



# Move to Universal Credit (UC)

## Tax Credit Non-Movers Research



Department for  
**Communities**  
[www.communities-ni.gov.uk](http://www.communities-ni.gov.uk)

An Roinn  
**Pobal**

Department for  
**Communities**

**UC** *Universal  
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Northern Ireland



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## Acknowledgements

The research team would like to express thanks to all of those who contributed to this research project. In particular, the individuals who participated in the virtual focus groups or took time to write their responses into Analytics Division. In addition, we would like to thank the organisations who provided their insight as part of the stakeholder sessions.



**NICS**  
**ECONOMIST PROFESSION**

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# 1. Executive Summary

## 1.1 Tax Credit Only Invitations to Move to UC

The data analysis within this report covers the 28,582 households invited to Move to UC between 16<sup>th</sup> October 2023 and 30<sup>th</sup> April 2024.

- 19,734 (69%) of this cohort made a claim to UC.

Of the households who received a notification to Move to UC,

- 51% were single households while 49% were composed of couples.
- The vast majority had school aged children (84%).
- Households with at least one self-employed claimant made up 26% of notices.
- The majority of households invited to move live in urban areas (60%).
- Most (78%) Migration Notice recipients were between 35 and 55 years of age with only 12% being older than 55 and 10% being younger than 35.
- The median Tax Credit award of those invited to move was £5,900.

## 1.2 Overview of Results

The qualitative analysis conducted as part of this research indicates that the Departments delivery of Move to UC did not act as an impediment to Tax Credit Only customer migration. While there were some criticisms, the overwhelmingly majority of customers advised that they were well informed of the Move and that the Migration Notices were clear and easy to understand. The customers we spoke with stated that they understood that Move to UC was not an automatic process, that they considered their options and that they made a conscious decision not to claim.

Stakeholders concurred, advising that the Department engaged proactively regarding Move to UC. Most felt that the Department had been responsive, with some acknowledging that they did as much as possible, given the constraints placed upon them when maintaining parity with UC as a UK wide benefit policy. The sentiment of stakeholders we spoke with, was that there was an overall experience of effective cooperation.

While the Department's handling of Move to UC did not act as impediment, aspects of UC policy and negative perceptions of the benefit may have contributed to customers choosing not

to migrate. The data analysis shows that there is a clear correlation between Tax Credit award value and self-employment with non-migration to UC. Household status and Urban/ Rural living also had a correlation with non-migration, albeit to a lesser extent. The risk of customers with low value awards not migrating was a particular concern for the stakeholders we spoke with. They advised that in their experience, customers may not consider it worth their while claiming UC, only to receive a low monetary award, when that award is balanced against the additional administrative burden UC may place upon them.

This is particularly true for self-employed customers. This cohort spoke in detail in the customer focus groups to convey their negative perceptions of UC, a benefit which they feel, was not designed with them in mind. Self-employed customers, when speaking with the research team, raised significant concerns with the UC system, especially the monthly assessment process. Customers and stakeholders also discussed the impact migrating to UC may have on those in rural communities, in particular, farmers, who may find the system difficult to navigate.

However, when speaking with customers, it was non-eligibility that was cited as the most prominent reason for them deciding not to make a claim. Customers, time and time again, reported changes to their circumstances since their last claim for Tax Credits. Predominantly these changes related to employment, increased earnings, children leaving education or childcare. These cases cannot be reflected in the data modelling, which is reliant on data (e.g. income) that was declared before Migration Notices were issued and wouldn't have included change of circumstances that may have impacted eligibility. This must be considered when drawing any conclusions from this analysis.

Both customer and stakeholder groups raised additional concerns, particularly customer knowledge and understanding of Transitional Protection, stigma surrounding UC, and IT literacy. These issues were seen, by and large, as secondary issues for the customers engaged with. However additional support for vulnerable customers and clearer communication of advice were proposed as solutions that would aid increased claim rates and reduce negative perceptions of UC.

## 2. Introduction

### 2.1 Universal Credit (UC)

UC<sup>1</sup> is a benefit administered in Northern Ireland (NI) by the Department for Communities (DfC). UC provides a single award per household based upon the circumstances of the household. Support for housing costs, children and childcare costs are integrated into UC via additional elements. It also provides additions for disabled people and carers. UC is available to people who are in work and on a low income, as well as to those who are out of work.

UC was first introduced in NI in 2017 and is replacing six legacy benefits.

- Child Tax Credit (CTC)
- Working Tax Credit (WTC)
- Housing Benefit
- Income Support
- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)

### 2.2 Tax Credits

CTC and WTC replaced Working Families' Tax Credit, Disabled Person's Tax Credit and Children's Tax Credit in April 2003.

Tax credits are based on household circumstances and can be claimed jointly by members of a couple, or by single customers. Entitlement is based on factors such as age, income, hours worked, number and age of children, childcare costs and disabilities.

Both CTC and WTC are being replaced by UC via managed migration and the system will be closed on the 5<sup>th</sup> April 2025<sup>2</sup>.

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<sup>1</sup> <https://www.nidirect.gov.uk/campaigns/universal-credit>

<sup>2</sup> <https://www.nidirect.gov.uk/articles/tax-credits-being-replaced-universal-credit>



## 2.3 Move to UC

UC began rolling out on a phased geographical basis in NI on 27<sup>th</sup> September 2017. Roll out for new claims in NI was completed on 5<sup>th</sup> December 2018. The final phase of managed migration from the six legacy benefits to UC, known as ‘Move to UC’ started on 16<sup>th</sup> October 2023 when Migration Notices began to issue across all postcodes in NI to Working Tax Credits and or Child Tax Credits recipients who received no other income related benefit. Migration Notices were issued from DfC explaining the process and signposting to help for those who needed it. Customers were given 12 weeks from the date of their Migration Notice to move, although a grace period exists for those that require it.

## 2.4 Tax Credit Only Households and Move to UC

DfC published its first Move to UC statistics on 28<sup>th</sup> August 2024<sup>3</sup>. The data details that by the end of May 2024, a total of 48,030 notification letters had been sent to 32,600 households by DfC, inviting Tax Credit only claimants to begin their migration to UC. However, not all Tax Credit only customers invited to move to UC have chosen to migrate. Of those households who had reached their migration deadline (14,250 Households) by the end of May 2024, 70% (9,970) had made a claim to UC.

## 2.5 Focus of Research

This research paper will focus on customers who were in receipt of CTC and / or WTC with no other benefits, when they were invited to migrate to UC. This makes them a distinct group from all other customers who have and will be invited to migrate. They are the only customers who may not have an existing relationship with DfC, as they were not claiming any income related DfC administered benefits.

This also adds a level of complexity in conducting customer research with this cohort, as those who did not migrate may not have had any contact with DfC, reducing the likelihood of response to requests for feedback from the research team.

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<sup>3</sup> [Universal Credit Statistics - May 2024 | Department for Communities](#)

## 2.6 Aims of Research

The UC Programme team commissioned DfC Analytics Division (AD), to conduct research to help understand the key drivers of non-migration to UC, and to conclude, where possible, on the factors that influenced the decision of these customers not to migrate.

This research was carried out between August and October 2024 and consists of three key elements.

### Data Analysis

- Data Analysis examining the Tax Credit only caseload that was invited to Move to UC. As part of this research AD have completed a comparison of characteristics of those who moved and those that did not, including demographic and geographical information, as well as income, and award value, etc. The analysis compares claim rates and caseloads, using both descriptive statistics and a probit regression model to examine the factors impacting on the decision to migrate to UC or not.

### Qualitative Evidence (Customers)

- AD collected qualitative evidence from key cohorts of Tax Credit only customers who did not migrate to UC, via a co-ordinated series of virtual focus groups. Focus groups were conducted with selected cohorts of customers. The data available showed a variance in claim rates for those who are employed, self-employed, couple, and single, as well as urban and rural customers. The focus group interviews were undertaken with each of these groups to gain insight into their reasons for not claiming.

### Qualitative Evidence (Stakeholders)

- AD gathered insight from key stakeholders on potential barriers to customers migrating to UC, why some customers may have chosen not to move and communication from DfC on the Move to UC.

## 3. Methodology and Data Notes

### 3.1 Data Analysis

The data used in this analysis is primarily sourced from DfC, the Department of Work and Pensions (DWP) and His Majesties Revenue and Customs (HMRC). Data relating to whether a household makes a claim to UC or not is derived from the UC Full Service live system.

For the purposes of this analysis the final number of households included is 28,582, and covers all customers invited to Move to UC between 16<sup>th</sup> October 2023 and 30<sup>th</sup> April 2024. This is a slightly smaller number than the figure published in the November UC statistical release <sup>4</sup>(28,880). Not all fields are always complete in administrative data sets. In this case, 300 clients were missing values with relevant characteristics and were therefore dropped from the analysis.

- Households were classified as “Claimed UC” if they had made a verified claim by 31<sup>st</sup> August 2024.
- Self-employed households are defined as those where one or more claimants are self-employed.
- School aged children were classified as those born between 2<sup>nd</sup> July 2005 and 1<sup>st</sup> July 2019.
- Data relating to earnings and Tax Credit award is banded to reduce the effect of outliers and ease interpretation of results.

Household income and Tax Credit amount is derived from the most recently available data (Financial Year 2023/24). In cases where annualised current year gross income is not available, previous year’s income is used. As household income can vary on a monthly basis, the income and Tax Credit award values used in this analysis may not reflect a household’s financial status at the time they are asked to Move to UC. Additionally, households may experience a change of circumstances before they receive a Migration Notice and therefore may not be eligible for UC or may be entitled to a lower/higher UC award than their stated Tax Credit Award or income data would suggest.

