

Landlords Guide to Universal Credit



Who we are and why we believe that a landlord should understand about Universal Credit.

Help2Rent

Help2Rent is a **100% public sector housing organisation** this means that we work alongside a number of local authorities and organisations that support vulnerable clients in the UK.

We design and create **unique solutions** to simplify the housing allocation process

We believe in working **smarter, not harder** - enabled by the use of modern technology

Help2rent is a housing platform similar to the likes of well-known platforms such as Zoopla and Rightmove but specializing in one sector, we help our council partners offer better security for landlords and agents that help them.

***“As a landlord or Agent it is important to understand
Universal Credit and the importance of APA
“Alternative Payment Arrangement”***

1. Introduction

This document provides private and social sector landlords with information about Universal Credit to help them understand what they can do to help their tenants prepare for:

**their move to the single Universal Credit benefit payment
making payments of their housing costs (rent) direct to their landlord themselves**

It explains how Universal Credit will ensure that the appropriate protections and safeguards are in place – both the trigger points for intervention by the Department for Work and Pensions (DWP) and recovery of arrears where they occur.

It also explains what support is available for tenants who may need help moving to the new system.

This includes alternative payment arrangements if claimants are finding it hard to manage their Universal Credit payment and pay their landlord themselves.

Universal Credit claimants will have an online Universal Credit account to manage their claim. They will use their account to report changes, send messages to their work coach and find support.

[Read information about how Universal Credit is calculated.](#)

2. Universal Credit payments and helping tenants prepare

2.1 Universal Credit payments

In most cases Universal Credit will be a single, monthly payment which is paid in arrears directly into the claimant's bank account. Payments will include all eligible housing costs.

This means that claimants will be responsible for paying their rent themselves.

Couples living in the same household will get one monthly payment between them, this can be paid into a joint account or a single account in either person's name.

Any other adults living in the same household who are claiming Universal Credit will be paid separately.

2.2 Help with housing costs under Universal Credit

Universal Credit payments are made up of different amounts depending on the claimant's individual circumstances.

The Universal Credit additional amount for housing costs helps tenants with their eligible rent and service charge costs. Regulations state that claimants must be liable to pay rent for the home they are living in to qualify for help with their housing costs.

For claimants living in local authority temporary accommodation due to homelessness, or specified (supported) accommodation, Universal Credit does not provide support with these rental costs.

In such circumstances claimants will need to [apply for Housing Benefit](#) from their local authority for help with housing costs.

2.3 Private rented sector tenants

For private rented sector tenants, their Universal Credit additional amount for housing costs will be whichever is lower out of their actual costs or the Local Housing Allowance rate.

2.4 Social rented sector tenants

For social rented sector tenants, their Universal Credit additional amount for housing costs will be their actual eligible housing costs which includes service charges covered by Universal Credit.

Universal Credit will not provide support for personal utility costs, such as water or electricity.

If a social rented sector tenant has any spare bedrooms, their additional amount for housing costs will be reduced by:

14% for one spare bedroom

25% for 2 or more spare bedrooms

2.5 Getting ready for Universal Credit

DWP encourages landlords who currently receive Housing Benefit payments from their local authority to familiarise themselves with Universal Credit and look at how they can prepare themselves.

As a landlord you can:

consider how Universal Credit may impact your business

consider how you might need to adapt any policies or processes

engage with your tenants early to identify any support needs making sure they understand their need to make rent payments

Get local information and advice about Universal Credit by contacting [your regional partnership manager](#).

2.6 Helping tenants prepare for Universal Credit

Landlords can help tenants to get ready for Universal Credit by encouraging them to:

go online and set up an e-mail account

open a bank account to receive Universal Credit payments

know how much their rent is (including rent free weeks) and who their landlord is setting up direct debits for housing costs

read the [Universal Credit and you](#) guide

Universal Credit is designed to be claimed online. If tenants don't have access to the internet or are not confident using a computer, their jobcentre can tell them about local services that can help.

From April 2019 Citizens Advice and Citizens Advice Scotland will provide a new Help to Claim service.

The Citizens Advice Help to Claim service offers tailored, practical support to help people make a Universal Credit claim and receive their first full payment on time.

It will be available nationally online, over the phone and face to face through local Citizens Advice services.

Universal Credit will usually be paid monthly in arrears into a single account, so setting up a direct debit or standing order may help your tenant manage their rent payments.

All claimants receive the [Universal Credit and you](#) guide when they make a Universal Credit claim to help support them through the changes. You can use this as a basis for conversations with tenants.

2.7 Managing your money

Money Manager is an interactive digital tool, owned by the Money Advice Service, that offers personalised money management advice.

