

# Problems in the delivery of benefits, tax credits and employment services

Findings  
Informing change

June 2008

The front-line delivery of benefits, tax credits and employment services has changed significantly in the past decade. While many people have found new services less complicated, problems have emerged for disadvantaged users. This review looks at recent evidence of service delivery problems and proposes potential solutions.

## Key points

- This research identified problems with:
  - failure to meet agreed service standards that agencies set themselves (including lengthy waits for payments, appointments and telephone responses);
  - barriers due to the design of the system (including complexity of forms, quality of written communications, lack of privacy, the need to repeat identical information and having to contact multiple agencies when a change of circumstances occurs);
  - administrative errors (including payment delays, incorrect benefit suspensions and information being lost in the system).
- Service users wanted less complexity, shorter forms, less jargon and clearer communications. They would prefer a tax and benefits system that was simpler and less changeable. They would like improvements in staff training, both in terms of their knowledge of the benefit system and in their skills for dealing with customers.
- Many working age users valued the employment assistance they receive from personal advisers and voluntary employment programmes but those who feel coerced into participation reported more negative experiences. There is evidence that the sanctions regime for different working age claimants is complex to understand, both for service users and staff, and that penalties have a harsher impact on those without access to other resources and strong social networks.
- Those using employment services valued the opportunity to make choices about how they would move into work. Employment programme participants would like more control over the service they receive, including a choice of provider, the choice to opt out of courses they believe to be unsuitable and increased options for tailoring services to their individual needs.

## The research

By a team from the Centre for Economic and Social Inclusion

## Background

The front-line delivery of benefits, tax credits and employment services has changed significantly. Emerging problems in the new systems have been subject to intense scrutiny. Despite recent improvements, advocacy and user organisations remain critical of the impact on disadvantaged users.

This research combined an evidence review with qualitative interviews and consultation groups to look at problems with service delivery and potential solutions.

### Evidence review

A review of recent literature identified a number of problem areas and their impact on service delivery. These included:

- complexity in the benefits and tax credit system;
- poor information provision and written communications;
- lost documentation and benefit payment delays;
- problems with ICT systems, especially telephone based access to services such as crisis loans;
- reduced options for face to face contact to discuss and apply for benefits;
- payments into bank accounts;
- tax credit overpayments;
- variations in the quality of service delivery in different Jobcentres.

Nevertheless the most recent national satisfaction surveys for the benefits and tax credit systems report that well over 80 per cent of users were satisfied or very satisfied with the overall service they received. Significant minorities of users did, however, express dissatisfaction. The surveys identified priorities for improvement. These varied between the different agencies but included preferences for claim processes and forms to be easier to understand; for better information provision and improved staff knowledge; and for staff to find out more about the needs of individuals and take them into account when providing services.

## Interviews and consultations with service users

### *Claim forms and written correspondence*

Some service users reported difficulties obtaining benefit claim forms. Forms often arrived late and some respondents were given incorrect advice about which forms to complete. The majority of respondents felt there were too many forms and that they were unclear, repetitive, unnecessarily long and time-consuming. Several respondents found completing forms stressful and felt they were too complicated. Some claimants complained of having to repeatedly fill in the same forms and provide identical information to that given previously.

While respondents generally found the language used in written communications easy to understand, they did not think the reasons for decisions and payment breakdowns made sense. Important information in some letters was not prominent enough and some letters were overloaded with information.

Some participants felt that letters were patronising and too impersonal. Some claimants were sent replicas of the same letters and contradictory letters which created confusion about the correct value of payments. Others felt they had not been kept sufficiently informed about the progress of their case and had not received notification of suspensions or delays.

### *Telephone services and interactions*

Although telephone services are popular, a significant group of users either need or want the option of a face to face service. Interviewees also reported difficulties with telephone services. Some did not know which number to call and some found the list of call routing options confusing. The most common problems were engaged numbers and long waiting times, with some respondents reporting that their angry reaction to the delays they experienced led to further problems with operators when their call was answered. This was particularly problematic for those trying to access emergency funds or those trying to sort out benefit delays.

Respondents thought it unfair that they had to pay for calls, especially mobile phone users who were charged for free numbers. Several participants reported that callbacks were not always made on time or were not made at all.

### **Staff service**

Service users were particularly concerned that cases were handled by more than one person. This often resulted in them being given conflicting information and not having their case dealt with effectively. More

importantly, no one person was responsible for the progress of their case, so no one person could be held accountable for it.

Participants appreciated the financial support they received and recognised that front-line staff had a difficult job. Many felt, however, that staff did not sufficiently empathise with service users when dealing with their problems. Some users felt they were stigmatised by staff who spoke to them as if they suspected them of benefit fraud or of lying about their circumstances. Respondents perceived a vicious cycle whereby some service users were rude to staff and then staff became ruder and less willing to help in return, which resulted in more service users getting frustrated and being rude to staff.

### **Office environment**

The lack of privacy in open plan Jobcentres was a concern for some participants. They did not want to speak about personal and financial circumstances in an open environment where strangers could overhear. Some respondents complained that there were no baby changing facilities or toilets and some expressed a concern that their local Jobcentre could be a stressful, even dangerous place.

