without in the previous 30 days is found in the appendix.

Our data shows the broader experiences of people experiencing deductions from their benefits in August 2022- including the trade-offs that they are having to make to keep affording some of the essentials.

¹⁷ Total sample size was 1,506 adults in receipt of Universal Credit. Fieldwork was undertaken between 24th January - 15th February 2022. The survey was carried out online. The figures have been weighted and are representative of all UK adults on Universal Credit (aged 18+). Results presented here are for 400 adults in receipt of Universal Credit who said that they, or their partners benefits were currently having deductions.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Katie Schmuecker and Rachelle Earwaker. Not heating, eating or meeting bills: managing a cost of living crisis on a low income. Joseph Rowntree Foundation. 2022. Available at: <https://www.jrf.org.uk/report/not-heating-eating-or-meeting-bills-managing-cost-living-crisis-low-income>

²¹ Alex Bennett-Clemmow, Joanne Oguntimehin, Gail Steeden, and Sinead Jefferies. Debt to Government, Deductions and Destitution. Trussell Trust. Available at: <https://www.trusselltrust.org/wp-content/uploads/sites/2/2022/02/Debt-to-government-deductions-and-destitution-qualitative-research-report.pdf>

²² Total sample size was 1,846 adults in receipt of Universal Credit. Fieldwork was undertaken between 10th August - 31st August 2022. The survey was carried out online. The figures have been weighted and are representative of all UK adults on Universal Credit (aged 18+).

Of people surveyed in August 2022 claiming Universal Credit - currently experiencing deductions from their benefits:

- **58%** had fallen into debt because they couldn't keep up with essential bills in the previous three months vs. **34%** of all people claiming Universal Credit.
- Three in ten (**30%**) had been unable to cook hot food in the last three months because they couldn't afford to use the oven or other utilities vs. **21%** of all people claiming Universal Credit.
- Over one in four (**28%**) had been unable to afford medical prescriptions, pain relief or other over the counter medication in the past three months vs. **18%** of all people claiming Universal Credit.

Food Insecurity

Data collected in multiple surveys shows that there is a strong correlation between being subject to benefit deductions and food insecurity.

A YouGov survey, carried out on behalf of the Trussell Trust in August 2021 of people claiming Universal Credit, included a number of questions which drew on the U.S. Department of Agriculture (USDA) Household Food Security Module. These questions assess a survey respondent's food security level. Based on the answers to these questions, respondents were assigned a 30-day food security score, and placed into four categories ranging from 'very low food security' to 'high food security'.

Figure 1: UC Claimant Food Security, by Deduction Status²³

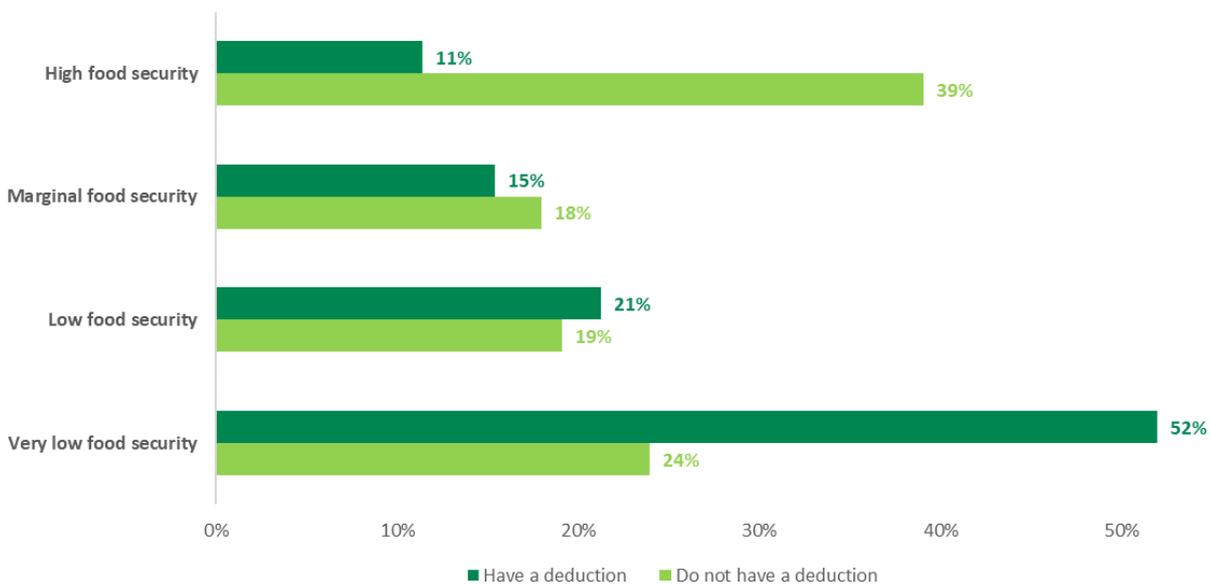


Figure 1 shows there is a strong correlation between someone's food security scores and whether they have a deduction. People with a deduction are much more likely to experience very low food