Your tenant can get help with managing their money using the [online Money Manager](#).

The advice includes how to open a bank account, dealing with rent arrears and regular bills and debt advice services. There's a quick and easy way to use budget planner and money management hints and tips, including how to reduce household bills.

This also has information about claiming Universal Credit as a couple, claiming with children, information for carers, links to local authorities and other information centres.

Money advice can be offered online, by phone, or face-to-face and is delivered by external organisations with the relevant expertise to do this.

Ask your tenant to speak to their work coach for more information.

2.8 Alternative Payment Arrangements

[Alternative payment arrangements](#) are available for claimants who can't manage their monthly payment.

The landlord or claimant can apply for an Alternative Payment Arrangement (APA) Managed Payment to Landlord (MPTL) at any time, which will be considered on a case by case basis.

An APA can also include a more frequent than monthly payments or a split payment of an award between partners.

The [Universal Credit Landlord Portal](#) allows registered social landlords to submit managed payment requests. This will only be for those tenants that are listed on the landlord's Portal account.

More detailed information about [Alternative Payment Arrangements](#).

3. Paying rent

3.1 Ensuring that rent is paid

Universal Credit payments are paid monthly in arrears in the same way a wage is. Claimants will be expected, where possible, to arrange their own rent payments.

If landlords have previously received direct payment of Housing Benefit from the local authority, they will need to speak to their tenants to agree arrangements for collecting rent from them. Setting up a direct debit or standing order may help your tenant manage their rent payments.

In some cases Alternative Payment Arrangements can be put in place to support claimants.

Find out about [Alternative Payment Arrangements](#) and how you may be able to apply through the [Universal Credit Landlord Portal](#)

3.2 First Universal Credit payment

Universal Credit is assessed monthly and paid monthly in arrears. The first payment will usually be received 1 month and 7 days after they submit their claim.

A tenant's Housing Benefit payment will normally stop when their Universal Credit claim is received. The landlord doesn't need to tell the local authority that the tenant is moving to Universal Credit.

If a tenant received Housing Benefit up to the date they applied for Universal Credit, their Housing Benefit will continue for the first 2 weeks for their new Universal Credit claim.

This payment will be paid automatically and is not recoverable. If the tenant has moved home, the local authority who paid Housing Benefit will make the payment to the claimant.

If a tenant lives in temporary accommodation, because the local authority placed them there because they were homeless, or they live in Specified (Supported) Housing, they will still need to claim Housing Benefit for help with their housing costs.

[Apply for Housing Benefit](#)

3.3 Paying rent while waiting for their first payment of Universal Credit

Many new claimants of Universal Credit will be coming from work and will be able to support themselves in the first month using their final payment of earnings.

However, where needed, a claimant can ask for a Universal Credit new claim advance to help pay their rent if they can't manage until their first monthly payment of Universal Credit.

4. Evidence requirements and checking claims

4.1 DWP checks on rent and tenancies under Universal Credit

The claimant will be asked to provide the appropriate evidence to support their Universal Credit claim.

For private rented sector tenants, if a tenant doesn't have a copy of their tenancy agreement, DWP may accept a letter from the landlord confirming the current rent and service charges.

4.2 Changes that might affect a Universal Credit payment

Claimants are responsible for telling DWP of any changes that might affect their Universal Credit payment. This includes things like annual rent changes, changes to eligible service charges or separating from a partner.

4.3 Notifying landlords that tenants are claiming Universal Credit

If you're a social landlord and your tenant has made a claim to Universal Credit, you'll be notified by one of the following:

a UC179 form – notification to social landlord of a claim to Universal Credit

a UC182 form – verification of housing costs, this is issued to a social landlord if a tenant claims Universal Credit but fails to produce sufficient evidence to verify their housing costs

the Universal Credit Landlord Portal (if you have access) – verification request if a tenant claims Universal Credit

As part of the housing costs verification process, a form is sent to the claimant's social rented sector landlord asking for housing cost details. This is also the notification that a claim has been made.

This is in line with the Social Security (Information Sharing in Relation to Welfare Services Amendment) Regulations 2015 that will enable the sharing of limited relevant information with social landlords.

The supply of information and its appropriate use is governed by requirements of the Data Protection Act. Social landlords will have an obligation only to use the information supplied by DWP for its specific intended purposes.

DWP does not have legislation to allow us to inform private landlords that their tenant has made a claim to Universal Credit.

5. Calculating rent

5.1 Calculating monthly rent if a claimant's rent is paid weekly

Universal Credit will be paid monthly. If rent is paid weekly, a monthly amount will be calculated by multiplying the weekly rent by 52, then dividing by 12.

