**Supplementary written evidence from the Women’s Budget Group**

The Women’s Budget Group (WBG) welcomed the opportunity to give oral evidence to the Committee’s Inquiry on Universal Credit and domestic abuse on 18 April 2018. This supplementary note aims to give additional information on some of the issues raised; reactions to the Secretary of State’s statement on this issue to the Scottish Social Security Committee; responses the Minister for Family Support, Housing and Child Maintenance’s letter to the Chair to the Committee; and the further evidence session on 24 April.

1. **Contributory benefits**
	1. In the evidence session on 18 April 2018, Mr Field asked (Q526) whether claimants were being encouraged not to claim contributory benefits. The WBG response referred to evidence from advisers who have told the Child Poverty Action Group that claimants are apparently being told that they can no longer claim contributory Employment and Support Allowance (ESA) or Jobseeker’s Allowance (JSA) and have been directed to claim Universal Credit (UC) instead[[1]](#endnote-1). The online claiming process does not seem to allow for this:

*The adviser is trying to support a client to claim contributions-based JSA but the DWP's online system won't let them - it keeps directing them to UC. The adviser is adamant that there weren't any filter questions in the process to direct her to contributions-based JSA. #6894[[2]](#endnote-2)*

1. **The Secretary of State at the Scottish Social Security Committee**
	1. The Secretary of State told the Scottish Social Security Committee on 16 April 2018 that she was not looking for automatic payments, but that split payments:

*‘.. could be the first time that they get that extra help and support and are able to speak to somebody — not the DWP person, obviously, but someone in a third party organisation such as a charity. That approach has been revolutionary with regard to ensuring that people can get the support that they might not be getting in the family unit****. If there were an automatic separation of funds, they might not be able to access that help'****[[3]](#endnote-3)****.***

* 1. The WBG is perplexed by the claim that an automatic separate payment would lead to people not accessing local specialist support services:
1. Couples have been claiming Child Tax Credit (CTC) and Working Tax Credit (WTC) separately for many years and we are not aware of any evidence that this payment pattern has prevented anyone from accessing local support services.
2. Whether awards are paid separately or not, the WBG would expect the Department for Work and Pensions (DWP) to participate in a cross-government strategy on domestic abuse, for example offering opportunities for survivors to disclose, should they wish to, at various points in a claim (such as an individual interview with a work coach), irrespective of who is paid UC. It is therefore welcome that the Minister for Family Support, Housing and Child Maintenance told the Select Committee on 24 April that DWP’s aim was to be as well-equipped as possible to identify and direct survivors to the right kind of support (Q535).
3. The statement seems to downplay the role of other domestic abuse concessions such as the easement for job-seeking activities. Whilst there is room for improvement, as discussed on 18 April (Q481) the existence of easement is an obvious opportunity for disclosure of abuse.
4. It appears that few claimants have used split payments available under IS and JSA because of the risks of doing so, as acknowledged by Mr Couling in oral evidence on 24 April (Q581) and consistent with Women’s Aid research[[4]](#endnote-4). Jobcentre Plus is a long way down the list of people to whom survivors have disclosed financial abuse[[5]](#endnote-5). The WBG is not aware of any evidence to suggest that a ‘split by exceptions’ policy is likely to generate greater disclosure of financial abuse.
5. Although there are arguments for Jobcentre Plus to adopt ‘safe enquiry’, this does not negate the argument for a routine separate nominated bank account for payment. Jobcentre Plus staff could signpost survivors to a local agency at any point in the claim and not wait until a result for a split payment.
6. **The Minister’s letter of 27 March 2018**
7. The WBG would like to comment on the Minister’s letter to the Chair of the Committee, which makes some statements which we believe may not convey the full picture about financial abuse and UC.

