

# Sharing the credit

**A collaborative research project on  
customer experience of the Universal  
Credit transition in UK social housing**



**Final report**

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## 1. Background: The challenge for Housing associations

It is widely accepted that Universal Credit (UC) represents the biggest change to the welfare system since its creation and will impact on more than one-in-four working-age households once fully implemented.

A number of existing research studies have shown that these changes to the welfare system and the way that rent is paid will mean significant challenges for landlords. This is particularly true for social housing providers like Housing Associations, who provide over 2.58M homes in England & Wales and have a disproportionately higher level of their tenants receiving some form of income through benefits. A number of studies and articles all suggest that Social Landlords expect an increase in rent arrears directly from the rollout of UC which will put increasing pressure on their ability to continue providing quality homes to the communities they serve.

As the rollout of UC progresses, different social housing providers have been exploring options and trialling initiatives around managing their tenants through the transition and onto the new benefits regime. In the main this work has focused on trying to calculate and respond to the likely impact on the housing provider, in terms of estimating the scale of potential revenue decline through lost rents or attempting to plan for increasing operating costs around increases in arrears processes. However, in many cases it has not been possible to compliment this internal analysis with a robust and detailed understanding of how UC will affect different tenants in their day-to-day lives. In particular given the emphasis of UC on giving people responsibility for their own choices and decisions, this makes it very difficult for landlords to create detailed, tenant-focused support plans that maximise the ability of tenants to keep up their rent payments in return for a sustainable investment in additional operating costs.

To inform the development of these impactful, cost-effective support programmes, social landlords therefore need a strong evidence base regarding the lived experience of transitioning onto and living on UC, to provide a starting point from which they can develop solutions relevant to their own tenant base and stock. In particular, this means knowing how to develop cost-effective support and communications provisions that can be effective for the majority of tenants, while retaining the ability to target labour intensive and expensive resources on those who need it most.

As a cost-effective solution to this challenge, 16 Housing Associations have been working together with the Institute of Customer Service to develop a robust, wide-ranging dataset and insight base into how the customer experiences the changes, and where the landlord fits into their picture.

## 2. Project approach

Given the complexity of the lived experience of UC and the unprecedented scale of change, it was essential to take a truly customer-centric view of its impact on the lives of tenants. This means thinking beyond just measuring the success or customer satisfaction of initiatives and taking a more open and exploratory view of the opportunities for landlords to provide support.

To achieve this, the project followed The Institute of Customer Service's outcomes-led approach to customer insight. This works by going beyond the limited perspective of the Housing Associations current support offering, processes and culture, to see the day-to-day challenges as they really

appear to customers. In this view, the experience of UC is not just the sum of service or support interactions with the landlord, it is the total experience and impact in terms of a customer's life.

Using this approach, the methodology is designed to provide clear and highly specific guidance within a decision-making model that directly supports evidence-based decision-making around planning and deliver of customer-centric support mechanisms. This helps the consortium members truly understand what types of support will be most helpful to their tenants - whether or not these exist today - and provides them with a robust evidence base to openly explore their current and potential future roles.

Of course, taking this broad approach does not mean asking customers to provide a "wish-list" of what they think landlords should (or should not) do. Instead, this broad "outside-in" perspective aims to reveal new **opportunity areas** for the consortium to consider, based on a deep understanding of the observed challenges customers face on a daily basis. It then provides robust, quantified evidence to inform the organisation's decisions about what it should (or should not) do - the things that it should do to better support customers with changes that UC will bring, or do less where customers don't need or want help.

### 3. Methodology

To deliver this, the project consisted of two broad stages:

1. **In-depth qualitative exploration:** face-to-face interviews in customers' homes
2. **Quantitative mapping:** to measure and scale themes and opportunities across a large sample of customers

The approach taken in each of these stages is outlined below.

#### 1. **In-depth qualitative exploration: face-to-face interviews in customers' homes**

In order to capture the outside-in perspective, in-depth interviews were conducted with 25 social housing tenants, either in the tenant's home (captured on video) or on the telephone (audio recorded). The participants interviewed were spread across a range of Universal Credit experiences (No experience, in the process of transitioning to or living on Universal Credit) and were recruited to reflect the breadth and diversity of the consortium's tenant mix in terms of age, family make-up, housing type, type of area and where in the UK they lived. It is important to note that a qualitative sample of this type does not aim to be 'representative' of the base. Instead, the aim is to capture the broadest possible range of perspectives, giving us confidence that the lived experience of UC is revealed both in the 'middle ground' and from the 'polarised' view.