5.2 Other rent payment frequencies

Other payment frequencies will be calculated as follows:

4 weekly payments are multiplied by 13 and divided by 12

3 monthly payments are multiplied by 4 and divided by 12

annual payments are divided by 12

5.3 52-week years

Universal Credit will always be calculated based on a 52 week year, unless rent is charged over fewer than 52 weeks.

5.4 Rent-free weeks

If a claimant has rent free weeks as part of their tenancy, the monthly payment will always be calculated by deducting the number of rent free weeks from 52.

For example, if there are 4 rent free weeks in a year, the 4 weeks are deducted from 52. Universal Credit will be calculated as weekly rent multiplied by 48 and divided by 12.

Tenants should be made aware of any rent free weeks they have so that they can notify DWP, this will help to avoid confusion and ensure payments are accurate.

6. Paying for 2 homes

6.1 Universal Credit payments for 2 homes

Support through Universal Credit can be paid on 2 homes if:

liability for 2 homes has arisen because of fear of violence in the normal home – in this case, both liabilities can be paid for up to 12 months as long as there is an intention to return to the original property

a disabled person can't move into a new home because it needs adaptations – in this case the claimant must show that the delay is reasonable and if so, both liabilities can be paid for up to 1 month

Multiple homes can be treated as a single home, for benefit purposes, where a family has been housed in 2 homes because of the size of the family. This is not time-bound.

The Universal Credit additional amount for housing costs can also be paid where someone is not able to occupy their home because of essential repairs, but will only cover either the housing costs of the other accommodation or the accommodation which they normally occupy as their home (not both).

If someone cannot move into accommodation immediately because they are in hospital or a care home then the Universal Credit additional amount for housing costs can be paid on the new accommodation for up to 1 month.

7. Service charges

7.1 Universal Credit and service charges

Any eligible service charges will be paid directly to tenants as part of the Universal Credit additional amount for housing costs payment.

More information about [Universal Credit service charges – guidance for landlords](#).

7.2 Ensuring tenants are aware of what service charges are eligible for Universal Credit

Landlords in the social rented sector are responsible for clearly setting out to the tenant which of their service charges are eligible, in accordance with the eligible service charges regulations and guidance. The claimant will report this as part of their claim.

In the private rented sector, a tenant's total rent is usually made up of both rent and service charges, which are not separately identifiable.

DWP will not need to collect separate service charge information for the private rented sector group as DWP will pay the lesser of the total rent or the appropriate Local Housing Allowance.

8. Alternative payment arrangements

8.1 Alternative payment arrangement types

If a tenant experiences difficulty in managing their single monthly payment or gets into difficulty paying their rent, the claimant, their work coach, Case Manager or their landlord can apply for an Alternative Payment Arrangement (APA) Managed Payment to Landlord (MPTL), which will be considered on a case by case basis.

An APA may apply from day 1 or at any point throughout the UC claim for those claimants who are not yet in rent arrears but who may benefit from an APA.

An APA can also include, a more frequent than monthly payment or a split payment of an award between partners.

The claimant should contact their work coach to be considered for a more frequent payment or a split payment.

All APA's are subject to regular reviews to ensure that any managed payment remains in the claimant's best interest.

The amount of any managed payment you receive may change from month to month depending on the claimant's UC award, usually up to a maximum value of the eligible housing costs.

More detailed information about [Alternative Payment Arrangements](#).

8.2 APA tier factors

The need for an APA will be considered on a case by case basis. A claimant can have one or more types of APA based on their individual circumstances.

For examples, a split payment and or, more frequent payment may accompany a managed payment to landlord. UC staff will make the decision to award an APA using the APA tier 1 and tier 2 factor guidance.

The APA factors might include the following:

- addiction problems**
- tenants in rent arrears**
- mental health issues**
- learning difficulties**
- previously homeless**

This list is not exhaustive. More detailed information about the tier factors can be found in the guidance [Alternative Payment Arrangements](#).

Information from a claimant's representative/landlord, can be used when considering an APA.

8.3 Applying to have a Managed Payment To Landlord Alternative Payment Arrangement

If you have a tenant receiving Universal Credit you can [apply for a Managed Payment To Landlord \(MPTL\)](#) using the UC47 request forms at any time.

If you're a private landlord and you're applying for a MPTL due to rent arrears you will need to complete the non-secure UC47. If you are applying for a MPTL due to another

tier 1 or tier 2 factor only, you will need to complete the secure version of the UC47 form and explain your reasons for the application in the additional information box.

The secure version of the UC47 can be found by selecting yes to the question 'Does your email address contain any of the following?' You must then post the form to us once completed.