***UC no different from legacy benefits***

1. In the second paragraph the Minister states that it is misleading to suggest that one payment, with split payments as an exception, also exists in legacy benefits so the claim that UC is exacerbating domestic abuse is without foundation.
2. The WBG believes this paragraph omits to mention that UC also replaces Child Tax Credit and Working Tax Credit as **well as out of work benefits, which are paid separately**.
3. More specifically, as UC is paid into only one bank account, with split payments available only in very exceptional circumstances in cases of financial abuse/mismanagement or domestic abuse, the overall payment arrangement:
4. Could concentrate power and resources on one partner, so unbalancing equality in relationships; and
5. Places an extra burden on those who are the most unequal under this arrangement to apply for a split payment when they are still living with an abuser.
6. A more accurate comparison with previous arrangements would include looking more broadly than ‘legacy’ benefits such as Income Support (IS) and Jobseeker’s Allowance (JSA), as these are only part of what now constitutes UC.
7. Previously, tax credits were separated into distinct child and adult payments. This was based on evidence that payments labelled for children and payable to the main carer made it more likely that this money would be spent on children, and also gave more bargaining power to that partner in a couple. Having separate payments for children also enabled some women in abusive relationships to have entitlements in their own right, which in some cases may be the only way that they can feed themselves and the children or to save small amounts to enable a subsequent escape.
8. IS and JSA claims could be split under similar conditions as UC, also thus requiring disclosure.
9. In effect the UC single payment as routine removes the positively, neutrally-labelled separation of entitlements that can support women generally and abused women in particular, retaining out of work benefit split payments as an exception. **In this respect, abolishing separate child and adult payments whilst retaining split payments by exception from IS/JSA may facilitate abuse to a greater extent than the benefit and tax credit arrangements that precede it.**
10. UC also gives an opportunity to abusers that is not available under other benefits/tax credits, and online claiming, with linked online UC accounts, could also make it easier for abusers to exploit this system. They could nominate their own bank account to obtain UC, which includes payments for children or housing, and a larger amount in one go through monthly awards.

***Split payments can’t resolve a crime***

1. In the third paragraph the Minister states that split UC payments cannot be a solution to what is a criminal act, dealt with through the judicial system.
2. Domestic abuse is a cross-cutting issue and requires action across different government departments and agencies. **Clearly neither the DWP nor UC alone can prevent financial abuse, but this does not mean that the DWP has no role to play**. The DWP contributed to the 2010 cross-government strategy on domestic abuse by introducing in 2012 the JSA Domestic Violence Easement and the Destitute Domestic Violence Concession.
3. The Government’s recent consultation on domestic violence contains several points of relevance for the DWP indicating that a response to domestic abuse is broader than simply judicial:
4. Jobcentre Plus is cited on page 18 as being committed to strengthening its work with local partners to ensure that those with complex needs, including domestic abuse, can access benefits, employment support and are referred on to local organisations;
5. The Government’s main aim is to prevent domestic abuse by challenging its acceptability and underlying attitudes/norms, including by promoting awareness, ‘making abuse everybody’s business’ (page 5);
6. A new statutory definition of domestic abuse is proposed which will cover economic abuse as well as financial abuse[[6]](#endnote-6).
7. This suggests that the DWP can work alongside other Government departments in preventing abuse and deterring perpetrators. **As part of this cross-government domestic abuse strategy, the DWP could review UC to explore how the scope for financial abuse can be narrowed as far as possible.**
8. From practical experience discussed on 18 April and from research we know that economic abuse is not always recognised by agencies, or even the survivor[[7]](#endnote-7). Research for the DWP also found that some claimants are reluctant to disclose abuse in a Jobcentre Plus context, a key barrier being lack of confidence that the information disclosed would remain confidential[[8]](#endnote-8).
9. Hence it seems to the WBG that the DWP could ensure that staff are trained, especially in financial and economic abuse, and that procedures are put in place which enable safe routine enquiry to be made, and in this context the Minister’s statements to the Committee on 24 April (referred to above) are therefore welcome.

***No plans to routinely split payments between partners***

1. In the 13th paragraph, the Minister states there are no plans to routinely split UC because an employee receives a single payment from their employer so UC mirrors that approach.
2. However, UC is not a wage and can be paid in addition to a wage and other benefits, and where both are working there will be two wages entering the household. Nor are wages jointly owned or jointly assessed. Wages are based on the individual’s work, not whether someone is a member of a couple, and a salary is not expected to be paid into the worker’s partner’s bank account.
3. The Minister goes on to say that a single payment enables a household to clearly see the effect of their decisions about work on total household income.
4. Exactly how a single payment helps couples see the effect of decisions about work on their income is unclear. Previous payment arrangements (such as making child payments to the main carer) do not appear to have had a negative impact on money management. Instead, it has been argued that separate payments could strengthen responsibility by allowing both members of couple to develop financial capability and work readiness by handling money themselves[[9]](#endnote-9).
5. The Minister also stated that the Government believes that people within a household are best placed to make money management choices and that a single payment enables them to do that.
6. However, which bank account is nominated for UC is a separate issue from how couples actually manage their money once it has been paid.