Interviews were designed to work from the general to the particular, in order to see UC as it really exists in the customer's life, giving a far more detailed and accurate picture of the things that really matter to them (or not), based both on what they said but also the wider observations of the interviewers. To begin with, they took a broad view of the customer's background and current lifestyle, domestic situation, work and habits and the things that influence them. The focus then moved to their current and previous living arrangements, exploring in detail how they manage their finances in the context of their lives. Finally, their specific experiences and knowledge of Universal Credit were explored, including way they feel is difficult and why, and the barriers to achieving their goals in terms of maintaining their lives on the new benefit.

## 2. Quantitative mapping phase

Analysis from the qualitative phase provided a set of four themes, which in turn broke down into detailed and specific customer outcome statements (a total of 25 across the four themes). These were measured using a survey designed to identify which outcomes are more or less important to different customers and how well customers believe these are currently being delivered. The outputs from this survey provide a robust evidence base about the areas of support to be prioritised. This will maximise the chance of success by ensuring that any solutions can be efficiently and effectively delivered in meaningful terms against customer's true desired outcomes.

## 4. Project findings

Below we consider in detail the findings from both the qualitative and quantitative stages of the research.

### In-depth qualitative exploration:

Four highly inter-related themes emerged from the qualitative phase. These key themes capture the range of feelings, thoughts, behaviours and attitudes that relate to participants' lives and are expressed in terms of the "measures of success" that customers expressed. The themes were:

1. **Expert Knowledge** – Knowing that the system works and I am receiving high quality support
2. **Personal Knowledge** – Knowing enough about UC personally to ensure I make good decisions
3. **Being prepared** – Knowing how to prepare for life on UC and the impacts this will have
4. **Feeling in control** – Being able to control what happens in my life especially once on UC

Overall, interviews have shown that there are significant opportunities to provide people with better information and support so that they can take better control of their lives, especially a major change like Universal Credit. Central to this is the recognition that there is nothing universal about the experience of universal credit - its impact on people's lives can be highly varied dependent on their circumstances. The key implication for social housing providers to consider is therefore that many of the things that impact on a tenant's ability to maintain their rent are in their wider lives and not directly linked to their relationship with the landlord. Providing effective support therefore means seeing the tenant's life in total, not just thinking about the parts of that are relevant to the rent. In particular, customers need:

- The right information to understand and recognise what the process means for them in particular
- To know what they are preparing for and how to prepare for the change in terms of its impact on their whole life
- Confidence that they can find a route through the system that works for them

Without this information the customer's ability to make the right choices for them and their family is dramatically reduced, meaning that:

- Uncertainty in daily life adds a significant burden to their ability to manage all aspects of their lives

- Their inability to plan drives very short term focus centred on getting off benefits and creates 'traps' for rent or need to find a job - moving house or taking any job regardless of the long term consequences (and costs)
- Customers tend to prioritise getting out of rent arrears at all costs even if it means passing up on other things, which can have a significant negative impact on other elements of their lives
- Customer often feel like they have to behave in ways that conflict with what they believe is right for others they care about

Below we explore each of the themes in more detail.

### 1. Expert Knowledge

Customers voiced their frustration at the highly varied levels of knowledge and experience among those they encounter within the support system. It is also felt that mistakes are very difficult to identify or get them rectified, in particular because there is no easily available external or independent source of advice. This can often mean that customers are having to survive for longer without income, in many cases through no fault of their own.

Key insights were that:

- Customers were unsure where to get information and advice relating to different elements of their journey, and often felt like they had to piece things together for themselves without much help. They also generally felt as though many of the individuals and agencies who were there to support them did not have sufficient knowledge of UC and that this led to mistakes and misunderstandings which could have significant impacts on their lives.
- Customers wanted a true expert - independent of DWP - to support them in asking questions and raising queries when things had gone wrong would be invaluable in helping them through the transition period. Importantly, this expert would need to provide support on more than just rental issues, since it is often problems elsewhere in their lives that led to problems in paying the rent.

