



Policy in Practice

Unlocking £23 billion: How data  
and proactive engagement can  
enhance pre-arrears support

Wednesday 12 June 2024

# Housekeeping

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- Audio check
- Please ask questions throughout
- Poll and a short survey
- Aim to finish by 11.45
- Slides and recording will automatically follow
- Connect with us on X [@policy\\_practice](#) and LinkedIn (search policy-in-practice)



# We empower people

A photograph of two women sitting together, looking at a laptop. The woman on the left has dark curly hair and is wearing a black top. The woman on the right has blonde hair and is wearing a colorful sweater. They are both looking intently at the laptop screen. The background is a solid green color with some faint circular patterns.

## Policy

Missing out: £23 billion of support is unclaimed each year

## Practice

We close the unclaimed support gap with data

# Agenda

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- New analysis on unclaimed benefits and support in the UK
- What support is going unclaimed, and why
- How we work with local authorities to proactively target people for assessment
- StepChange case study: Using data to support Welfare Benefits Service in Scotland
- Understanding eligibility options
- Q&A discussion



# Today's speakers

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**Sophie Kaye**  
Senior Marketing Executive  
Policy in Practice



**Stuart Bungay**  
Strategic Advisor  
Policy in Practice



**Vanessa Northam**  
Head of Charity Development  
StepChange



# Stuart Bungay

## Policy in Practice



# National context

- Local government struggling to balance the books
- 22% of people, and 29% of children, live in poverty (JRF, 2024)
- Council tax debt increased by £510 million in 2022-23, up 10.3% on the previous year
- 3 million people in full time work are in problem debt (Stepchange, 2024)



## Missing out 2024: £23 billion of support is unclaimed each year

Policy in Practice finds that the total amount of unclaimed income related benefits and social tariffs is now £22.7 billion a year

Authors: Deven Ghelani, Rachael Walker  
Contributors: Janet Harkin, Rory Ewan, Kate Collins, Zoe Charlesworth, Jack Rowlands



[policyinpractice.co.uk](https://policyinpractice.co.uk)

April 2024



# £23 billion of income related benefits and social tariffs goes unclaimed every year



**THE Sun** UK Edition

**CASH IN** Millions miss out on unclaimed benefits worth up to £23billion a year – easy tools to check if you're due £2.7k

**HARD-PRESSED** families are missing out on billions of pounds of support. While more than seven million households are struggling to make ends meet, exclusive figures shared with The Sun reveal that £23billion worth of means-tested **benefits** and **social tariffs** could go unclaimed this financial year.

**BENEFITS GOING UNCLAIMED - ARE YOU MISSING OUT?**

BENEFIT	PEOPLE MISSING OUT	AMOUNT UNCLAIMED
Universal Credit	1.4million	£8.3billion
Pension credit	808,000	£2.2billion
Housing benefit (pension age)	220,000	£1.3billion
Carer's allowance	529,000	£2.3billion
Child benefit	838,000	£1.7billion
Council Tax Support	2.3million	£3.4billion
Healthy Start	181,000	£132million
Free school meals	471,000	£231million
Water social tariffs	6.1million	£974million
Broadband social tariffs	8.4million	£1.7billion
Warm Home Discount	2.5million	£384million
Free TV licence	1.5million	£249million

\*Source: Policy in Practice



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**Tonight**

DOCUMENTARIES & LIFESTYLE - 23M

Britain's most popular current affairs programme delivers compelling stories that get to the heart of what matters most to its viewers.

[More info](#)