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<sup>4</sup> <https://www.communities-ni.gov.uk/articles/universal-credit-statistics>

Causality should not be inferred from any of the analysis contained in this report. While certain categories of customer may be more or less likely to claim, this should be treated as correlation and not causation.

The descriptive statistics outlined in this report describe the overall demographics. Multiple factors can influence a customer's decision to claim to UC, therefore, relying solely on descriptive statistics may introduce the problem of omitted variable bias to the analysis. Omitted variable bias occurs when a factor that is correlated with the dependent variable (in this case 'Claimed UC') and an independent variable (e.g. age category, household type, etc.) is omitted from the model. It can lead to overestimating or underestimating effect sizes and may cause spurious correlations.

To counteract this, a multivariate regression model is used which includes all relevant variables for which there is available data, and the marginal effects of the variables are analyzed. This approach allows the effect for each variable to be estimated while all other explanatory variables are held constant. Limitations in data availability, due to the reliance on existing administrative data sources, means that not every variable of interest can be included in the model. Therefore, omitted variable bias may still bias the estimates quoted in the analysis.

A probit model is used to analyse the factors which affect the decision to claim UC or not, whereby the dependent variable is binary (each household either claimed UC or did not claim UC). The estimates produced by the model detail the incremental effect of a category compared to the reference group. Variables that were not statistically significant were not included in the model.

### 3.2 Qualitative Analysis (Customer Focus Groups)

As mentioned earlier in this report, the Tax Credit Only cohort are a distinct group within the caseload of legacy benefit customers that were invited to migrate. This is because they may not have an existing relationship with DfC. From the outset of this research, it was recognised that because of this, it may be difficult to obtain feedback from this cohort. The research team therefore sought to ensure maximum available populations were included to ensure sufficient feedback was received from the customer focus group sessions.

A mailshot exercise was conducted in early September 2024, with a letter issued to every household that was invited to Move to UC from the 16<sup>th</sup> October 2023 that had reached their migration deadline, without moving, by the first week in June 2024. This totaled just over 5,000 households. Customers were asked to register their interest to participate and provide contact

details and time preferences. Customers were also advised that those who participated in the virtual focus groups would receive a £30 gift card as a thank you.

Of the 5,000 households contacted, 130 customers registered their interest in taking part in virtual focus groups. These customers were segmented into cohorts based on their household characteristics, informed by existing move rate data, and sent invitations to join an online focus group at their preferred time. It was clear from the existing data that customers from single, couple, self-employed, employed and Urban / Rural households were moving to UC at different rates, and we were therefore keen to understand the reasons for non-migration from each of these perspectives.

In total, there were 7 virtual focus groups held in September and October 2024, with 15 participants, covering all the aforementioned cohorts. In addition, 5 customers took the opportunity to write into AD to explain their reasons for not migrating to UC from Tax Credits. All of this feedback is included in our analysis.

### 3.3 Qualitative Analysis (Stakeholder Focus Groups)

A list of key stakeholders was provided to the research team by the UC Programme team. The list included 16 organisations, which were contacted via email and offered the opportunity to express their views and opinions on the Move to UC project. In total, 3 sessions were offered in October 2024 and 6 stakeholders participated.

## 4. Move to UC Data Analysis

### 4.1 'At a Glance' Summary

The analysis below covers the 28,582 households invited to Move to UC between 16<sup>th</sup> October 2023 and 30<sup>th</sup> April 2024. 19,734 (69%) of this cohort made a claim to UC.

Of the households who received a notification to Move to UC, 51% were single households while 49% were composed of couples. The vast majority had school aged children (84%). Households with at least one self-employed claimant made up 26% of notices. Most (78%) Migration Notice recipients were between 35 and 55 years of age with only 12% being older than 55 and 10% being younger than 35.

The median Tax Credit award of those invited to move was £5,900. Those that made a claim to UC had a median Tax Credit award value of £7,073. Those that did not make a claim to UC had a median Tax Credit award value of £2,792.

Based on the available data\* and using a Probit Regression Model, it was found that a leading determinant of whether a claim to UC was made was the amount of Tax Credit received. Those in receipt of a Tax Credit amount between £2,000 and £3,999 were 20%pts more likely to make a claim before the deadline compared to those receiving less than £2,000. Similarly, those receiving £16,000 and greater were 47%pts more likely to claim than those receiving less than £2,000.

Self-employment also had an influence on claim decision - having at least one claimant in a household being self-employed reduces the probability of claiming UC by 12%pts.

Other contributing factors include...

- Households with school aged children are 7%pts more likely to Move to UC than those without.
- Households consisting of couples are 6%pts less likely to claim UC than single households.
- Living in an urban area increases the chance of a household claiming UC by 4%pts

\*Note that the data analysis conducted cannot consider any change of circumstance that may affect a customer's eligibility to claim UC since the data was declared.

## 4.2 Introduction

In this section data will be presented that covers all Tax Credit Only customers that were invited to Move to UC from the period 16<sup>th</sup> October 2023 to 30<sup>th</sup> April 2024. Tax Credit customers in receipt of another legacy benefit (Income Based ESA, Housing Benefit etc.) are not included in the analysis. Households may have received Working Tax Credits, Child Tax Credits or both.

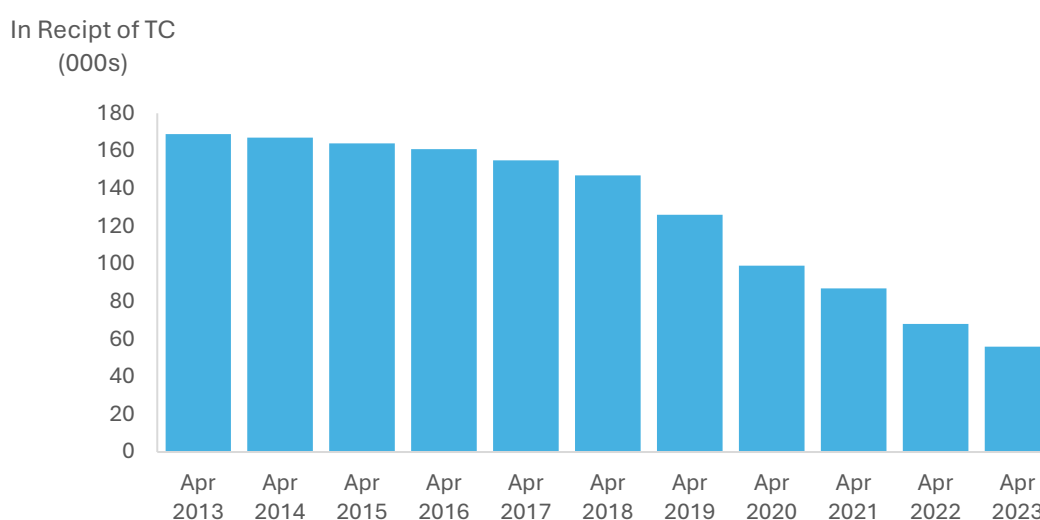
There will be two types of data analysis in this section, firstly we will present descriptive data analysis, including the number of household invitations, claims made to UC and the corresponding move rates for those households, broken down by various demographic and geographic categories. As there can be risks involved when interpreting individual characteristics in isolation, the second set of analysis we will employ a multiple regression model to account for other relevant factors that may impact a customer's decision to migrate / not migrate.

## 4.3 Context and Caveats

### Tax Credits

To aid contextual understanding it is important to look at the benefits that are being replaced, in this instance that is WTC and CTC, to identify any trends that may in part explain take up of the 'new' benefit. As we can see from figure 1, the Tax Credit caseload had been declining significantly for several years before Move to UC started<sup>5</sup>.

Figure 1 Number of NI Households in Receipt of Tax Credits 2013 to 2023



<sup>5</sup> [Child and Working Tax Credits Statistics: Provisional Awards - April 2024 - GOV.UK](#)

It is highly likely that even without the Move to UC process starting in 2023/24, the number of people claiming Tax Credits would have continued to decline. The reasons for this decline are varied, with HMRC citing several policy changes such as<sup>6</sup>.

- Changes to the Tax Credit system implemented in April 2011
- Start of the UC rollout
- The full rollout of the digital UC service across the country in December 2018
- The closure of new Tax Credits claims in December 2018

As part of our analysis, we looked at the number of people that off flowed from Tax Credits in the period from 2020 to 2022 (financial years) and checked to see if they went on to make a claim for UC in the subsequent year. During the financial year 2020/21, 12% (13,876) of the Tax Credit caseload off flowed from the benefit. Of that cohort, 62% (8,659) made a claim for UC by April 2022, meaning that 38% (5,219) did not claim UC.

The corresponding figure for the 2021/22 tax year was 27%, with 28,380 Tax Credit claimants off flowing from the benefit. Of that cohort, 28% (8,064) made a claim for UC by April 2023, meaning that 72% (20,316) did not claim UC.

It should be noted that if Move to UC had started in previous years, significant proportions of these claimants would have been likely to receive a Migration Notice but would not have made a claim to UC.

### Change of Circumstances and Administrative Data Sources Caveats

As discussed in the methodology section, it is critically important to note that the data used in this analysis is from a period before the invitations to migrate were issued. In most instances, this will be data declared in the financial year 2023/24. Therefore, the data analysis cannot consider any change of circumstances since the data was declared. It is logical that a proportion of customers will have had changes to their household circumstances, whether that be income related or family related, that affect their eligibility to claim UC.