### 2. Personal Knowledge

No-one we spoke to felt that they knew enough about Universal Credit. Given the issues identified above, customers felt unable to anticipate what would happen to them in the transition to UC or to plan effectively. Even where customers felt reasonably knowledgeable about UC in general, they were unable to build a detailed understanding of what it would mean for their specific circumstances or the impact it might have on their wider lives meaning that they felt lacking in relevant and effective personal knowledge. Given the fact that many customers have little or no reserves to fall back on, this inability to make informed decisions in a timely way was a source of significant stress, in particular for more vulnerable customers.

Key insights were that:

- While customers were quick to tell us that they did not know enough about Universal Credit, many were unable to identify where they would or should go to get their own questions answered and this put people off from finding out more
- Many were unaware of the supported offered by agencies other than the DWP (e.g. Citizens Advice or Housing Associations), this lack of awareness lead them to worry unnecessarily about things like falling behind with the rent, but not even consider other things like how to feed themselves during the transition period
- Given the difficulty in finding formal information sources, many said they relied on friends or family - who often were in turn speaking mainly from opinion based on limited personal experience.

### 3. Being Prepared

The transition to UC has a significant impact on the lives of everyone we spoke to. In many cases a key challenge had been a lack of preparation and planning, because people had not been aware in advance what the transition would involve, or because it happened suddenly and quickly without giving people time to gather resources. A central challenge was the lack of expert and personal knowledge or advance warning of what transition meant for them in particular, making it very difficult for people to plan effectively according to their own circumstances.

Key insights were that:

- When starting their Universal Credit journey many people were unaware of the need to copy during the transition period with no income or failed to recognise what this would mean for them personally.
- Most told us that it is the one thing they would do differently if they had their time again, and were now actively telling others to ensure they were ready for UC.
- They felt that there could be much better advice, guidance and where necessary support on what to do to prepare, including simple things like stocking up on tinned food in the weeks before hand and contacting companies like utility providers proactively to tell them about the situation

### 4. Feeling in control

One of the most important feelings for everyone that we spoke to was the ability to feel like they were in control of what was happening in their lives. UC places the emphasis on people taking responsibility for their own lives and budgets, however many felt that their lack of knowledge about the UC system or the difficulty in accessing reliable information and support was significantly hampering their ability to take control and manage their transition or life on UC effectively.

Key insights were that:

- People who had moved on to UC as a result of losing their jobs tended to feel that their ability to take control of their lives was being diminished through a reduced ability to choose what they did with their lives when, for example they were pushed towards taking a job which they did not feel was right for them.

- On the other hand those who were long term unemployed told us that they struggled significantly with the need to budget and plan because there was little information on what to do or how to manage their resources.

## Quantitative mapping phase

Detailed analysis of the qualitative phase was used to develop 25 opportunity statements, across the Universal Credit journey stages (see appendix 1 for the full list of statements). These statements are designed to reflect customer outcomes - the markers of success as expressed in the participant's terms. Example statements from the survey include:

*"I had peace of mind that my landlord won't take action against me while I can't pay the rent"*

*"I knew where to go for support if I needed it"*

The survey asks respondents to rate each theme in terms of both perceived importance and performance. This rating allows us to calculate an opportunity score at the level of both each theme and also each individual opportunity statement. These opportunity scores are calculated based on the difference between how important a respondent believes a given statement to be, and how well they feel it is currently being delivered. It is important to bear in mind that these scores do not reflect simply what respondents "asked for" - which is a highly unreliable source of data. Nor do they simply reflect how well they think certain things are currently delivered. It is also important to note that everything that was measured in the survey is important to customers, because it is based on what emerged from the qualitative work. What the ranking shows is the relative view of either the more immediate or the longer term opportunities to make a difference for tenants.

The survey was delivered using an online / smartphone tool. The sample for the survey was designed to be representative of the consortiums tenant profile in terms of:

- Age
- Gender
- Geographical area
- Family situation
- Universal Credit status
- Employment status

The survey also asked a range of questions to understand people's awareness and understanding of Universal Credit.

A total of 1965 survey responses were received across the sixteen Housing Associations which took part, and were analysed in detail by the Deliberata team. The findings of this analysis are provided below.