²³ Total sample size was 2,008 adults who receive Universal Credit. Fieldwork was undertaken between 5th - 19th August 2021. The survey was carried out online. The figures have been weighted and are representative of all UK adults who receive Universal Credit (aged 16+). Results presented here are for 514 adults in receipt of Universal Credit who said that they, or their partners benefits were currently having deductions.

security and far less likely to experience high food security than those who do not have a deduction. These findings are statistically significant.²⁴

“I'm really rationing what I eat. Sometimes I live off canned food, and alternate between that and fresh food.” Debt to Government participant

Concerningly, our analysis of survey data collected in February 2022²⁵ also suggested that most UC claimants cut back on food for themselves in the previous four months. However, the rate was significantly higher for UC claimants who had a deduction. The data shows **83%** of UC claimants *with a benefit deduction* had cut back on their own food intake, whereas **67%** of UC claimants *without a deduction* had cut back on their food intake.

This analysis suggests that deductions may amplify the extent to which people must cut back on food, thereby supporting calls for major changes to both deduction levels and, in a broader sense, the Government's flagship means-tested benefit.

“It was feed the kids or pay the council tax, I obviously chose the kids.”

Debt to Government participant

Destitution

The JRF destitution measure defines someone as destitute if they lack at least two of six specified essentials (e.g., clothing or food) or if they have an income which is significantly below the Minimum Income Standard (MIS).²⁶

Analysis by the Trussell Trust of data collected by YouGov in August 2021,²⁷ indicates that **people on UC with a deduction are more likely to experience destitution** (on the essentials measure only) than people who do not. The data suggests 54% with a benefit deduction were destitute (lacking two or more essentials), this was **more than twice as high** as people who do not have a deduction (25%).²⁸ We can infer from this analysis that deductions push people into destitution, simply leaving people without enough income to meet their basic living costs. Considering the cost-of-living crisis, which is hitting people on the lowest income the hardest, these rates are highly likely to have worsened over recent months.

²⁴ (p=<.0001).

²⁵ Total sample size was 1,506 adults in receipt of Universal Credit. Fieldwork was undertaken between 24th January - 15th February 2022. The survey was carried out online. The figures have been weighted and are representative of all UK adults on Universal Credit (aged 18+). Results presented here are for 400 adults in receipt of Universal Credit who said that they, or their partners benefits were currently having deductions.

²⁶ Suzanne Fitzpatrick, Glen Bramley, Janice Blenkinsopp, Jenny Wood, Filip Sosenko, Mandy Littlewood, Sarah Johnsen, Beth Watts, Morag Treanor and Jill McIntyre. Destitution in the UK. Joseph Rowntree Foundation. 2020. Available at: <https://www.jrf.org.uk/report/destitution-uk-2020>

²⁷ YouGov panel survey of UK general population, collected on behalf of the Trussell Trust. The survey was conducted in August 2021. Survey is weighted. Analysis was conducted of respondents who reported being on Universal Credit only; effective n = 2008.

²⁸ Ibid.

Figure 2: Proportion of UC Claimants Lacking the Six Essentials over the Last Month due to Insufficient Income, by Deduction Status ²⁹