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<sup>6</sup> [Commentary - Child and Working Tax Credits statistics: Provisional awards - April 2024 - GOV.UK](#)



## 4.4 Descriptive Analysis

The analysis below covers the 28,582 households invited to Move to UC between 16<sup>th</sup> October 2023 and 30<sup>th</sup> April 2024. By 31<sup>st</sup> August 2024, 19,734 (69%) of this cohort had made a claim to UC.

Of the households who received a notification to Move to UC, 51% were single households while 49% were composed of couples. The vast majority had school aged children (84%), with only 16% of households having no school aged children. Households with at least one self-employed claimant made up 26% of notices. Most (78%) Migration Notice recipients were between 35 and 55 years of age with only 12% being older than 55 and 10% being younger than 35. The median Tax Credit award of those invited to move was £5,900.

A key indicator of whether a claim was made to UC was Tax Credit award amount. As shown in Table 2, 91% of those receiving £16,000 or more in Tax Credits claimed UC, while only 41% of those receiving less than £2,000 made a claim to UC. Households who had school aged children had a greater likelihood of claiming UC than those without children. Around half (51%) of households without school aged children claimed UC in comparison to 72% of households with one school aged child. Households with a primary claimant aged greater than 55 were 24%pts less likely to claim UC compared to those aged 25 to 35. Those that made a claim to UC had a median Tax Credit award value of £7,073. Those that did not make a claim to UC had a median Tax Credit award value of £2,792.

Other factors that were associated with likelihood to claim were couple status, self-employment status, earnings and geographical location.

Note that the tables below relating to age and geographies do not sum to the quoted total. This is due to a small number of claimants being younger than 25 and an inability to match geographical data for a small subset of claimants.

**Table 1 Move to UC Invitations, Claims and Rate**

	Invitations	Claims	Rate
<b>All Claimants</b>	28,582	19,734	69.0%

Table 2 Move to UC Invitations, Claims and Rate by Tax Credit Award

TC Award (Annual)	Invitations	Claims	Rate
< £2,000	6,301	2,572	41.0%
£2,000 - £3,999	4,363	2,682	61.0%
£4,000 - £5,999	3,870	2,840	73.0%
£6,000 - £7,999	3,805	2,997	79.0%
£8,000 - £9,999	3,295	2,644	80.0%
£10,000 - £11,999	2,578	2,170	84.0%
£12,000 - £13,999	1,642	1,380	84.0%
£14,000 - £15,999	1,021	900	88.0%
£16,000+	1,707	1,549	91.0%

Most customers (64%) received less than 8k per year as their Tax Credit award. Claim rates range from 41% for those with awards less than £2k to 91% for those with awards of £16k or more.

Table 3 Move to UC Invitations, Claims and Rate by Earnings

Earnings (Annual)	Invitations	Claims	Rate
< £10,000	4,652	3,522	76.0%
£10,000 to £19,999	10,351	7,823	76.0%
£20,000 to £29,999	7,278	4,848	67.0%
£30,000+	6,301	3,541	56.0%

Earnings are inversely related to claim rates. As earnings increase, claim rates decrease. More than half of Tax Credit customers invited to migrate (52%) earn £20k or less.

Table 4 Move to UC Invitations, Claims and Rate by Couple Status

Status	Invitations	Claims	Rate
Couple	14,089	8,780	62.0%
Single	14,493	10,954	76.0%

A higher proportion of single households migrated to UC compared to couples. (+14%pts). There was a broadly even split of single (51%) and couple (49%) Tax Credit claimants invited to Move to UC.

Table 5 Move to UC Invitations, Claims and Rate by Urban / Rural

Urban / Rural	Invitations	Claims	Rate
Rural	11,450	7,343	64.0%
Urban	17,129	12,389	72.0%

Urban Tax Credit customers had a higher UC claim rate than rural customers (+8%pts). 60% of Tax Credit customers included in the analysis lived in urban areas.

Table 6 Move to UC Invitations, Claims and Rate by School Aged Children

School Aged Children	Invitations	Claims	Rate
0	4,435	2,242	51.0%
1	9,236	6,634	72.0%
2	9,422	6,866	73.0%
3	4,024	2,885	72.0%
4+	1,465	1,107	76.0%

Having school age children is positively correlated with claims to UC, as the number of school aged children increases, claim rates also increases. Around 1 in 2 (51%) Tax Credit customers with no children went on to claim UC. Tax Credit customers with no children make up 16% of those included in the analysis.

Table 7 Move to UC Invitations, Claims and Rate by Age Group

Age Group	Invitations	Claims	Rate
25-35	2,790	2,208	79.0%
35-45	12,159	8,894	73.0%
45-55	10,147	6,703	66.0%
>55	3,474	1,917	55.0%

Age is inversely related to claim rates, as the age of Tax Credit customers increases, claim rates decrease. Almost half (48%) of the Tax Credit customer base invited to migrate were over 45.

Table 8 Move to UC Invitations, Claims and Rate by Employment Status

Employment Status	Invitations	Claims	Rate
Self-employed households	7,499	4,271	57.0%
Non-Self-employed households	21,083	15,463	73.0%

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Self-employed Tax Credit customers had a lower UC claim rate than non-self-employed (-16%pts). Just over a quarter (26%) of the Tax Credit customer base analyzed were self-employed.

Table 9 Move to UC Invitations, Claims and Rate by Parliamentary Constituency (PC)

PC	Invitations	Claims	Rate
Belfast East	1,250	893	71.0%
Belfast North	1,922	1,459	76.0%
Belfast South And Mid Down	831	599	72.0%
Belfast West	2,136	1,664	78.0%
East Antrim	1,312	889	68.0%
East Londonderry	1,460	982	67.0%
Fermanagh And South Tyrone	1,760	1,129	64.0%
Foyle	1,875	1,342	72.0%
Lagan Valley	1,292	896	69.0%
Mid Ulster	1,975	1,278	65.0%
Newry And Armagh	2,014	1,294	64.0%
North Antrim	1,517	1,004	66.0%
North Down	1,030	711	69.0%
South Antrim	1,494	1,033	69.0%
South Down	1,725	1,106	64.0%
Strangford	1,278	910	71.0%
Upper Bann	1,818	1,283	71.0%
West Tyrone	1,890	1,260	67.0%

Claim rates ranged from 64% in Fermanagh and South Tyrone, Newry and Armagh, and South Down to 78% in Belfast West.

Figure 2 Claim Rates by PC

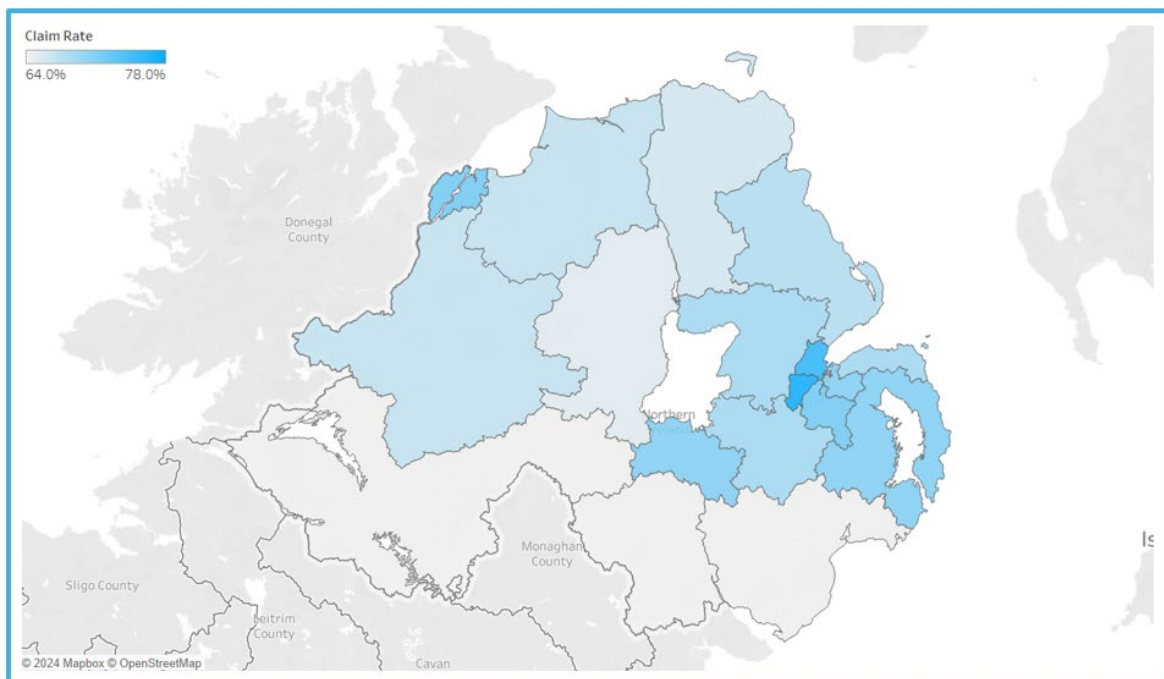
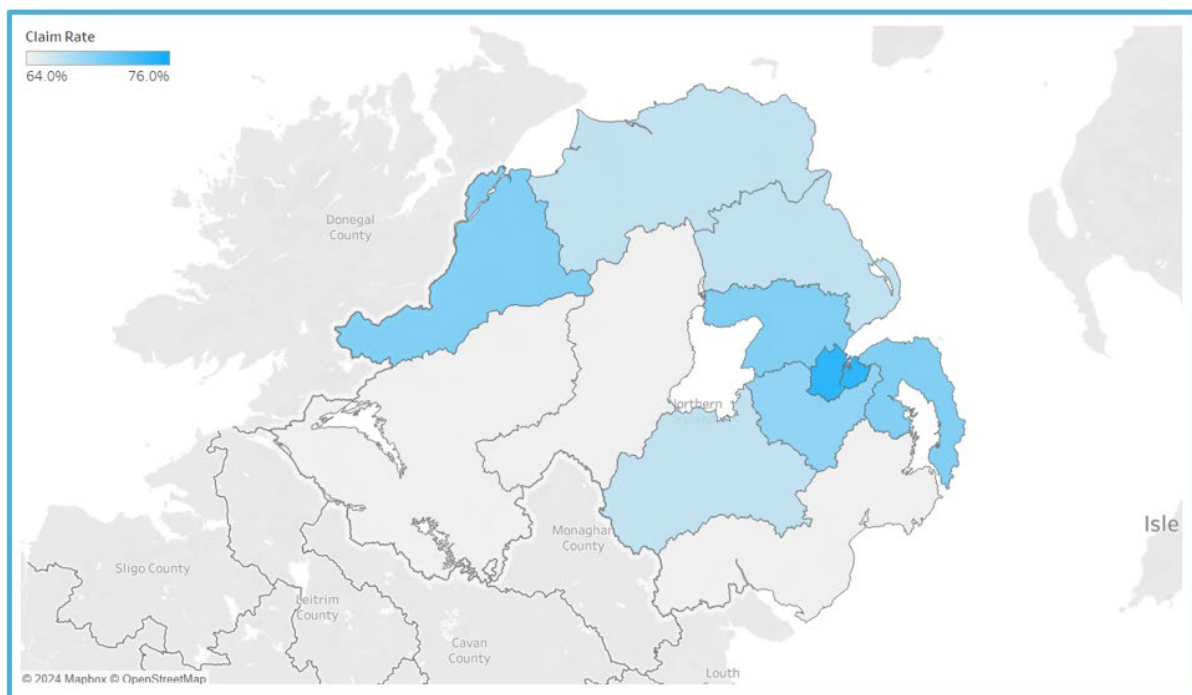