If you're a social landlord you can also apply for a MPTL as part of the housing costs verification process, either by using the [Landlord Portal](#) to apply, or the form Universal Credit sends to request housing cost details. You may also use the UC47 form.

Once the application has been processed the landlord will be advised of the decision. If the application is refused DWP won't tell you the reason why. This is because of data sharing regulations and claimant confidentiality.

[More detailed information about requesting Alternative Payment Arrangements.](#)
[More detailed information about the Universal Credit Landlord Portal.](#)

8.4 How DWP pay the Managed Payment To Landlord (MPTL) Alternative Payment Arrangement (APA)

Social landlords

For social landlords the Third Party Deductions (TPD) Scheme will be used to pay the Alternative Payment Arrangement (APA) Managed Payment to Landlord (MPTL).

The TPD Scheme has a four weekly payment cycle.

Universal Credit payments are paid calendar monthly and equate to 12 assessment periods each year. This means:

DWP will assess what deductions (such as APA MPTL) can be made from Universal Credit payments 12 times each year at the end of each assessment period

the APA MPTL is paid in the TPD payment cycle following a Universal Credit payment

when a TPD payment cycle ends before DWP assess what deductions can be made from a Universal Credit payment, then any APA MPTL payment will be paid in the next TPD payment cycle

12 APA MPTL will be paid in 12 of the 13 TPD payment cycles

The first APA MPTL payment from the third party payments system is normally received within 6 to 8 weeks from the date deductions commence, for example, from the end of the assessment period in which managed payments commenced.

The MPTL APA is paid on the same day that landlords normally receive any third party rent arrears deductions and will be paid into the bank account nominated by the landlord.

If you have multiple properties with MPTL's, then you will receive a single aggregated payment for all your tenants on a 28 day cycle and a schedule will be sent to you with a breakdown of all payments.

DWP will use the landlord's creditor reference number to pay both rent arrears and the managed payment APA to the landlord.

Payments will be shown as individual transactions, and will include an identifier to show whether the payment relates to rent arrears (RA) or APA (MPTL) payment.

A remittance note will be sent to the landlord which shows how the payments have been broken down.

When a managed payment APA or rent arrears deduction is paid through third party deductions, their claimant/tenant reference number will be annotated at the end with either:

RA for rent arrears payments

MP for managed payment

The claimant or tenant reference number shown on the Third Party Payment schedule are 18 characters.

To help with identification of the 2 types of payments, the tenant reference number is 16 characters long, allowing for the RA or MP suffix.

If you have any queries relating to your Third Party Payment schedule once the Alternative Payment Arrangement has been set up, you can contact the third party contact centre.

8.5 Third party contact centre

Telephone number: 0800 328 0128
(Monday to Friday, 8am to 6pm)

[Find out about call charges](#)

Private landlords

For private landlords, a Bank Automated Clearing System (BACS) payment will be paid into the bank account nominated by the landlord 7 days after the end of the claimants Universal Credit assessment period on a monthly basis.

The tenant's reference number and National Insurance number will be used as the BACS identifier and will appear on the transaction with the National Insurance number and 10 characters of the tenant's reference number in the following format: AB123451234567890.

If a tenant reference of more than 10 characters is used, then the transaction and payment schedule will only include the first 10 characters of the reference.

8.6 Enquiring about a Managed Payment to a landlord

In the first instance the landlord should engage with their tenant about the issue.

The tenant has access to their own information via their online account. They can use the online account to access and notify their landlord any information they wish to provide to their landlord.

They can share the information from their account with their landlord or other representative, if they wish to, as this contains information about housing payments made. The tenant should never share security details of their log in access to their online account with their landlord or provide the landlord with access to their online account.

The landlord must not:

- a. request the log-in details from the tenant and/or
- b. make disclosing these details or allowing access to the tenant's online account a condition of the tenancy

If more assistance is required, the claimant can seek this via their journal, face to face with their work coach or by contacting the service centre by telephone.

For landlords, the claimant must provide explicit consent to share their personal information with their landlord or other representative via their journal, face to face with their work coach or by contacting the service centre by telephone on an instance by instance basis.

Find out more about Universal Credit consent and disclosure in the [Universal Credit consent and disclosure information guide](#).

When contacting Universal Credit, the claimant's representative will be asked to confirm their identity so the case manager can speak to the landlord direct. If you are unable to engage with your tenant, you can contact the following number 0800 328 5644.

When calling the service centre using the business as usual telephone number 0800 328 5644, the integrated telephony system will filter the call directly to the case manager dealing with the claim as long as some unique identification questions about the claimant can be answered. These include:

- the telephone number the claimant has registered with Universal Credit**
- their post code**
- the 1st line of their address**
- their date of birth**

Explicit consent will be required if the claimant's representative is calling on their behalf.