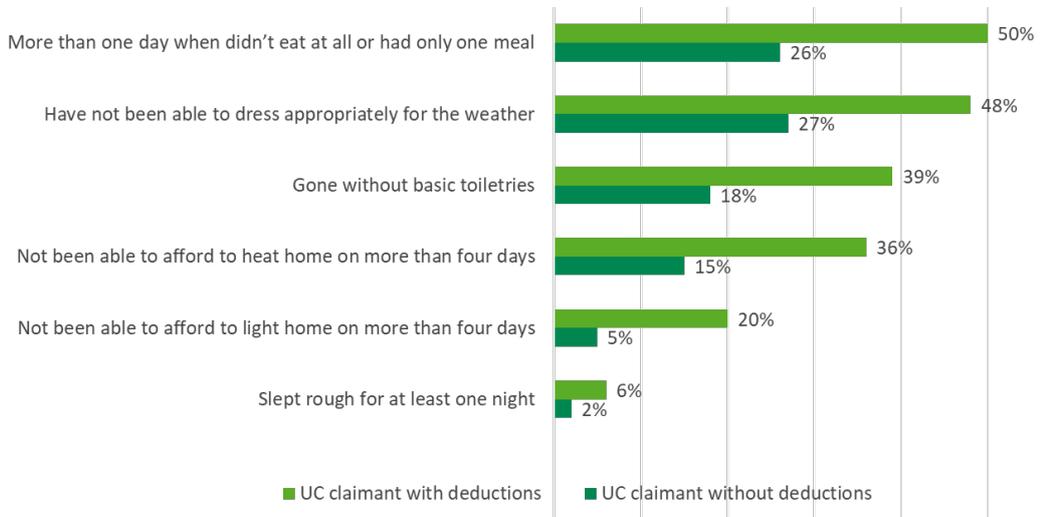


Figure 2 shows the proportion of UC claimants who are lacking the six key essentials by their deduction status. We can see that people who have a deduction reported higher levels of going without the essentials. The chart also suggests that deductions almost double the likelihood of someone on UC needing to go more than one day in which they eat just one or fewer meals (26% for people without a deduction, compared to 50% who had a deduction). ³⁰

These figures corroborate previous research by the Joseph Rowntree Foundation which found 93% of people with a means-tested benefit deduction ‘have gone without at least one essential [...] in 2022, or gone without enough food in the last 30 days, compared with 63% where benefits are not being deducted’. ³¹ These statistics were ‘even worse’ for UC claimants with deductions. ³² They found that, ‘shockingly, more than seven in ten (72%) UC recipients with deductions went hungry in the last 30 days, compared to a still too high four in ten (42%)’. ³³

**“I have arrears with everything - rent, council tax, gas, electric.
You try and put payment plans in place and something else will pop up and you can't
afford that payment and then you're back to square one. It's a vicious cycle.”**
Debt to Government participant

The Need for Food Banks

The Trussell Trust has closely monitored the impact of deductions from people’s social security payments. Our new research project conducted by Ipsos and to be published in full in Spring 2023 highlights some key elements of this impact.

²⁹ Total sample size was 2,008 adults who receive Universal Credit. Fieldwork was undertaken between 5th - 19th August 2021. Total sample size was 2,008 adults who receive Universal Credit. Fieldwork was undertaken between 5th - 19th August 2021. The survey was carried out online. The figures have been weighted and are representative of all UK adults who receive Universal Credit (aged 16+). Results presented here are for 514 adults in receipt of Universal Credit who said that they, or their partners benefits were currently having deductions.

³⁰ Ibid.

³¹ Katie Schmuecker and Rachelle Earwaker. Not heating, eating or meeting bills: managing a cost of living crisis on a low income. Joseph Rowntree Foundation. 2022. Available at: <https://www.jrf.org.uk/report/not-heating-eating-or-meeting-bills-managing-cost-living-crisis-low-income>

³² Ibid.

³³ Ibid.

Ipsos surveyed people across the Trussell Trust network in mid-2022 and found almost half (47%) of people referred to food banks were experiencing their or their partner’s benefits being deducted. This could include repaying a benefit advance, benefit overpayment, other DWP loans, or other debt or fines.

This figure increases to 57% of people in receipt of Universal Credit referred to food banks. With governmental figures showing that 45% of all Universal Credit claims had a deduction there is a clear over-representation of people facing deductions at food banks.

The most common reason (55% of people referred to food banks facing deductions) for someone having their or their partner’s benefits deducted was because they were repaying an advance payment taken to cover a specific expense (a budgeting advance). This was followed by repaying an advance payment taken to cover the five-week wait for Universal Credit (31% of people referred to food banks facing deductions).

One in five people referred to food banks facing deductions were doing so because they needed to repay a benefit overpayment (22%).