Table 10 Move to UC Invitations, Claims and Rate by Local Government District (LGD)

LGD	Invitations	Claims	Rate
Antrim and Newtownabbey	2,118	1,505	71.0%
Ards and North Down	1,862	1,325	71.0%
Armagh City, Banbridge and Craig..	3,405	2,291	67.0%
Belfast	4,965	3,766	76.0%
Causeway Coast and Glens	2,010	1,342	67.0%
Derry City and Strabane	2,925	2,078	71.0%
Fermanagh and Omagh	1,950	1,247	64.0%
Lisburn and Castlereagh	1,705	1,200	70.0%
Mid and East Antrim	1,977	1,332	67.0%
Mid Ulster	2,674	1,720	64.0%
Newry, Mourne and Down	2,988	1,926	64.0%

Claim rates ranged from 64% in Fermanagh and Omagh, Mid Ulster and Newry, Mourne and Down to 76% in Belfast.

Figure 3 Claim Rates by LGD



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## 4.5 Regression Analysis

As discussed previously, the differences in claim rates detailed in the descriptive analysis are simple correlations, e.g. single households are more likely to claim UC than couples, while older households are less likely to claim UC than younger people. Single households are 14%pts more likely to claim UC, but the actual effect of couple status on the probability of claiming may be lesser or greater once other factors are considered. For example, single households may receive less Tax Credits than couple households and therefore have less incentive to claim. This would overestimate the effect size.

A multiple regression model attempts to remedy this by accounting for other relevant factors. In this analysis, a probit model is used as the dependent variable is binary, i.e. the household either did or did not Move to UC. The marginal effects are then analyzed.

The effect sizes in the table below are relative to reference categories. For example, receiving £8,000 to £9,999 increases a household's likelihood of claiming UC by 36%pts, compared to a household receiving less than £2,000, holding all other variables constant.

**Table 11 Probit Regression Model - Percentage Point likelihood to Migrate against Reference Group**

Reference Group

		-16.0%	47.0%
Less than £2,000 Tax Credit amount	£2,000 - £3,999	20.0%	***
	£4,000 - £5,999	30.0%	***
	£6,000 - £7,999	34.0%	***
	£8,000 - £9,999	36.0%	***
	£10,000 - £11,999	39.0%	***
	£12,000 - £13,999	40.0%	***
	£14,000 - £15,999	44.0%	***
	£16,000 and above	47.0%	***
Not Self-employed	Self-employed	-12.0%	***
Single Household	Couple Household	-6.0%	***
Rural	Urban	4.0%	***
No School Aged Child	One School Aged Child	7.0%	***
	Two School Aged Children	7.0%	***
	Three School Aged Children	7.0%	***
	Four School Aged Children	7.0%	***
No Children Aged 18 - 21	One Child Aged 18 - 21	-5.0%	***
	Two Children Aged 18 - 21	-7.0%	***
	Three Children Aged 18 - 21	-16.0%	-

Note:

\*\*\* Significant to the 0.1% level. Non-significant results marked with a dash '-'.

The model indicated that a leading determinant of whether a claim to UC was made was the amount of Tax Credit received. Those in receipt of a Tax Credit amount between £2,000 and £3,999 were 20%pts more likely to make a claim before the deadline compared to those receiving less than £2,000. Similarly, those receiving £16,000 and greater were 47%pts more likely to claim than those receiving less than £2,000. The analysis suggests that Tax Credit amount was the leading influence in the decision of a household to claim UC.

After Tax Credit amount, self-employment had the next greatest influence on claim decision. There was a 16%pts difference between the proportion of non-self-employed households who



claimed UC (73%) in comparison to self-employed households (57%). However, self-employed households are more likely to consist of couples and have school aged children, while being less likely to live in urban areas. Controlling for these factors and the others quoted in Table 11, having at least one claimant in a household being self-employed reduces the probability of claiming UC by 12%pts.

As detailed in the descriptive analysis, 72% of households in urban areas moved to UC in comparison to 64% of those in rural areas. Overall, therefore, those in urban areas are 8%pts more likely to claim UC. However, accounting for all the factors listed in the table above, being in an urban area only increases the chance of a household claiming UC by 4%pts. In fact, half of the disparity between the figures above can be eliminated by controlling for self-employment status alone. This is because households in urban areas are less likely to feature a claimant who is self-employed.

Couple status has a similar relationship with likelihood to move to UC. Couple households are 14%pts less likely to move to UC than single households. However, couple households tend to receive less Tax Credits and are more likely to be self-employed. Once these factors are controlled for, households consisting of couples are 6%pts less likely to claim UC than single households.

There is a negative association between age and Move to UC claim rates, i.e. households where the primary claimant is older are less likely to claim UC. However, households with older claimants tend to receive less tax credits, have fewer school age children and are more likely to be self-employed and have a partner. These factors are associated with lower claim rates. After controlling for these factors there was no statistically significant correlation between age group and whether a claim to UC was made.

To demonstrate how multiple characteristics impact a household's likelihood to claim UC, we can see that the households most likely to claim were those in urban areas receiving £16,000 or more in Tax Credits. They consisted of single claimants who are not self-employed. They had one school aged child, and no children aged 18-21. The probit model estimates that such a household would have a 95% probability of claiming UC.

The households least likely to claim were those with at least one self-employed claimant in rural areas. These households received less than £2,000 in Tax Credits and consisted of couples with no school aged children. The probit model estimates that such a household would have a 20% probability of claiming UC.

## 5. Qualitative Research Part 1 (Customer Focus Groups)

### 5.1 ‘At a Glance’ Summary

All participants were aware of UC prior to being invited to migrate. Knowledge of the upcoming closure of Tax Credits and the shift to UC was high across the group, with several participants seeing advertisements and online discussions detailing these changes.

Participants attitudes toward UC varied, with the overall sentiment predominantly negative.

All participants were expecting to receive a notification to move from Tax Credits to UC. Upon receiving the Migration Notice, participants overwhelmingly expressed negative reactions.

Despite the negative emotions associated with receiving the notice, participants generally agreed that the Migration Notice was clear and easy to understand. They understood that they had to make a claim, that it was not an automatic process.

Many were unaware of the formal support that would be available if they chose to make a claim and instead conducted their own research. Informal information sources were more common, including Google and Facebook pages. Multiple participants mentioned that friends and/or family significantly influenced their decision not to migrate.

All participants made a conscious decision not to claim. The most significant barrier to claiming UC for many participants was the perception of ineligibility. Participants frequently cited changes in their personal circumstances—such as income fluctuations, retirement, or children leaving school or childcare as factors.

A strong deterrent for some was the perceived administrative complexity of UC, this was particularly acute among self-employed customers. Monthly assessments were cited multiple times by self-employed customers as a ‘bad fit’ for their income stream.

A small number of participants faced accessibility issues that hindered their ability to apply for UC.

## 5.2 Introduction

To understand the reasons why some Tax Credit Only customers did not migrate to UC, it was important that the research team spoke to these customers directly. Given the complexity of issues that needed to be discussed, and that it would have been unlikely for the research team to achieve a significant enough sample size to draw wider inferences using quantitative methods, it was deemed that qualitative research methods would provide the highest quality of information for analysis. This was mostly due to the hard-to-reach nature of the population in question (no existing relationship with DfC).