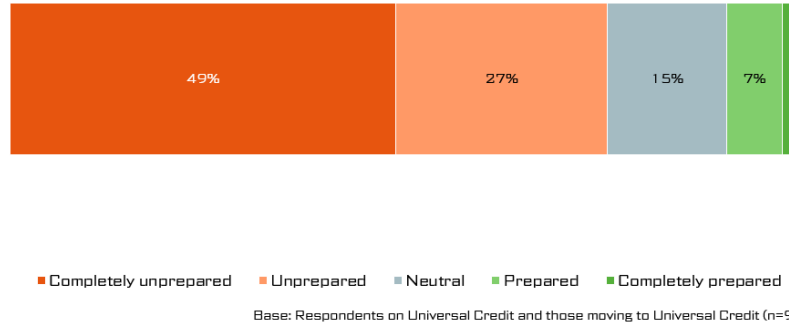
## Knowledge and understanding of Universal Credit

A number of questions were included to help the Housing Associations better understand the existing level of knowledge and understanding of Universal Credit. As such it was important to understand where in the Universal Credit journey each respondent was, from the responses 49%



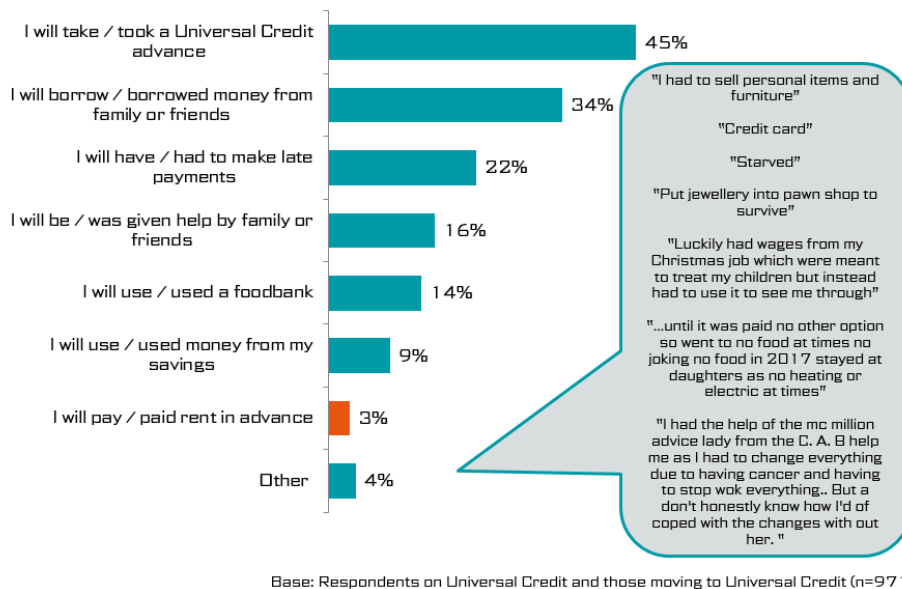
were in receipt of Housing Benefit, 48% were receiving Universal Credit and 3% were in the process of moving on to Universal Credit.

### How prepared were you financially while waiting for your first Universal Credit payment?



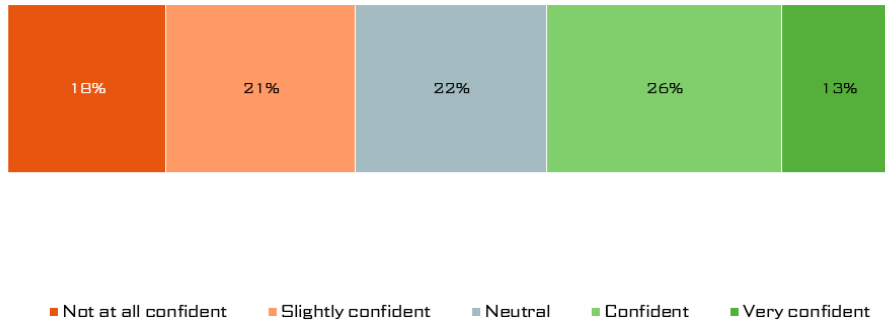
More than 75% of customers told us that they felt financially unprepared for the wait while transitioning to Universal Credit, while less than 10% said they felt prepared. This presents a significant opportunity for Housing Associations to help their tenants prepare in advance.

### How are you planning to /did you manage your finances while waiting for your first Universal Credit payment?



One of the solutions that a number of Housing Associations had been trialling was to ask tenants who were likely to move to Universal Credit to pay their rent in advance ahead of their transition. what these results show however is that only 3% of respondents felt that this was something they could do, with the qualitative interviews also telling us that in general tenants didn't have enough left at the end of the week to pay any extra rent in advance.