***Split payments can’t tackle abuse***

1. In the 14th paragraph the Minister refers to the Women’s Aid report that 86% of survivors agreed or strongly agreed that the abuse would worsen once an abuser found out they had applied for a split payment[[10]](#endnote-10). The Minister goes on to state that the Government ***‘would not want the committee to make the mistake of thinking that the greater use of split payments can help tackle the scourge of abuse’.***
2. However, there seems to be some confusion between split payments under UC and IS/JSA arrangements, which involve requesting an exception; and an approach where each claimant routinely nominates a bank account for a separate payment to paid into (as for example done through CTC and WTC currently). Split payments require disclosure, though many survivors are often reluctant to declare to Jobcentre Plus and requesting a split can risk further abuse as survivors who are still living with a partner (rather than living apart, when split payments are not relevant).
3. In contrast, a routine, separate bank account / payment system could help to change attitudes about gender equality and to create new norms (which are included in the Government’s domestic violence consultation as ways of preventing domestic abuse: page 5). Norms can encourage or discourage abuse, and policy can send a strong message about what is acceptable[[11]](#endnote-11) (or not).
4. Two separate bank accounts/payments could be facilitated by keeping the UC online accounts of each partner separate, as then each would have to input bank account details.

**4. Witness session, DWP Minister and official, 24 April 2018**

***Reasons for the single payment of UC to a couple***

1. In answer to Q 594, two reasons for having only one payment were put forward:
2. **The extent of pooling, as only a small proportion of couples have separate finances (2% married and 7% cohabiting).** As the WBG has previously pointed out*,* this seems to come from the 2008 Families and Children Study (FACS), which only refers to couples with children and was not based on a full interview with partners[[12]](#endnote-12). There is a body of research (both sociological and economic) concerning the distribution of resources between members of a couple[[13]](#endnote-13). This highlights that the assumption that resources will be shared and jointly pooled does not always happen in practice[[14]](#endnote-14); and equal access to a joint bank account does not imply equal power over spending decisions[[15]](#endnote-15).
3. **‘wallet to purse’ debates were at a time when women’s employment rate was lower than now, and the gap between women’s and men’s employment was greater than currently**. Although earnings are an important component of an independent income for women, it does not necessarily follow that a single UC payment is justified (as couples with both partners in work would receive their own wages). The separation of child and adult tax credit payments in 2003 was based on research that money labelled for children and payable to the main child carer was more likely to be spent on them[[16]](#endnote-16), at a time when women’s employment rates were 66% overall[[17]](#endnote-17). Moreover, in sole earner couples, the main earner is still more likely to be the man in opposite sex couples[[18]](#endnote-18) .

***Confusion between split payments as an exception and default two separate UC payments***

1. There seems to be some confusion between split payments as an exception under IS, JSA and UC, and having two separate payments, one to each member of a couple. In answer to Q571, the Minister seemed to suggest that split payments would be the same whether these are in place at the start of the claim or on request. As the WBG and others have noted, UC itself cannot abolish financial abuse, but it can create a payment system that signals equality and reduces the scope for abuse (which two separate payments are more likely to achieve than a split payment by exception).

***Automation of split payments by exception***

1. At Q534/Q536 it was noted that split payments by exception were being undertaken manually, not prioritised for automation as volumes were expected to be low (given IS/JSA experience), though ideally everything would be automated (Q580). However, unlike split payments by exception now, it is not clear to the WBG that two separate payments from the outset would have to be undertaken manually and why this could not be automated if each member of a couple could input their bank details separately as part of their online claim.

***Separate payments would need an opt-out***

1. At Q579, the Minister noted that with (separate) payments an opt-out would be needed, such as where a partner had an addiction. This is probably right but changing the ‘default’ to a separate rather than single payment could make it easier for the DWP to identify difficulties with addiction and abuse and refer to local support agencies as appropriate.

***Split payments not for domestic violence***

1. At Q 537 Mr Couling noted that split payments are not really for domestic violence cases (more for people who might spend money on alcohol rather than the family), suggesting that a 50/50 split would not be appropriate in such instances. However, the Alternative Payments guidance states that split payments are considered where the claimant notifies the DWP that there is financial mismanagement / abuse, where there are domestic violence issues, or where the claimant cannot or will not budget for their own or their family’s basic day to day needs[[19]](#endnote-19). Financial mismanagement may be a different issue from financial abuse, which under separate bank accounts / payments could be dealt with by an ‘opt-out’ (which may be similar to the present system of split payments, where a percentage split would reflect specific family circumstances).

***DWP equipped to deal with domestic violence***

1. At Q535, the Minister stated that it was important for the DWP to be as well-equipped as possible to identify and direct survivors of abuse to relevant support services, rather than pre-judging a split payment. The WBG was pleased to hear that the Minister was committed to the DWP’s role in tackling abuse as a cross-cutting and multi-layered issue. However, this does not mean that separate bank accounts for payments to each member of a couple are unnecessary, for reasons as outlined above (para 2.2).