A mailshot exercise was conducted in August 2024, with a letter issued to every household that was invited to Move to UC from the 16<sup>th</sup> October 2023, and had reached their migration deadline, without moving, by the first week in June 2024. This totaled just over 5,000 households. Customers were asked to register their interest to participate and provide contact details and time preferences. Customers were also advised that those who participated in the virtual focus groups would receive a £30 gift card as a thank you.

Of the 5,000 households contacted, 130 customers registered their interest in taking part in virtual focus groups. These customers were segmented into cohorts based on their household characteristics, informed by existing move rate data, and sent invitations to join an online focus group at their preferred time. It was clear from the existing data that customers from single, couple, self-employed, employed and Urban / Rural households were moving to UC at different rates, and we were therefore keen to understand the reasons for non-migration from each of these perspectives.

In total, there were 7 virtual focus groups held in September and October 2024, with 15 participants, covering single, couple, self-employed, non-self-employed, urban and rural households. In addition, five customers took the opportunity to write into AD to explain their reasons for not migrating to UC from Tax Credits. All of this feedback is included in our analysis.

The focus group process was considered complete once the research team were satisfied that the information ‘saturation point’ was reached, i.e. that no new information was being presented by respondents.

In this section the results of the customer focus groups are presented. Participants were asked a range of questions regarding perceptions of UC, the Move to UC process, non-migration, and the barriers to migration. These were all contained within four high level areas of interest.

- Awareness and attitudes.
- Invitation to Move to UC.
- The decision not to move and any potential barriers.
- What can be changed.

Results are summarised and themed by the topics above with significant emphasis on the customers decision not to move to UC and any barriers that may have impacted that decision.

## 5.3 Awareness and attitudes

### Customer Awareness and Attitudes Toward UC

All participants were aware of UC prior to being invited to migrate. Knowledge of the upcoming closure of Tax Credits and the shift to UC was high across the group, with several participants seeing advertisements and online discussions detailing these changes. However, there was a sense among some that not everyone would be as informed as they were, indicating potential gaps in the reach or effectiveness of the messaging.

### Mixed Perceptions of UCs Purpose and Fairness

Participants' attitudes toward UC varied, with the overall sentiment predominantly negative. Many participants understood UC's purpose from a government standpoint, recognising the need to streamline the benefits system, reassess individuals' needs, and reduce dependency on multiple benefit systems. However, for our participants, this understanding did not translate to overall support. Some felt UC seemed designed to 'push people off benefits' and saw it as a system that unfairly impacted individuals who had previously managed to maintain financial stability. For example, several participants believed that those in employment, homeowners or those with savings would be penalised under UC, even though these circumstances do not automatically preclude someone from receiving benefits. There was a common concern that UC's capital threshold discouraged setting money aside for the future, making participants feel "punished" for trying to secure financial stability for themselves and their families.

### Concerns About the Transition Process and Financial Impact

A number of participants expected the transition to UC to be complex and feared that it might leave them worse off financially. Negative stories from friends and family contributed to a general sense of reluctance to switch, with participants describing UC as a "hassle". Many had

heard that maintaining a UC claim involved strict oversight of spending habits, which, while often based on misconceptions, influenced their views on the ease of the process. Most participants anticipated they would receive less financial support under UC than Tax Credits, with some expressing that they would avoid claiming UC as long as possible due to these anticipated disadvantages.

### Knowledge of UC Eligibility Criteria and Mechanics

In terms of eligibility, participants generally had a high level of awareness about UC's capital limits and the fact that UC allows claimants to work while receiving benefits. All participants knew they could claim UC while employed, which they viewed positively. However, there were notable gaps in understanding around certain details, such as the taper rate for earned income.

Throughout the research it was clear that some participants were confident that they understood how UC worked, however it became clear that often their perceptions were only partially accurate or on some case completely incorrect. This was a particular issue in relation to work conditionality and who may be 'forced' to search for work.

### Influence of Advertising Campaigns and Awareness of DfC

Most participants had seen UC-related advertisements across various platforms, with some reporting frequent exposure. Despite this, the campaigns did not appear to significantly change opinions or alleviate concerns about the transition. Only one participant had not encountered any campaigns, while the rest had seen ads, suggesting that awareness was being driven by these efforts but perhaps not improving attitudes toward UC itself.

In terms of administration, awareness of DfC's role in UC was mixed. The majority of participants did not know that UC was administered by DfC in Northern Ireland, though some individuals were aware of both DfC and its administrative connection to UC.

## 5.4 Invitation to move

### Expectation of Receiving the Migration Notice

All participants were expecting to receive a notification to move from Tax Credits to UC. Anticipating the Migration Notice, some researched the transition in advance. While prepared, this anticipation did not reduce the largely negative response to receiving the notice.

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## Initial Reactions and Emotional Responses

Upon receiving the Migration Notice, participants overwhelmingly expressed negative reactions. Many described feelings of anxiety, expressing concerns about past experiences with Tax Credits such as overpayments, and fears of losing benefits under the new system. One participant mentioned feeling a sense of panic, stating they “knew” they would lose benefits through the transition.

## Comprehension of the Migration Notice

Despite the negative emotions associated with receiving the notice, participants generally agreed that the Migration Notice was clear and easy to understand. They understood that they had to make a claim, that it was not an automatic process, and that UC was designed for people in work as well as those who were unemployed.

However, there was mixed understanding around specific terminology, such as “Transitional Protection” (TP). While most participants understood the term and its basic principles, few fully grasped its impact on their claim. Some participants admitted they did not remember their initial level of understanding, while others stated they did not read the entire notice since they were not planning on making a claim.

## Reactions to Information on Transitional Protection (TP)

Participants gave mixed feedback in relation to the information they received regarding TP. While the Migration Notice provided an overview of TP, many participants still felt uncertain, and conducted their own research to clarify the details. This highlighted a gap between the information in the notice and participants’ need for more specific guidance on how TP might impact them financially.

## Awareness and Use of Support Resources

Only a few participants accessed the support resources mentioned in the Migration Notice. Those who did found it helpful to outline UC’s parameters and rules.

Many participants were unaware of the formal support that would be available if they chose to make a claim and instead conducted their own research. Only one participant we spoke to made contact with a formal Advice Centre. Informal information sources were more common,

including Google, Facebook pages, and friends and family. Multiple participants mentioned that friends, family, and/ or Facebook groups significantly influenced their decision not to migrate. These informal networks allowed them to ask questions and gain insights from those who may have already gone through the process. However, it became apparent that there is a risk of misinformation when relying on informal networks.

### Awareness of Deadlines and Consequences of Non-Application

All participants were aware of the deadline for claiming UC, understanding that missing it would result in a stop to their financial support.

## 5.5 Decision not to move and potential barriers

### Not Moving to UC

All participants advised that they had made a conscious decision not to claim. While their reasons for not claiming were varied, the most prominent theme that emerged was a lack of eligibility. There were also some concerns regarding the administrative burden associated with the application process.

The majority of the participants, regardless of cohort, advised that they would not be eligible for UC due to a change in circumstances occurring between their claim for Tax Credits and the arrival of the Migration Notice. Those who believed they may have been eligible assumed they would get the same award amount or less. No one who intended to apply stated that they were unable to claim within the specified time.

## 5.6 Key Factors Influencing the Decision Not to Claim

### Eligibility Concerns

The most significant barrier to claiming UC for many participants was the perception of ineligibility. Participants frequently cited changes in their personal circumstances—such as income fluctuations, retirement, children leaving school or childcare as factors. This perception of ineligibility was widespread, even among those who had not experienced a clear change of circumstances. Some participants assumed that their current financial situation would not meet UC's eligibility criteria (e.g. capital limits), even though they would have remained eligible under the Tax Credit system.

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## Administrative Burden

A strong deterrent for some participants, was the perceived administrative complexity of UC, this was particularly acute among self-employed customers. These participants consistently expressed concern about the amount of information required to maintain a UC claim. Many were particularly wary of the monthly assessments on UC, as opposed to the Tax Credit system of annual reporting. This sentiment was particularly relevant for those with fluctuating or seasonal income. These participants reported that the design of the UC system did not sufficiently consider the impact of seasonal earnings and how monthly assessments would limit their ability to forward plan financially.

Some employed workers also expressed concerns about the monthly assessments. A participant who is an NHS worker feared that due to them receiving annual back pay a result pay claim issues, that they would be pushed beyond the threshold of eligibility and be asked to repay a previous award. Another customer mentioned that they work on a term time contract, with fluctuating hours. They commented that they consulted with colleagues in a similar situation who advised them against claiming UC for fear of overpayments or nil awards.

The perceived time and effort involved in gathering documents, filling out forms, and attending appointments every month led some participants to believe that applying for UC would be ‘more hassle than it was worth’. For example, self-employed participants felt that UC’s monthly income assessment was a poor fit for their income streams, which often varied month to month. The burden of paperwork and the need for regular updates as well as potentially having to pay an accountant for financial information on a monthly basis discouraged them from even considering a move to UC. For some participants who thought they may be eligible, the administrative burden, compounded by the belief that they would receive less financial support than before, also deterred them from applying.

## Past Negative Experiences with Tax Credits

Many participants had negative experiences with Tax Credits, particularly regarding overpayments. Some were either unaware they had been overpaid for months, or unable to repay with ease, leading to significant debt. Multiple participants advised that such was the frequency of overpayment issues while receiving Tax Credits that they paid them into separate accounts, so not to become overly reliant on money they may well be asked to return. One participant mentioned that they had received an overpayment and stated that they were not



allowed to pay it back until HMRC sent them a debt letter, meaning they had to make a provision to store overpayments, in some cases exceeding an entire year.