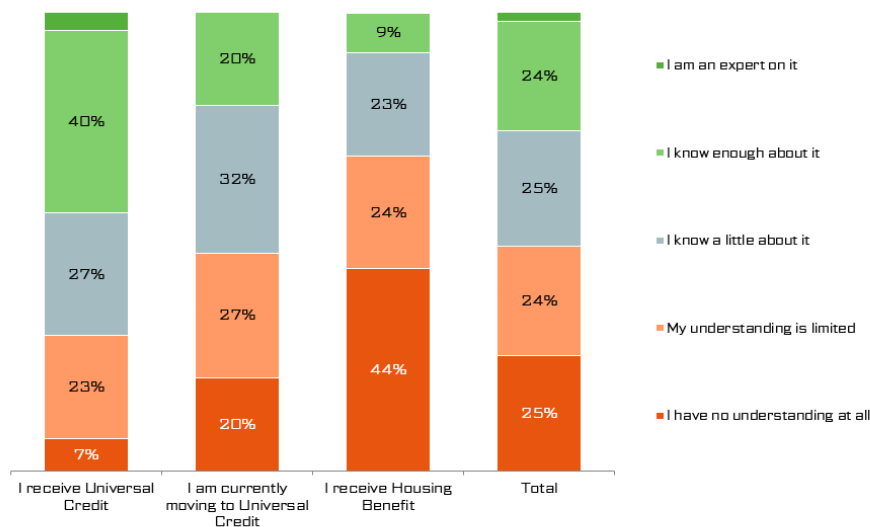
### How confident are you when it comes to managing a monthly budget?



Base: All respondents (n= 1 925)

During the qualitative phase of the research a large proportion of customers talked about the need for budgeting advice. The findings from the quantitative phase show that there is an approximate 50/50 split between those that would benefit from budgeting advice and those that would not. This serves as a useful reminder that support solutions need to be customised to their audiences and that providing a blanket level of support for everyone is unlikely to be effective or cost efficient.

### How would you describe your level of understanding of living on Universal Credit?



Base: All respondents - Housing Benefits (n=875), Universal Credit (n=875), moving to Universal Credit (n=59), Total (n= 1 809).

Less than 50% of participants who currently receive Universal Credit say that they know enough about how to live on it, while this drops to 20% for those who are currently transitioning. This

highlights that there is a significant proportion of Universal Credit claimants who would welcome extra support and information, as well as a significant opportunity to engage tenants ahead of time so that they have the knowledge they need before they start the transition process.

## The application phase

Analysis of each individual opportunity statement from the application phase reveals that the following five statements represent the greatest area of opportunity:

Now thinking about applying for Universal Credit please rank in order of helpfulness what support would have been/would be helpful to you whether you received it or not	Opportunity Score
Knowing what to expect during the application process	14.91
Being able to speak to someone to ask for advice	11.55
Having a knowledgeable person to speak to Universal Credit on my behalf when things go wrong	10.20
Being able to speak to someone for advice when something has gone wrong	9.91
Practical advice about what to do to prepare for a move to Universal Credit	9.51

As can be seen in the table above, during the application phase the creation of greater levels of knowledge and information are the fundamental opportunities. "Knowing what to expect during the application process" is the largest opportunity of any of the Universal Credit phases and shows that tenants feel highly uncertain about what will be a major life changing event for them. In the qualitative interviews we learned how tenants were on the whole used to managing complex financial situations which meant it was critical for them to have access to the right information in order to take control of their lives. These opportunity statements strongly bear that out in terms of the areas of greatest opportunity for landlords.

## The waiting period

From the table below we can see that the top opportunities are focused on providing security of the basics for life. This gives customers confidence that they can take the right decisions in the short term without having to prioritise immediate needs for accommodation and food over longer term requirements that will help ensure they are creating a sustainable life under the new benefits regime. Other options such as "Getting into credit with my rent" and "Budgeting advice" offer a far lower opportunity score because when a family is worried about food and shelter, what seem like longer term or more remote financial planning issues become relatively far less important