▶ THUR 11TH APR 8.30PM





# This has gone up from £19bn to £23bn in 12 months

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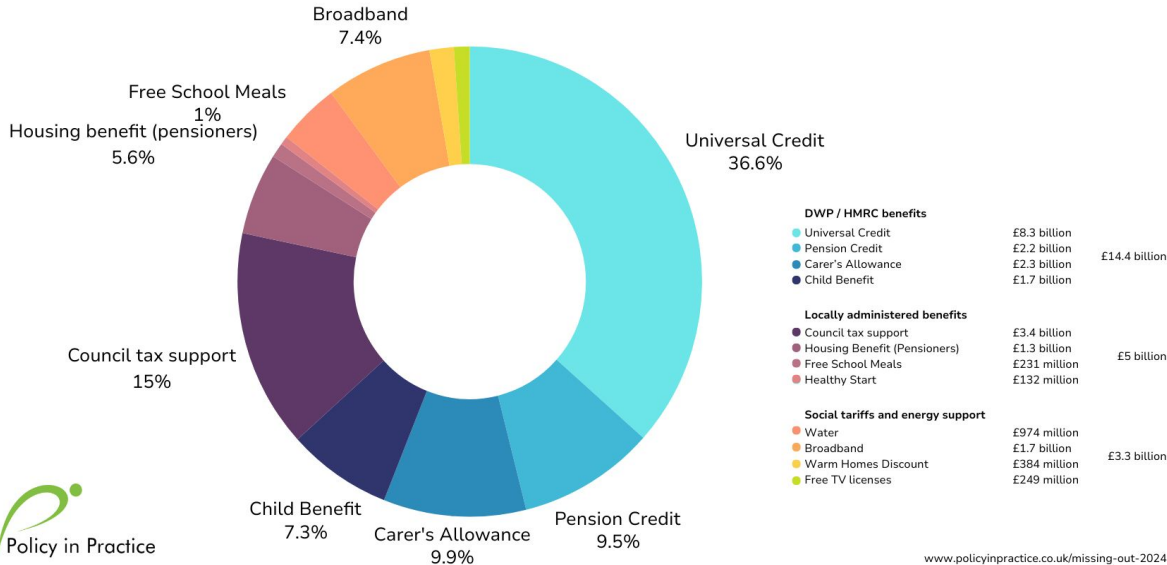
1. **Uprating:** benefits and LHA
2. **Universal Credit rollout:** as more people become eligible for UC so the number of people missing out increases too
3. **DWP released more numbers:** we welcome their transparency
4. **We have improved our estimates:** in part due to new DWP numbers



# Unclaimed benefits and support in 2024

- £23 billion of benefits and support is set to go unclaimed in 2024/25
- With an average value per claim of £2,703
- At least 8.4 million households are missing out

£23 billion unclaimed value by benefit value, April 2024



[www.policyinpractice.co.uk/missing-out-2024](http://www.policyinpractice.co.uk/missing-out-2024)



# Core challenges with benefits

In addition to the complexity that many households on low incomes face, there are three main challenges that impact benefit take up

## Problem 1

### Awareness

Many claimants are simply unaware that certain benefits exist, or think they are for someone else

## Problem 2

### Complexity

Having to apply for multiple benefits, navigating complex criteria, and proving eligibility are all barriers to claiming

## Problem 3

### Stigma

Negative perceptions around claiming benefits discourage eligible people from engaging with the system

**As a result £23 billion of benefits and support goes unclaimed each year**

Poll:

Do you include a benefits assessment as part of your collections or customer services journey?



# How can we tackle the **awareness** challenge?

## Reactive to proactive

We work with organisations to proactively target people for assessment

How does this work?

## Benefit take up [case study](#)

Northern Ireland Housing Executive secured £3.5 million in previously unclaimed benefits for customers using the Better Off Calculator

It also generated £850,000 of extra income to rent accounts, reducing or wiping out rent arrears for some tenants

Identify and target people who are missing out using data

# How is this problem solved today?

Benefits calculators (like ours at Policy in Practice) exist in the market to act as an integrator into the benefits sector

These are not fringe products - we see around 3 million people through the calculator each year

Despite tools like ours, people are still missing out

**There are 4 core routes into our benefits calculator**

## **GOV.UK**

We are one of three listed on the GOV.UK website as a critical support tool to help people to access benefits

Reactive

## **Referral partners**

We have a range of wider referral partners who refer individuals into us. Including Housing Associations, Charities, CABs, Credit Unions and some Financial Services providers

Reactive

## **Utilities (social tariffs / support schemes)**

We work with a number of utilities as a gateway to their social tariff allowing users to be assessed for other benefits at the same time