This history of issues with Tax Credits made participants even more hesitant to transition to UC. Fear of repeating past mistakes, such as overpayments or delayed payments, was a common concern. One participant recalled that when their spouse's job involved unpredictable overtime, their Tax Credit payments were reduced, and they had to repay over £1,000.

### Technology and Accessibility Challenges

One participant encountered technical difficulties and presented this as a factor for not making the move to UC. However, it was not the primary reason for not claiming as they also got a promotion in work meaning they were no longer eligible. A write in participant mentioned the online application was a factor in their decision making, also mentioning a change in circumstance and perceived ineligibility, making it difficult to attribute their primary reason for not making a claim.

A small number of participants faced accessibility issues that hindered their ability to apply for UC. One explicitly stated they did not own, or know how to use, a computer and felt this disadvantaged them further. Another return, submitted through an appointee, stated the applicant was dyslexic and didn't understand the forms leaving them unable to make a claim before their migration deadline. The participant stated that they were in financial hardship due to their Tax Credits ending, but they have now reached out to an Advice Centre to help them make a claim.

A few participants, believed support and resources for navigating the UC application system were less readily available in rural areas, although they did not experience this firsthand.

### Concerns About the Transition Process

A factor contributing to participants' unease around making a claim to UC was uncertainty about the transition process. Many, through word of mouth, were aware that their current benefits would stop immediately upon applying for UC, creating significant anxiety about a gap in payments. Participants were concerned that upon application to UC, with the immediate stop to Tax Credits they would be left without any support for weeks, with some hearing of six-week gaps in payments. This suggests a lack of knowledge of the support available in these circumstances, such as the possibility of receiving an advance payment of the UC award.

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## Impact of Information on the Decision

Although not applicable to all, most participants felt that the information required to apply for UC did not impact their decision. Information overload and complexity were recurring themes. However, as most had already made the decision not to migrate, the impact of this was minimal. Our participants went on to express concern that, although the impact on them was limited, this may not be the case for others who were yet to decide.

For the most part, our respondents were not sure whether there was sufficient information to make an informed decision, and there seemed to be a general opinion that more could be done through official channels.

When asked what further information or advice would be beneficial participants provided several suggestions.

- **Clearer Communication on Benefit Cessation:** participants emphasized the need for clearer communication about the immediate cessation of benefits once an application is made for UC. This would allow individuals to better plan for the transition period and avoid surprises related to payment gaps.
- **Support for ‘Non-Tech-Savvy’ Individuals:** There was a call for more in-person support, such as workshops or one-on-one sessions, to help people understand how to navigate the UC system. Local offices or libraries could offer assistance, particularly to those who are not familiar with computers or the benefits system.
- **Extended Communication Hours:** Many participants noted that the UC system’s operating hours were not conducive to those who worked full-time during weekdays. They suggested offering evening or weekend hours to make it easier for people to get assistance when needed.
- **Automatic Transition for Eligible Individuals:** Some participants felt that the government already had enough information about applicants to automatically transition eligible individuals from Tax Credits to UC, thus reducing the need for people to apply themselves. This would also reduce the likelihood of gaps in benefits during the transition.

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## Future Intentions to Claim

Most participants stated that they did not intend to claim UC in the future unless their circumstances changed. While some acknowledged they might reconsider if their financial situation worsened, most were reluctant to engage with UC.

## 5.7 Barriers to Universal Credit: Key Themes and Insights

### Changing Circumstances and Ineligibility

Most participants reported that changes in their circumstances influenced their decision to not claim UC. These changes included children leaving the household and job promotions. The general theme was a belief that these changes would make them ineligible for UC. This perception of ineligibility played a crucial role in their decision-making.

### Stigma Around Universal Credit

Participants discussed the stigma surrounding Universal Credit (UC) as a potential barrier to making a claim. While most participants did not report experiencing stigma themselves, a few shared concerns about how others might perceive them. One participant mentioned they felt judged for working while receiving government support, which created a perception that they were "getting the best of both worlds." Others felt UC was more stigmatized than Tax Credits, with the public associating UC with those who do not work, while Tax Credits was often viewed as a subsidy for working individuals. This perception was compounded by the idea that UC recipients are often seen in a negative light, with comments such as, "You don't hear of the people who used Tax Credits to go out and work to better themselves, you only hear about the ones who don't work."

### Practical Concerns: Work, Caring Responsibilities, and Self-Employment

Work and caring responsibilities were also mentioned as potential barriers to making a UC claim. Some participants felt that UC's work requirements, including work-focused interviews, added an unnecessary burden, especially for those with caring responsibilities or self-employed individuals. One concern frequently mentioned was the perception of an increased information requirement under UC. Participants felt that while Tax Credits were not perfect, they were more manageable. For those with caring responsibilities the paperwork and bureaucratic hurdles were seen as overwhelming. Self-employed participants expressed

frustration with the monthly reporting requirements under UC, believing it took time away from running their businesses. They felt their time would be better spent on work rather than attending meetings or filling out forms for a system that they felt was not designed to meet their needs. How UC earnings calculations handle dividends was also raised as an example of a system that is not a great ‘fit’ for self-employed customers.

### Digital Access and IT Skills

Most of the participants we talked to did not raise concerns regarding digital services or IT skills as a barrier to claiming UC. This suggests that for the individuals we spoke with, digital access or familiarity with technology was not a significant issue. We did, as previously mentioned, receive written submissions to our questions, in which two respondents stated they suffered from IT Literacy or access issues, suggesting that there may be a less visible cohort of non-claimants unable to raise grievances.

### Frequency of Payments and Budgeting

Most participants did not express concerns about the frequency of UC payments or budgeting. A few respondents mentioned that the frequency of payments was a factor, however it was not one that defined their decision.

### Awareness of Support for Universal Credit Claims

Awareness of available support for managing UC claims was another notable barrier. Most participants at this juncture stated they were unaware of the support available, such as advances or discretionary support, though a few had some knowledge. This lack of awareness suggests that even when support options exist, they are not always communicated effectively to potential claimants. Some respondents mentioned that they did not explore these support options, assuming that they existed but not knowing the details.

### Impact of Additional Help or Support

In terms of whether additional help or support would have influenced participants' decisions to apply for UC, most respondents felt that it would not have made a difference. This was largely due to the perception that they were ineligible for UC, driven by changes in their circumstances or income. For many, no amount of additional support could have changed the underlying factors that led them to believe they would not qualify. However, some participants expressed

that if their circumstances were to change in the future, they might seek further assistance before reconsidering their decision.

## 5.8 What Could Be Changed: Key Themes and Suggestions

### Increased Access to Support and Flexibility

Participants discussed the need for greater access to support during the UC application and ongoing claim maintenance. Many suggested that the government could provide more opportunities for applicants to speak with advisors, particularly outside traditional office hours. Evening and weekend availability, even on a limited basis, was seen as a significant improvement, especially for those with busy schedules or working full-time. Several participants also suggested workshops in community spaces, such as libraries or through local schools, to assist those facing technological challenges or unfamiliar with the digital process. However, participants expressed that this additional support would not have changed their decision to not make a claim.

### Tailoring UC for the Self-Employed

Self-employed participants expressed the need for the UC system to be more adaptable to their unique circumstances. They highlighted the challenge of providing monthly income details, which for many, fluctuated seasonally. It was suggested that UC should consider a more annual or holistic assessment for self-employed individuals. They felt that the current system does not befit the variability in income experienced by small business owners or freelancers. This suggestion stemmed from concerns that the system was not designed with the self-employed in mind, making it harder for them to qualify for, or manage their claims.

### Maintaining Access to Other Benefits

Another concern discussed by participants was the ability to claim additional passported benefits. Some participants felt that there should be more flexibility in how benefits are accessed, allowing those who might not fully qualify for UC to still access these essential support systems.

### Participant Experiences of Tax Credits and Support

Several participants reflected on the support they had received from the previous Tax Credit system. They expressed that, without Tax Credits, they would not have been able to achieve

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their current financial position, and many felt that Tax Credits had been more accommodating. Some suggested that elements of the old Tax Credit system, such as its ability to provide long-term, stable support, should be considered when designing the future of UC.



## 6. Qualitative Research Part 2 (Stakeholder Focus Groups)

### 6.1 ‘At a Glance’ Summary

Stakeholders noted that customer perceptions of Universal Credit (UC) were shaped by both local experiences and broader media narratives. Stakeholders accepted that the policies put in place in Northern Ireland to address some of the ‘more difficult’ aspects of UC had some improved local perceptions. However, negative stories from Great Britain dominated social and mainstream media.

Stakeholders agreed that the Migration Notices were the primary drivers of customer action. While media coverage and increased advertising heightened awareness before the migration process began, it was often misinterpreted or dismissed by customers who assumed it did not apply to them.

Many stakeholders observed that customers did not fully understand UC, its work requirements, or its structure. Tax Credit claimants, accustomed to annualised reporting, were unprepared for UC’s monthly system and its associated conditionality.

Stakeholders reported a stigma among working Tax Credit recipients who felt uncomfortable being grouped with non-working claimants.

Key reasons provided by stakeholders for non-migration included the complexity of the UC system, concerns about additional administrative burdens, and fears of receiving less financial support. There was also apprehension about transparency and digital barriers.