Now thinking about the wait for your first Universal Credit payment please rank in order of helpfulness what support would have been/would be helpful to you whether you received it or not.	Opportunity Score
Peace of mind that my landlord won't take action against me while I can't pay the rent	12.89
Clear and easy to understand information about what to expect while waiting for my first payment	12.81
Help with food	10.38
Budgeting advice	8.06
Getting into credit with my rent	7.21

### Living on Universal Credit

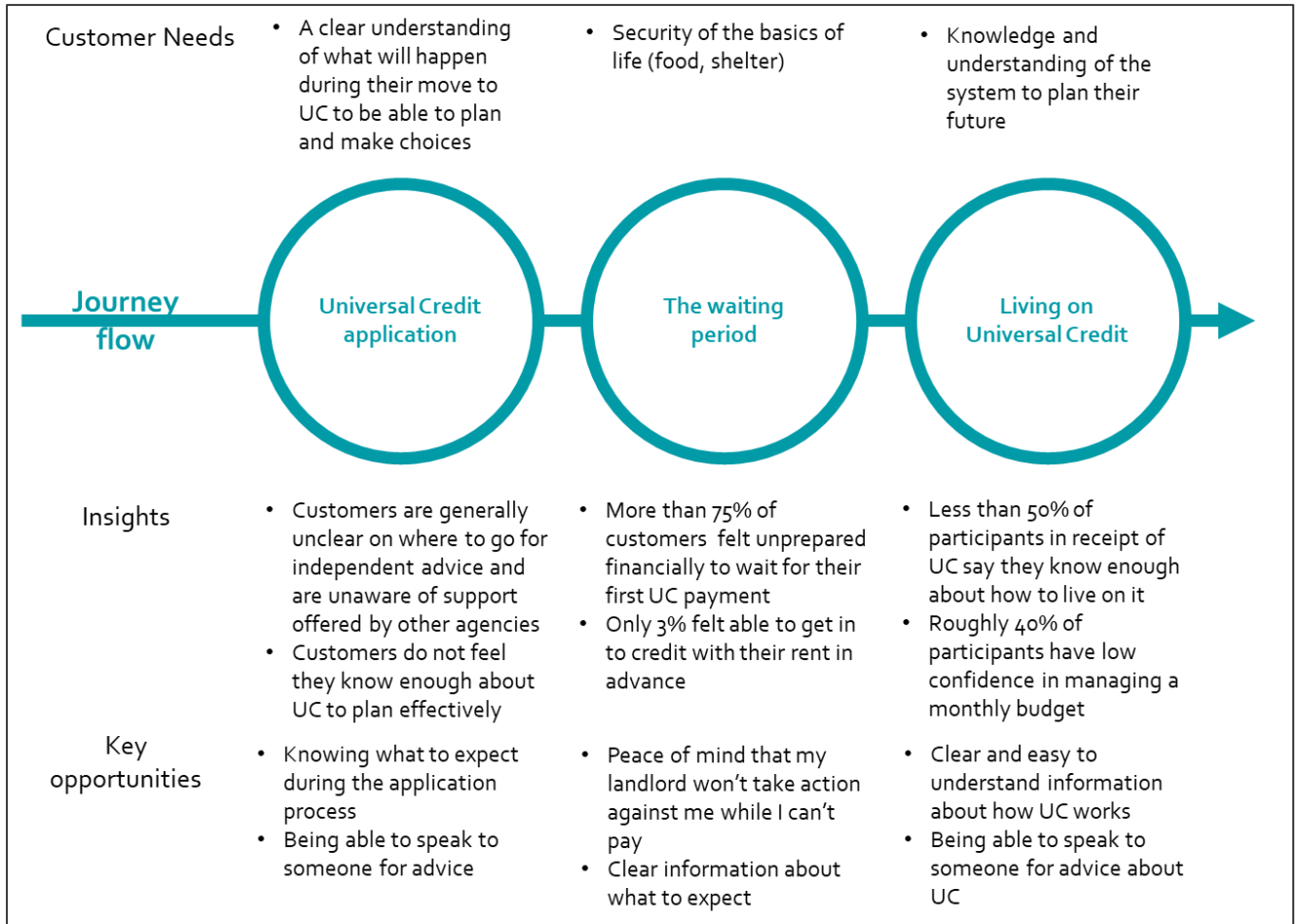
Perhaps unsurprisingly, the big opportunities for this stage again focus on knowledge and understanding of the Universal Credit system so that tenants can make the decisions necessary for them to live their lives in the way that is right for them. Interestingly, in comparison to the previous stages in the UC journey, we start to see opportunities arise at this point which are more future focused "An affordable plan to pay off any rent arrears or loans" and "Advice on managing a monthly budget". This shift in opportunities marks the change in feeling that they are through the worst and now want help to achieve their goals, rather than needing to continue focus on the basics of life