***UC components***

1. In response to Q538, it was stated that there are no components in UC, though these exist in the calculation of gross entitlement. However, there are circumstances where these can be identified separately; for example, the housing element can be separately identified and paid direct to a landlord, and when one member of a couple is sanctioned, the amount reduced is up to 50% of the couple’s standard personal allowance.

***Scotland and Northern Ireland***

1. Governments in Scotland and Northern Ireland are already investigating whether to make more automatic separate payments to each partner. The Social Security (Scotland) Bill, passed with all-party support[[20]](#endnote-20), includes provision for Scottish joint claimants to have their UC award split between them, unless they elect a single bank account[[21]](#endnote-21).
2. The WBG was pleased to hear that the DWP is open to learning from the Scottish Government where we understand that debates about specific options for apportioning separate payments to each member of a couple are ongoing.
3. **Developing options for separate payments of UC**
	1. To avoid confusion with split payments, the WBG refers in this section to options for each member of a couple nominating a bank account so that separate payments can be made to each[[22]](#endnote-22).
	2. In our original evidence we included some suggestions from our ongoing work for how a separate bank account and separate payment could be allocated to each member of a couple. The following paragraphs update these ideas, though remain ‘work in progress’.
	3. Potential criteria for how alternatives could be developed are updated, to include that options:
4. Narrow the scope for financial abuse;
5. Ensure money for children is spent on them;
6. Promote financial autonomy of both partners (so each has access to an independent income);
7. Reduce disincentives for second earners to do paid work;
8. Are transparent so that claimants know what contribution each makes to household and that UC is for household rather than personal spending.
	1. Specific options could include:
9. **Percentage split:** each partner could be paid a 50/50 percentage so that each partner gets to nominate a bank account for a separate UC payment, amounting to half of the award. This would give a clear signal of equality between partners, would enable each to develop and practice financial capability (one of the government’s aims) and be consistent with the dual nature of joint claims as having individual as well as joint responsibilities.
10. **Child element (or an equivalent amount)** could bepaid to person directly responsible for meeting children’s daily needs. At present there is a click box in the online claim form to nominate a main carer, so such a person could be easily identified. This would reinstate child payments to the person mainly responsible for them, and so support spending on children and improve the carer’s bargaining power within the family.
11. Other **elements (or equivalent amounts) are paid to the partner entitled to them** e.g. the limited capability for work and work-related activity element paid to the disabled person, the carer element to the person providing care. (This may require some priority ordering, in which case there is an argument for the child element or its equivalent value being paid to the main carer first).
	1. In the longer term, consideration could be given to stripping out child elements from UC and turning them into non-means-tested support (such as adding to Child Benefit).
	2. Different ways of apportioning and implementing a separate payment could be piloted. In 2015 a joint Parliamentary committee recommended that different forms of separate payment could be trialled as part of UC rollout, to assess which best protects the financial autonomy of women in couples, thereby strengthening their position should domestic violence occur[[23]](#endnote-23). Couples appear to be a minority of UC claims at present[[24]](#endnote-24), which may make this easier to pilot.
	3. This reinforces the importance of creating a new norm which signals greater equality between men and women, and between each partner in a couple.