Stakeholders suggested that for those with low entitlement or complex situations, the perceived lack of benefit relative to the effort involved led them to opt out of making a claim.

Stakeholders generally felt that the Department engaged proactively regarding Move to UC. Most felt that the Department had been responsive, with some acknowledging that they did as much as possible, given the constraints placed upon them when maintaining parity with UC as a UK wide benefit policy. Overall, the sentiment was that there was effective cooperation, and stakeholders were appreciative of the effort put into the

## 6.2 Introduction

In addition to speaking directly with customers that had been asked to migrate, it was felt that it would be essential to speak with stakeholders who dealt directly with those customers. Stakeholders have day to day experience dealing with benefit claimants on a range of issues. They also routinely engage with the Department to help resolve problems and advise of improvements or changes that can make the welfare system more user friendly. This makes them an invaluable resource when trying to understand why some Tax Credit customers did not move to UC.

16 key stakeholder organisations were contacted via email and offered the opportunity to express their views and opinions on the Move to UC project. 3 sessions were offered in October 2024 and in total 6 stakeholders participated.

In this section the results of those stakeholder focus groups are presented. Participants were asked a range of questions, similar to those asked of customers, regarding perceptions of UC, the Move to UC process, non-migration and barriers. In addition, stakeholders were asked to discuss their engagement with the Department relating to Move to UC. These were all contained within five high level areas of interest.

- Awareness and attitudes.
- Invitation to Move to UC.
- The decision not to move and any potential barriers.
- What can be changed.
- Departmental communication and collaboration.

Results are summarised and themed by the topics above with significant emphasis on stakeholders' views regarding customers decisions not to move to UC and any barriers that may have impacted that decision.



## 6.3 Awareness and attitudes

### Awareness of Tax Credit closure

When asked about customer awareness of the transition from Tax Credits to UC, stakeholders expressed mixed views. Some stakeholders believed starting managed migration with Tax Credits customers was unusual since these individuals often did not see themselves as "benefit claimants". Stakeholders felt that this led some Tax Credits customers to assume that the Move to UC did not apply to them. This belief was backed by the fact that during previous benefit migrations, the transition between benefits was completed on the claimant's behalf e.g. Disability Living Allowance to Personal Independence Payment.

One stakeholder dealing directly with Tax Credits claimants reported actively informing customers about the closure of Tax Credits. Another stakeholder felt there had been sufficient publicity but observed that customers they interacted with still seemed unaware of the change. Another suggested HMRC could have done more to alert customers, as the transition was largely led by the UC programme in NI, and this may have led to confusion with Tax Credits claimants receiving notifications from an organisation they had no previous engagement with.

### Receipt of Customer Queries

Stakeholders agreed that their level of engagement depended heavily on whether customers proactively sought support. Stakeholders mentioned that those who reached out raised concerns about the new commitments and conditionality under UC. For example, one stakeholder shared that a Tax Credit claimant deliberated whether their relatively low award justified the extra requirements. Self-employed individuals faced unique challenges due to UC's shift to monthly accounting. Some were unprepared for this change, lacked IT skills, or had never completed formal accounts before. Stakeholders went on to advise that in some cases, even the professionals supporting these individuals were unsure of UC's requirements.

### Customer Perceptions of UC

Stakeholders noted that customer perceptions of UC were shaped by both local experiences and broader media narratives. Stakeholders accepted that the policies put in place in Northern Ireland to address some of the 'more difficult' aspects of UC had improved some perceptions, however, negative stories from Great Britain dominated social and mainstream media. Advertising campaigns were seen as ineffective compared to the influence of these stories. The

changes that were brought into the NI system were not as well known or communicated, dulling their effect and ability to tackle UC's poor reputation.

Concerns about UC included the potential five-week wait for the first payment, conditionality (resulting in a feeling that the government is 'prying' into Tax Credit customer circumstances), as well as the digital nature of claiming and maintaining benefits. Stakeholders also noted that Tax Credit claimants, who previously managed their own budgets, felt a loss of autonomy when claiming UC. This contributed to the perception of UC as a "full" benefit rather than the lighter-touch Tax Credits system. There was also a stigma among working Tax Credit recipients who felt uncomfortable being grouped with non-working claimants. Stakeholders provided further context by saying they believed some customers assumed UC was a 'workless benefit' not applicable to them, and they didn't want to be seen as "scrounging from the government".

### Understanding of UC

Many stakeholders observed that customers did not fully understand UC, its work requirements, or its structure. Tax Credit claimants, accustomed to annualised reporting, were unprepared for UC's monthly system and its associated conditionality. Joint claims posed challenges as both partners were required to share information and meet commitments. Customers also advised stakeholders that they struggled with the transition from a more predictable Tax Credit system to UC's system that may require increased levels of engagement with the Department.

### Advertising Campaigns

Stakeholders agreed that the Migration Notices were the primary drivers of customer action. People also engaged as a result of advertising campaigns on TV, radio, or social media however, nothing like the scale seen after the Migration Notices. While media coverage heightened awareness before the migration process began, it was often misinterpreted or dismissed by customers who assumed it did not apply to them. Stakeholders suggested that HMRC should have taken a more active role in providing detailed information about the transition. They went on to state that they believed some people acted after an earlier HMRC letter, moving too early and losing their transitional protection.

## 6.4 Invitation to Move

### Notification Expectations

When asked whether Tax Credit customers were expecting a notification to move to UC, stakeholders noted a general awareness but not detailed understanding. While many knew that something was coming, the specifics were unclear. Some stakeholders mentioned that customers often disregarded the notice, believing it was irrelevant to them. A few respondents recalled that the migration process had been initially discussed about 4-5 years ago, but this was then paused leading to an expectation of customers doubting the transition would come to fruition.

### Initial Reaction to the Notification

Upon receiving the Migration Notice, Tax Credit claimants raised financial questions with stakeholders. Many were concerned about how much Universal Credit they would receive and whether it would match their previous Tax Credit award. These financial concerns were not helped, according to one stakeholder, by the fact the migration occurred during a cost-of-living crisis. While stakeholders noted that they were heavily consulted on the Migration Notice, they expressed concerns that customers may still consider it as overly lengthy. They felt that some customers may not read beyond the first paragraph, leading to a misunderstanding surrounding key aspects of migration like Transitional Protection (TP) and how long they had to complete the migration process.

### Clarity and Understanding of the Migration Notice

Most stakeholders felt that the Migration Notice was clear, however, they were concerned that one letter had to cater to many different audiences, which might have limited its effectiveness. Although it was clear in the notice that claimants had to take action by a specified deadline, many people still turned to advisors for further explanation on the process, often feeling overwhelmed by the length of the letter. Some customers, upon realising that they had three months to move, chose to delay their claim as long as possible.

While stakeholders believed that the letter was thorough, they also noted that it generated a significant number of follow-up enquiries, suggesting that the communication, though clear, was not fully absorbed or understood. Additionally, there was confusion regarding the timing of the migration, particularly when some customers moved too early and lost their TP due to lack of clear information on a notice issued by HMRC.

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## Understanding the Need to Claim UC

Most stakeholders felt that the Migration Notice made it clear that customers needed to actively apply for UC, and that the process was not automatic. However, some still found that the message did not resonate with all recipients, as they were accustomed to a more passive system with Tax Credits.

### Transitional Protection

A common concern among stakeholders was the lack of understanding surrounding TP. Many Tax Credit customers did not grasp that even if their UC entitlement was lower than their Tax Credit award, TP would make up the difference. Advisors reported that even within the Department, there was confusion about how TP worked. The information on TP was seen as buried in the migration materials, with one advisor noting that it should have been more prominent given its significance.

Stakeholders highlighted that UC's benefit calculators often did not take TP into account, leading customers to wrongly assume they were ineligible for UC or would receive lower amounts.

### Understanding UC as a Working Benefit

A significant barrier to engagement was the misconception that UC was only for unemployed individuals. While some stakeholders felt this perception had shifted over time, many Tax Credit customers still believed that UC was not relevant to them because they were working. As a result, these customers were less likely to seek advice or make a claim, despite potentially being eligible for UC. Not all stakeholders agreed with this belief, with one stating it was not an issue they were presented with while dealing with their customer base.

### Accessing Support and Information

Stakeholders provided a range of support to Tax Credit customers, including benefit calculations, application assistance, and ongoing guidance throughout the assessment period. Many customers were surprised to learn that UC was a “digital by default” system and that they would need to apply online. This posed challenges for those without computer access or digital literacy. Stakeholders often had to advocate on behalf of clients to arrange telephone claims or in person visits, especially for clients who struggled with online applications.

Stakeholders noticed that self-employed customers and those in rural areas, such as farmers, encountered particular difficulties with the transition. These individuals were already overwhelmed with paperwork for other benefits, grants or issues relating to their employment and often found it challenging to navigate the new UC system.

When asked whether they sought information or advice on behalf of Tax Credit customers from other sources, stakeholders reported that they did so from online calculators, UC response teams or signposted their customers to Make the Call (MtC). Some stakeholders also advised they were able to contact the Department's operational and policy staff for specific advice through email.

## 6.5 Decision not to move and potential barriers

### Conscious Decision

Stakeholders believed that most customers actively decided not to apply for UC. However, there were concerns that some customers, in their opinion, never engaged with the process at all.