Now thinking about getting used to living on Universal Credit please rank in order of helpfulness what support would have been/would be helpful to you whether you received it or not	Opportunity Score
Clear and easy to understand information about how Universal Credit works	13.83
Being able to speak to someone for advice about Universal Credit	10.21
An affordable plan to pay off any rent arrears or loans	9.86
Universal Credit paying my rent directly to my landlord	7.94
Advice on managing a monthly budget	7.03

## 5. Implications

### Opportunities to provide support

This research shows that the biggest opportunities for housing associations to support their tenants are centred around providing clear and easy to understand information which will enable families and individuals to make choices and plan throughout their Universal Credit journey, which are outlined in the summary below:



### The role of housing associations

When it comes to seeking support and advice about Universal Credit the customers' focus is currently directed toward the agencies and people that they deal with on a day to day basis (e.g. DWP, Universal Credit staff or Job Centres). While it is clear that there are opportunities for housing associations to augment those existing support services it is not something that customers necessarily expect them to do and as such housing associations will need to be mindful of not creating confusion by just becoming another voice in an area where there are multiple agencies already working.

Another key consideration is the temporary nature of this challenge, as the majority of opportunities identified in this research are focused either on the transition process or the need for customers to adapt to their new situations. As the rollout of Universal Credit progresses the support requirements will peak, but then drop off again over time as customers adapt and Universal Credit becomes the 'new normal'. What does this mean for housing associations and their response to Universal Credit?

## 6. Appendix 1: Full list of opportunity statements

Below is a full list of all 25 opportunity statements and scores, grouped by the Universal Credit stages to which they belong.

### Application stage

Now thinking about applying for Universal Credit please rank in order of helpfulness what support would have been/would be helpful to you whether you received it or not	Opportunity Score
Knowing what to expect during the application process	14.91
Being able to speak to someone to ask for advice	11.55
Having a knowledgeable person to speak to Universal Credit on my behalf when things go wrong	10.20
Being able to speak to someone for advice when something has gone wrong	9.91
Practical advice about what to do to prepare for a move to Universal Credit	9.51
Knowing what support is available from where	9.06
Access to a computer	4.14
Help with using a computer	3.27
Internet access	2.60
Help with setting up a bank account	1.99

### Waiting period

Now thinking about the wait for your first Universal Credit payment please rank in order of helpfulness what support would have been/would be helpful to you whether you received it or not.	Opportunity Score
Peace of mind that my landlord won't take action against me while I can't pay the rent	12.89
Clear and easy to understand information about what to expect while waiting for my first payment	12.81
Help with food	10.38
Budgeting advice	8.06
Getting into credit with my rent	7.21
A loan or other financial support for essentials	5.37
Warning companies that I would not be able to pay them on time	5.32

## Living on Universal Credit

Now thinking about getting used to living on Universal Credit please rank in order of helpfulness what support would have been/would be helpful to you whether you received it or not	Opportunity Score
Clear and easy to understand information about how Universal Credit works	13.83
Being able to speak to someone for advice about Universal Credit	10.21
An affordable plan to pay off any rent arrears or loans	9.86
Universal Credit paying my rent directly to my landlord	7.94
Advice on managing a monthly budget	7.03
Changing my rent payment dates to match my Universal Credit payments	6.74
Help with using a computer	2.88

## 7. Appendix 2: About Deliberata

Making good decisions has always been hard. And all the information and data available to organisations today isn't making it any easier.

Deliberata wants to change this. Our unique insight approach reveals the motivations, thoughts and emotions that really drive people's behaviour and choices. This gives specific and targeted guidance that means our clients get decisions not data and action not analysis, transforming their business performance and creating brilliant experiences focusing on what customers really care about, not just what the business thinks is important.

Founded in 2016 by and part of The Institute of Customer Service, our team of researchers and consultants share our parent organisation's passion for making a positive difference through a focus on customer experience. We offer high quality and genuinely independent advice to large and high profile clients from across a range of sectors and are growing fast in response to rising demand for our way of thinking and working.