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30 April 2018

1. CPAG (2018) Early Warning system: Universal Credit: guidance for caseworkers and advisers. <http://www.cpag.org.uk/sites/default/files/uploads/CPAG-Universal-credit-casework-briefing-Feb2018.pdf> [↑](#endnote-ref-1)
2. CPAG seminar <http://www.cpag.org.uk/sites/default/files/CPAG-Scot-EWS-UC-seminar-briefing%28Mar16%29.pdf> [↑](#endnote-ref-2)
3. Col 14, <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=11463&mode=pdf> [↑](#endnote-ref-3)
4. Howard, M and Skipp, A (2015) *Unequal, trapped and controlled: women’s experience of financial abuse and potential implications for Universal Credit* Women’s Aid/TUC [↑](#endnote-ref-4)
5. Howard, M and Skipp, A (2015) *Unequal, trapped and controlled: women’s experience of financial abuse and potential implications for Universal Credit* Women’s Aid/TUC [↑](#endnote-ref-5)
6. <https://consult.justice.gov.uk/homeoffice-moj/domestic-abuse-consultation/> [↑](#endnote-ref-6)
7. Sharp-Jeffs, N (2015) *Money matters: Research into the extent and nature of financial abuse within intimate relationships in the UK*: The Co-operative Bank and Refuge; Howard, M and Skipp, A (2015) *Unequal, trapped and controlled: women’s experience of financial abuse and potential implications for Universal Credit* Women’s Aid/TUC [↑](#endnote-ref-7)
8. ICF GHK Consulting (2013) *Domestic violence: Implementation of JSA DV Easement and DDV concession – Small Scale Qualitative Research*. DWP research report 843 [↑](#endnote-ref-8)
9. HL committee stage amendment debate: Baroness Lister Ruth 23 Nov 2011 : Column GC433 - 41 <https://publications.parliament.uk/pa/ld201011/ldhansrd/text/111123-gc0001.htm#11112394000135> [↑](#endnote-ref-9)
10. Howard, M and Skipp, A (2015) *Unequal, trapped and controlled: women’s experience of financial abuse and potential implications for Universal Credit* Women’s Aid/TUC [↑](#endnote-ref-10)
11. World Health Organisation (2009) *Violence prevention: the evidence. Challenging social and cultural norms that support violence*. <http://www.who.int/violence_injury_prevention/violence/norms.pdf> [↑](#endnote-ref-11)
12. WBG evidence to the select committee 2012: <https://publications.parliament.uk/pa/cm201213/cmselect/cmworpen/writev/576/m02.htm>; Maplethorpe N et al (2010) Families with children in Britain: Findings from the 2008 Families and Children study (FACS) DWP research report 656. (<https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/214426/rrep656.pdf> [↑](#endnote-ref-12)
13. eg reviewed in Bennett, F (2013) ‘Researching within household distribution: overview, developments, debates and methodological challenges’. *Journal of Marriage and Family* 75(3) 582-97; see also Daly, M et al (2012) *Intra-household poverty. Conceptual note no 5*. Poverty and Social Exclusion UK <http://www.poverty.ac.uk/sites/default/files/attachments/Conceptual%20note%20No.5%20-%20Intra%20Household%20Issues%20%28Daly%20et%20al%2C%20April%202012%29.pdf> [↑](#endnote-ref-13)
14. eg Eurostat (2013) *Income pooling and equal sharing within the household – what can we learn from the 2010 EU-SILC module?* (<http://bit.ly/2j5AT9S>; [↑](#endnote-ref-14)
15. Eg Pollak R (2011) “Family Bargaining and Taxes: A Prolegomenon to the Analysis of Joint

Taxation,” CESifo Economic Studies, 2011, 75 (2), 216-244, cited in Fisher, P (2014) ‘British Tax Credit Simplification, the Intra-household Distribution of Income and Family Consumption.’ ISER working paper no 2014-13. [↑](#endnote-ref-15)
16. Lister R and Walsh (1985) *Mother’s lifeline: a survey of how women use and value child benefit*. London: CPAG; Goode J et al (1998) *Purse or wallet? Gender inequalities and income distribution within families on benefits.* London: Policy Studies Institute [↑](#endnote-ref-16)
17. ONS (2013) *Women in the labour market* <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/womeninthelabourmarket/2013-09-25> [↑](#endnote-ref-17)
18. The main earner is a man in around 80% of couples entitled to UC: p32,Finch, D (2015) *Making the most of UC: final report of the Resolution Foundation Review of Universal Credit*. London: Resolution Foundation <http://www.resolutionfoundation.org/app/uploads/2015/06/UC-FINAL-REPORT2.pdf> [↑](#endnote-ref-18)
19. Page 10, DWP (2018) *Alternative Payment Arrangements and Personal Budgeting Support: Guidance April 2018* <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/699232/personal-budgeting-support-and-alternative-payment-arrangements.pdf> [↑](#endnote-ref-19)
20. <http://www.bbc.co.uk/news/uk-scotland-scotland-politics-43885731> [↑](#endnote-ref-20)
21. Section 53A, Social Security (Scotland) Bill as passed. April 2018 [http://www.parliament.scot/Social%20Security%20(Scotland)%20Bill/SPBill18BS052018.pdf](http://www.parliament.scot/Social%20Security%20%28Scotland%29%20Bill/SPBill18BS052018.pdf) [↑](#endnote-ref-21)
22. They could, of course, choose the same bank account [↑](#endnote-ref-22)
23. House of Lords/Commons (2015) Violence against women and girls, 6th report of session 2014-15. HC 594, HL 106. <https://publications.parliament.uk/pa/jt201415/jtselect/jtrights/106/106.pdf> [↑](#endnote-ref-23)
24. Only 10% (46,000 out of 500,000) households receiving UC: 5th paragraph of the Minister’s letter. [↑](#endnote-ref-24)