## 6.6 Key Factors Influencing the Decision Not to Claim

Stakeholders identified several key factors influencing the customers decision not to claim UC. Self-employed individuals faced significant challenges, particularly the need to calculate income and meet monthly reporting requirements. The cost of potentially hiring an accountant to navigate these requirements, was seen as a substantial factor. Stakeholders mentioned that some self-employed claimants either abandoned the process shortly after beginning or simply chose not to engage at all. The complexity of the system was also a concern for other groups, such as those with health issues, who found the additional paperwork and engagement with Jobcentres intrusive and overwhelming.

Stakeholders advised that for many, the additional administrative burden seemed unmanageable, especially for those in rural areas or with limited resources, such as farmers or small business owners. For individuals who were employed part-time or seasonally, like term-time workers, the new conditionality was seen as a substantial deterrent. The shift from Tax Credits, where eligibility was often less demanding, created a sense of confusion and reluctance to move to a more complex system.

Stakeholders suggested that some customers may have also been deterred by the perception that UC would provide less financial support in comparison to Tax Credits. Others feared that engaging with UC would lead to negative consequences, including financial hardship or loss of

other benefits.

Stakeholders discussed that some customers believed there was a stigma regarding the need to engage with Jobs and Benefits Offices in the same way as unemployed customers.

The perceived complexity of the UC system, particularly for those with self-employment, further reinforced the reluctance to apply. Concerns about the level of documentation required, and the potential for identity theft or data breaches when engaging digitally, also played a role in customer hesitation.

A prominent theme coming from stakeholders was the customer mindset questioning why the government would be moving them from Tax Credits for any other reason than to save money.

#### Amount of information needed

The amount of information required to apply for UC appears to have had a mixed impact on customers' decisions, with a notable difference for self-employed individuals. For some, the process is psychologically taxing, requiring substantial evidence to justify their self-employment status. This was described as a major barrier, exacerbated by post-application demands such as declarations and Job and Benefit Office visits, which often require taking time away from work. Stakeholders noted that the system feels ill-suited to self-employed individuals, with claims that it was "designed without them in mind," suggesting simple adjustments could greatly improve their experience.

For other applicants, the process was more manageable, particularly once an advisor explained the requirements and assisted in setting up accounts. Many found the application itself relatively streamlined. However, perceptions of intrusiveness were common, particularly for vulnerable groups. There was also frustration about the perceived redundancy of providing information that could have been sourced from HMRC.

#### Negative Consequences

Stakeholders advised that there was a general mistrust of the UC system among customers, with stakeholders believing many were hesitant to engage due to negative perceptions about the complexity and consequences of claiming. Stakeholders highlighted several concerns among customers transitioning to UC. Many Tax Credit claimants expressed discomfort with the

increased transparency of their finances, particularly the requirement to disclose savings and income. Vulnerable groups, such as individuals experiencing domestic violence or coercive control, worried about their partners accessing their journals despite separate accounts being available.

Other concerns centred on digital barriers, including a lack of confidence in online systems, fears of data breaches, and scams. Customers frequently called to verify whether Migration Notices were genuine, with confusion exacerbated by what they perceived to be poorly timed HMRC communication.

### Claim Within the Specified Time

Stakeholders generally noted that cases of missed deadlines were rare and often resolved through grace periods.

### Influence of Opinions from Friends, Family, or Word of Mouth

Stakeholders reported that opinions from friends and family had mixed influence. There was a general fear of engaging with the benefit system, rooted in concerns about overpayments and the complexity of the system.

### Awareness of Advance Payments and UCCF

While advance payments and the Universal Credit Contingency Fund (UCCF) were mentioned in Migration Notices, stakeholders noted that the details provided may have been unclear to customers. There were concerns about advance payments being ‘too easy’, which could lead to safeguarding issues as customers might take an advance without fully understanding the implications. Stakeholders emphasised the importance of ensuring claimants understand the most suitable options for bridging the gap during the transition.

### Main Reasons Customers Did Not Claim UC

Administrative burden emerged as the dominant reason why stakeholders felt customers did not claim UC. This was a particular concern for self-employed Tax Credit customers, who found the increased conditionality and the need to maintain regular journals far more demanding than the annual financial declarations required under Tax Credits. For some, the perceived hassle outweighed the potential benefits, especially when entitlement was low.

Stakeholders felt that customers, particularly self-employed individuals, feared that the transition to UC would not only reduce their financial support but also add hidden costs—such as time spent administrating their UC claim. Additionally, some customers had the perception that the UC system was designed to push people off benefits altogether, creating anxiety about their long-term financial security.

### Availability of Information and Advice

While information was widely available, stakeholders felt that access and effectiveness varied significantly. The experience of maintaining a UC claim heavily depended on the assigned work coach, with some offering exceptional support while others lacked the holistic training needed to provide comprehensive advice. Additionally, the Make the Call service was seen as limited in comparison to independent agencies. Stakeholders noted its inability to provide in-depth assistance.

Specific gaps in advice included insufficient emphasis on the implications of childcare costs being paid in arrears and inadequate guidance on applying for contingency grants or advance payments. Vulnerable customers, burdened by external pressures, often didn't engage with available information or support services, feeling it would not lead to meaningful help.

Stakeholders tended to accept that there was plenty of information in the public domain, however, provided the caveat that those who historically did not engage with services would be less likely to know what information was available.

## 6.7 Barriers to Universal Credit: Key Themes and Insights

### Stigma Around Claiming UC

Stakeholders reported that there was a stigma associated with claiming UC, particularly for customers who were previously on Tax Credits. This perception may stem from a distinction between the 'privacy' of Tax Credits compared to UC, which requires more engagement with the system. This increased visibility, and the perceived social stigma associated with needing state support may have discouraged some customers from making a claim.

### Practical Concerns Regarding UC Work Requirements

Stakeholders felt that the work requirements of UC created additional barriers for many customers, particularly those with work or caring responsibilities. The transition to UC often



brought about a significant amount of uncertainty, especially for individuals struggling to understand how their work or caring duties interacted with their benefit entitlements.

### Concerns About Digital Services and IT Skills

Stakeholders noted that digital barriers were another significant concern for some customers. Stakeholders highlighted that while they didn't encounter many customers who were entirely unable to make a claim, many struggled with the online nature of the application process. Issues included lack of internet access, particularly for those in hospitals or with poor digital literacy. Self-employed people, such as farmers, were especially affected, as they found the online process difficult to navigate. Translation services were raised as a potential challenge, often resulting in a complex, four-way communication between the claimant, the advocate, the Department, and the translator.

### Awareness of Support Available

Stakeholders advised that there was inconsistency in customers' awareness of the support available to help them manage their UC claims. Some customers were unaware of the services they could access, such as help at the Jobs and Benefits Office, which stakeholders noted can fail to provide a welcoming environment for those seeking assistance. Moreover, it was noted that support for telephone-based claims was particularly challenging, as the operational staff did not always seem to want to accommodate those who needed additional help.

### Awareness of Advances and Discretionary Support

Stakeholders believed that Tax Credit customers had a general lack of awareness regarding the availability of support such as advance payments or discretionary support. Stakeholders stated that Tax Credit customers were less aware of the specifics of how the benefit system worked, and thus, unable to take advantage of support that could have alleviated some of the financial pressures they were facing.

## 6.8 Collaboration and Communication with the Department

Stakeholders generally felt that the Department engaged proactively regarding Move to UC, especially when it came to providing timely responses to queries. From a frontline perspective, stakeholders reported that they had access to designated points of contact within the Department which allowed for problems to be addressed quickly.

Regular forums, held every two to three months, were also considered a valuable space for feedback, where representatives from UC Programme and Operations were present to address concerns. Despite the generally positive experiences, stakeholders acknowledged the challenge of keeping up with training as more legacy benefits transition to UC. There were concerns about the Department's ability to maintain adequate training support during these "growing pains."

Several stakeholders reported a positive experience in their dealings with the Department. Most felt that the Department had been responsive, with some acknowledging that they did as much as possible, given the constraints placed upon them when maintaining parity with UC as a United Kingdom (UK) wide benefit policy. Overall, the sentiment was that there was effective cooperation, and stakeholders were appreciative of the effort put into the collaboration.

#### Move to UC Process: timely information and communication with Stakeholders

Stakeholders believed that the Department communicated effectively about the Move to UC process, sharing information quickly once decisions were made. While there were some restraints faced by the Department, particularly due to their reliance on other bodies such as DWP, stakeholders appreciated the transparency and timely communication that was provided.

#### Opportunities to Provide Feedback

Stakeholders felt they had the opportunity to share feedback and provide suggestions. Even in cases where the Department did not have full ownership of certain aspects, they still made efforts to improve the process where possible. Stakeholders also acknowledged that while some issues were easier to resolve, others were more complicated, and their feedback might not lead to immediate changes.

#### Messaging and Communication with Tax Credit Customers

While stakeholders appreciated the Department's efforts, they suggested that more could be done to engage clients directly. This could include increasing face-to-face sessions in Jobs and Benefits Offices and collaborating with employers and professional associations to reach working Tax Credit claimants. Others suggested that sharing more positive success stories—showcasing the benefits of UC—through visual mediums like social media and TV could help counter negative perceptions and encourage more clients to engage with the process.

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## Advertising Campaigns and Awareness

Stakeholders felt that while the campaigns were visible, they lacked the impact needed to prompt customers to move to UC. Some stakeholders noted that, due to delays in the UC rollout, Tax Credit customers may have assumed they would never be affected by the transition and thus did not engage with the messaging.

While stakeholders tried to gather feedback during advice sessions, they found it difficult to collect accurate data on the effectiveness of the campaigns, as customers were often reluctant to discuss or reflect on these details during their meetings.

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