Q. And why is part of your or your partner’s benefit income being deducted?
Base: All whose benefits are being deducted, all valid responses

	(1084)
	%
To repay an advance payment taken to cover a specific expense (a budgeting advance)	55
To repay an advance payment taken to cover the five-week wait for Universal Credit	31
To repay previous benefit overpayments (e.g. from the DWP or the Council)	22
To repay an advance payment taken on because of a change of circumstances	11
To repay a court fine / fines	16
To repay council tax arrears	14
Because of deductions from third parties (e.g. to repay arrears on rent or energy bills)	13
To repay a Hardship Payment from the DWP	6
Other debts and fines	14
I don’t know why	3

**As a multiple response option question data will not sum to 100%.

These findings firmly support previous research by JRF which found ‘29% of UC recipients with deductions visited a food bank compared to 13% without deductions’.³⁴

“Sometimes we don't have anything left after we go shopping and we have to wait for our next payment which is a week or a fortnight away.”

- *Debt to Government, Deductions and Destitution participant*

THE NEED FOR POLICY CHANGE

The data is clear that debt to government - which in many cases is unavoidable - plays a significant role in pushing people into destitution and towards food banks. The Trussell Trust is calling on the Government to reform the system so that people can repay debts in an improved and affordable manner. This would enable people to keep more of their money and would immediately relieve some of the financial pain they are enduring. Specifically, the UK Government should:

- Lower the cap on total deductions from the Standard Allowance of Universal Credit from 25% to 15%. Deductions to repay debt to central Government should be capped at 5% of the Standard Allowance.
- Ensure that government debt management processes consistently embody the principles of clarity, flexibility and respect by providing all the information and options in a timely way, giving people options that work with their individual needs which may change over time, and treating people in a non-judgmental way, showing understanding and empathy.

³⁴ Katie Schmuecker and Rachelle Earwaker. Not heating, eating or meeting bills: managing a cost of living crisis on a low income. Joseph Rowntree Foundation. 2022. Available at: <https://www.jrf.org.uk/report/not-heating-eating-or-meeting-bills-managing-cost-living-crisis-low-income>

APPENDIX A

Full list of reasons for a benefit deduction

Deduction Type
Benefit Transfer Advance
Budgeting Advance
Change of Circumstances Advance
New Claim Advance
DWP Benefit Fraud Overpayments
DWP Benefit Overpayments
DWP Recoverable Hardship Payments
Housing Benefit and DWP Administrative Penalties
Housing Benefit and DWP Civil Penalties
Housing Benefit Fraud Overpayment
Housing Benefit Overpayment
Social Fund Loans
Tax Credit Overpayments
Child Maintenance
Council Tax Arrears
Electricity Arrears
Electricity Ongoing Consumption
Eligible Loan Arrears
Fines
Gas Arrears
Gas Ongoing Consumption
Home Office Integration Loan Arrears
Rent or Service Charge Arrears
Water Arrears
Water Ongoing Consumption

Source: UK Government (DWP). Available at: <https://questions-statements.parliament.uk/written-questions/detail/2022-07-08/33038>

APPENDIX B

Essentials gone without in the last 30 days - August 2022 YouGov

In the last 30 days have you:

Statement	Sample	Yes, I have	No, I haven't	Don't know / can't remember	Prefer not to say
Had more than one day when you didn't eat at all, or had only one meal, because you couldn't afford to buy enough food?	People claiming Universal Credit with deductions	56%	42%	1%	1%
	All people claiming Universal Credit	38%	59%	2%	2%
Not been able to dress appropriately for the weather because you didn't have and were unable to afford suitable shoes or clothes?	People claiming Universal Credit with deductions	45%	52%	3%	1%
	All people claiming Universal Credit	30%	67%	2%	1%
Gone without basic toiletries such as soap, shampoo, toothbrush, toothpaste or sanitary items because you couldn't afford to buy them?	People claiming Universal Credit with deductions	41%	57%	1%	1%
	All people claiming Universal Credit	24%	73%	1%	1%

Not been able to afford to heat your home on more than four days across the month?	People claiming Universal Credit with deductions	34%	59%	5%	2%
	All people claiming Universal Credit	25%	67%	6%	2%
Not been able to afford to light your home on more than four days across the month?	People claiming Universal Credit with deductions	19%	77%	4%	1%
	All people claiming Universal Credit	12%	84%	3%	1%
Slept rough (e.g. on the streets, at a shelter, etc.) for at least one night?	People claiming Universal Credit with deductions	4%	95%	1%	1%
	All people claiming Universal Credit	2%	96%	1%	1%