We recommend that the claimant is always to hand when any representative contacts the UC service centre on behalf of a claimant they are supporting.

[Find out about call charges](#)

Get local information and advice about Universal Credit by contacting your [regional partner manager](#).

8.7 Changes which may affect or end the Managed Payment to landlord (MPTL) APA

When a claimant changes address the MPTL APA will cease from the end of the assessment period before the claimant changed address.

Universal Credit can only make deductions in respect of rent arrears for a debt owed on the claimant's current address. If the claimant changes address any deductions being made will cease.

A notification will be sent to the landlord where the MPTL has ended.

Whilst a MPTL is in place the landlord must notify the department of any changes which a landlord can be reasonably expected to know which might affect the claimant's entitlement to Universal Credit and the amount awarded.

If the MPTL is overpaid due to a change that has not been reported by either the claimant or the landlord, the landlord may be asked to repay the overpaid benefit. Universal Credit payments are made every calendar month and take account of changes during that month.

For example if a claimant has earnings in a particular month that are higher than normal the claimant may get a lower Universal Credit payment for that month.

This will reduce the value of any MPTL that may be in place; or no payment at all will be paid to the landlord if the claimant's earnings are high enough and they no longer qualify for Universal Credit.

The claimant is responsible for paying any shortfall in their rent to their landlord.

Stopping an APA

DWP will notify you when the MPTL ceases but we won't tell you the reason why. This is because of data sharing regulations and claimant confidentiality.

If your tenant moves home and you need to end a MPTL, please contact the service centre immediately on 0800 328 5644.

Find out about call charges

9. Recovering rent arrears from a Universal Credit claim

Arrears of rent and service charges for the property the tenant is currently living in are included in the list of deductions that can be made from a Universal Credit payment.

If your tenant has accrued rent arrears to the value of 2 month's rent or more, you can request a managed payment or rent arrears deduction.

The maximum rate at which deductions for rent arrears can be made is 20% of the Universal Credit standard amount.

The rate used will depend on the claimant's circumstances. Only the claimant can request a change to the percentage rate by contacting Universal Credit.

9.1 How DWP will pay rent arrears deductions to the landlord

If approved, rent arrears deductions will be paid under the third party deduction (TPD) scheme.

Once payments are set up on the third party payments system, you will normally receive payment every 28 days and will be 28 days in arrears.

The payment will appear as a single transaction on your bank statement along with a reference number (settlement number), you will then receive a third party deductions schedule with a breakdown of all the individual transactions which make up that payment and their associated references.

The first payment is normally received within 6 weeks from the date deductions commence.

A Bank Automated Clearing System (BACS) payment will be paid into the bank account nominated by the landlord.

[More guidance for creditors and suppliers receiving a third party payment.](#)

Creditor Reference Number: It is important that you provide your Department for Work and Pensions Creditor Reference Number (if you have one). This can be found on your last payment schedule preceded by 5 zeros. If you don't provide this number, it can result in significant delays of payment to you.

A third party payment schedule will be sent to you with a breakdown of rent arrears payments. Payment schedules are issued by post unless you are set up to receive electronic schedules.

For details of how to receive payment schedules, an information pack or further information about electronic schedules (EDI)

email: customerpayments.edi@dwp.gov.uk

Get local information and advice by contacting your [regional partner manager](#).

10. Discretionary housing payments

Universal Credit claimants can contact their local authority and apply for a [discretionary housing payment](#). This payment gives the claimant additional financial support so that they can meet a rent shortfall or other housing costs.

The local authority decides on whether to award a discretionary housing payment.

11. Specialist accommodation needs

11.1 Universal Credit and supported housing

For claimants living in Specified (Supported) Accommodation, Universal Credit does not provide support with these rental costs. In such circumstances, claimants will need to apply for Housing Benefit from their local authority for help with housing costs.

11.2 Universal Credit and temporary accommodation

For claimants living in local authority temporary accommodation due to homelessness, Universal Credit does not provide support with these rental costs. In such circumstances, claimants, will need to apply for Housing Benefit from their local authority for help with housing costs.

12. Universal Credit Scottish Choices

12.1 Scottish Choices

Information on the Scottish Choices which were introduced on 4 October 2017.

Find out [more about Universal Credit Scottish Choices](#).

13. Complaints

You can provide feedback on the service you have received by using the [online complaints service](#).

Although the portal home page refers to JSA and Universal Credit customers, there is an agreement that landlords can also use the portal to comment or make a complaint.

Source: [Click Here](#)