### **Loss of documents and payments**

Several interviewees reported that their documents had been lost after submission or that there had been delays in processing them. Several group participants reported that they had received numerous letters asking for documents that had already been submitted. A few participants believed that cheques for benefit payments, which agencies claimed had been posted out to them, had been stolen or fraudulently cashed. One participant argued that the cheques were easy targets for thieves due to the distinctive envelopes used.

Whilst most recipients now have their benefits paid directly into a bank account, the cheque payment system remains necessary for some of the most vulnerable and excluded service users who cannot access bank accounts and for those who have previously experienced delays or problems with their benefit payments.

### **Making complaints and independent advice**

Most of the service users who had experienced problems had not made a formal complaint. Some of those who had were sceptical that it would be considered fairly. Others felt there was no point in making a formal complaint as it was yet more hassle and it would not do any good. Those who had approached independent advice agencies found them to be helpful. They reported that advisers in these agencies were more understanding, provided more

help and had more in-depth knowledge of the benefits system than staff involved in delivery.

### **Experience with employment services**

Amongst those who had claimed Jobseeker's Allowance or who were looking for work there was concern that the help available from employment programmes started too late. Although Jobpoints were welcomed by some as a positive improvement, complaints were made about the quality of jobs available or the limited advice given by personal advisers.

There was mixed experience of the New Deal and other programmes. Some valued the support they were given and the skills and experience they had acquired. Others felt they had not been given enough individualised support, that they had been 'forced' or 'pushed into things' by the Jobcentre or made to go through activities they did not think would help them get work.

### **Consequences of poor service delivery**

Poor service delivery can have more serious consequences than inconvenience alone. The service users who had been interviewed because of the problems they had experienced reported acute difficulties, including serious financial hardship. Some reported they had to live on little or no money for sustained periods, most had fallen into debt, borrowing on credit cards or from family and friends to cover their living costs. A few claimants had been threatened with eviction as a result of rent arrears.

Some of the people who had experienced problems with their payments indicated that they no longer trusted the relevant agencies to get things right. A number of people said they felt unable to return to work because they worried that they would not receive the in-work benefits they were entitled to, or that their current benefits would not be reinstated if they subsequently stopped working. These individuals were not expressing concern about what benefits they would be entitled to, but specifically about the ability of the Department for Work and Pensions (DWP), HM Revenue and Customs (HMRC) and local authorities to administer them correctly and on time.

A number of other participants, particularly those suffering from mental health problems, felt that the stress of dealing with claim problems had a negative impact on their health.

### **What users want**

In the final deliberative consultation groups undertaken with users, they suggested that service delivery could be improved if 'customer charters' incorporated a

number of additional features. These included a time limit within which all telephone calls must be answered and transferred to someone who could answer the query; a time limit for processing claims and for correcting payment errors; the option of face to face help with filling out forms and, where necessary, home visits from staff; clear procedures for efficiently dealing with lost documents; and a named contact to deal with a service delivery problem.

## Conclusion

Future evaluations by Government and others will test the extent to which the delivery problems identified have since been ameliorated or eliminated by the changes that service delivery organisations continue to implement. However, systemic problems persist and the continuing scale and pace of change in the system remains intense. Issues remain around whether service users will have to bear the cost of accessing the new system (e.g. through mobile phone calls), how those without good access to IT can use new service delivery channels, and how the system will cope with further planned changes and reduced resources.

The tensions between the interests of service providers and users identified in this research remain. The reconfigured delivery systems envisaged, in combination with further 'efficiency savings', may reinforce rather than resolve such problems unless future change includes:

- Greater strategic coherence between DWP and HMRC in service delivery and managing cross-system interactions and rules.
- Clear and accessible opportunities for face to face contact and written applications, especially for vulnerable users and intermediaries acting on their behalf.
- Minimising the costs of accessing the system for those in poverty. A coherent digital inclusion

strategy for reducing the access and cost barriers facing people on benefits, especially in poor households and amongst older people.

- Revised complaints and redress mechanisms to provide timely and accessible safeguards for users.

Government has recognised the importance of user involvement in the design and delivery of public services and there is extensive research on the benefits that arise from user engagement. Users can provide immediate feedback on services and their involvement can enhance accountability, improve provision and provide an essential counterweight to the interests of service providers. In the delivery of benefits, tax credits and employment services there is little evidence of the experiments in new forms of user participation evident in other social policy domains, such as the health sector. There is a strong case for increasing the voice of users in this policy area.

## About the project

This research combined an evidence review with qualitative interviews and consultation groups. The fieldwork took place from September to December 2007 in two urban areas in England. The research team held 10 in-depth interviews in each place with benefit claimants who had experienced problems with the delivery of Housing Benefit, Pension Credit, Working Tax Credits, Incapacity Benefit and Jobseeker's Allowance. Emerging findings were explored further in four consultation groups composed of benefit claimants in the same two urban areas currently using a particular community service. Two final deliberative consultations were held in each area to feedback findings from the research and to solicit participants' views on how service delivery could be improved.

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## For more information

The full report, **Delivering benefits, tax credits and employment services: Problems for disadvantaged users and potential solutions** by Dan Finn, Danielle Mason, Nilufer Rahim and Jo Casebourne is published by the Joseph Rowntree Foundation.

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