Reactive

## **Local authorities**

We work with nearly 80 local councils, they share data and we help them identify people in their area who are missing out. They then contact those people to get them to complete a full assessment and see what they could be claiming

**Proactive**



# Can this proactive approach work within FS?

We are working with private sector clients to use their data to identify people in their portfolio who are eligible and / or missing out

**Using a small subset of data including;**

- Age
- Housing status
- Relationship status
- Dependents
- Postcode / postal area
- Income
- Savings
- Existing benefits

Analyse and score your customer base to identify people most likely to be eligible

**You can use this approach to segment your messaging and only target those people who are likely to gain, giving you the biggest impact**

Poll: If you don't have a benefits calculator today what is the main reason why?





# What's happening in FS with benefits assessments

Adoption remains low. Where people do have calculators they are only ever used reactively

**This is one area where water and energy organisations are ahead of Financial Sector**



## Why

To date, financial services companies have focused on reactive engagement

## Common misconceptions

“We already have a calculator”

“My customers won't be eligible for benefits”

“It won't make enough difference to monthly income”

“This may be considered as advice”

“It may not be accurate”

# Vanessa Northam

## StepChange



# Using data to support our Welfare Benefits Service in Scotland



# We ran a small pilot earlier this year

## Here are the key results from our client base in Scotland

- 100% of clients consented for us to share their data with Policy in Practice
- 95% of clients were identified with potential for additional benefits and support
- Highest additional benefit total: £2,069 (mix of benefits and grants)
- Highest additional monthly benefit total: £1,613.31 per household per month
- Average benefit amount: £583 per household per month

**All these amounts have a significant impact on both their financial and overall wellbeing**



# Case study

Client has removed herself from domestic violence and is now a single parent with three children aged 5, 8 and 12. She presented with a small gas and electricity debt but was worried about the debt increasing.

We advised the client to claim Universal Credit, Scottish Child Payment, Free School Meals, Clothing Grant and a Fuel Voucher. We also referred her to One Parent Families Scotland and Women's Aid for support.

She was successful in claiming the following:

- **Universal Credit: £468 per fortnight**
- **Scottish Child Payment: £300 per month**
- Clothing Grant: £390
- Free Schools Meals
- Fuel Voucher: £26

The client was subsequently able to pay her gas and electricity arrears.

# Case study

Client is a young girl with health issues and **we speak to the client through her support worker**. The client is highly vulnerable with good and bad days, so patience in liaising with this client was key.

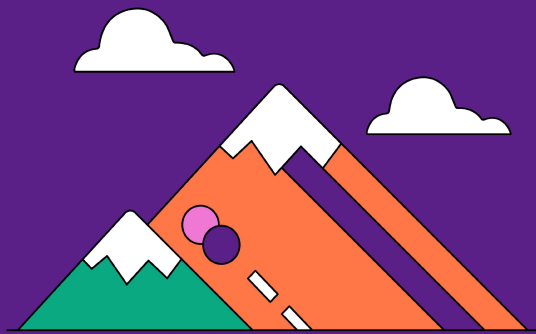
The client was **already in receipt of benefits** however, despite having a support worker, we discovered that she was not claiming everything she was entitled to.

On following up the client, she advised she was successful in claiming the following:

- Crisis Grant: £175
- Limited Capability for Work Related Activity (LCWRA): £382 per month

The client has submitted an application for Adult Disability Living Allowance (ADLA) and is waiting to hear back. When the client is ready, we will discuss an application to the energy fund.

“I’m so happy I  
could cry... I  
could hug you!”



- Client stated that she is very grateful, and she was glad to contact Stepchange. This help has made a change in her life.
- Client lives alone and getting the help to pay of his electric arrears of £5,000 has made such a difference to his life.
- He said “I never knew that there was as much help out there and in Stepchange , I am so happy now I could cry, I want to hug you, thank you so much.”
- From client support worker... “Thank you for keeping me right , together we will get Zoe into less of a crisis situation, you have helped Zoe immensely and also kept me right.”
- “Thank you so much for all your help and taking time to explain everything to me. I now understand what I have to do. I will be able to eat. You are a star.”

# Stuart Bungay

## Policy in Practice



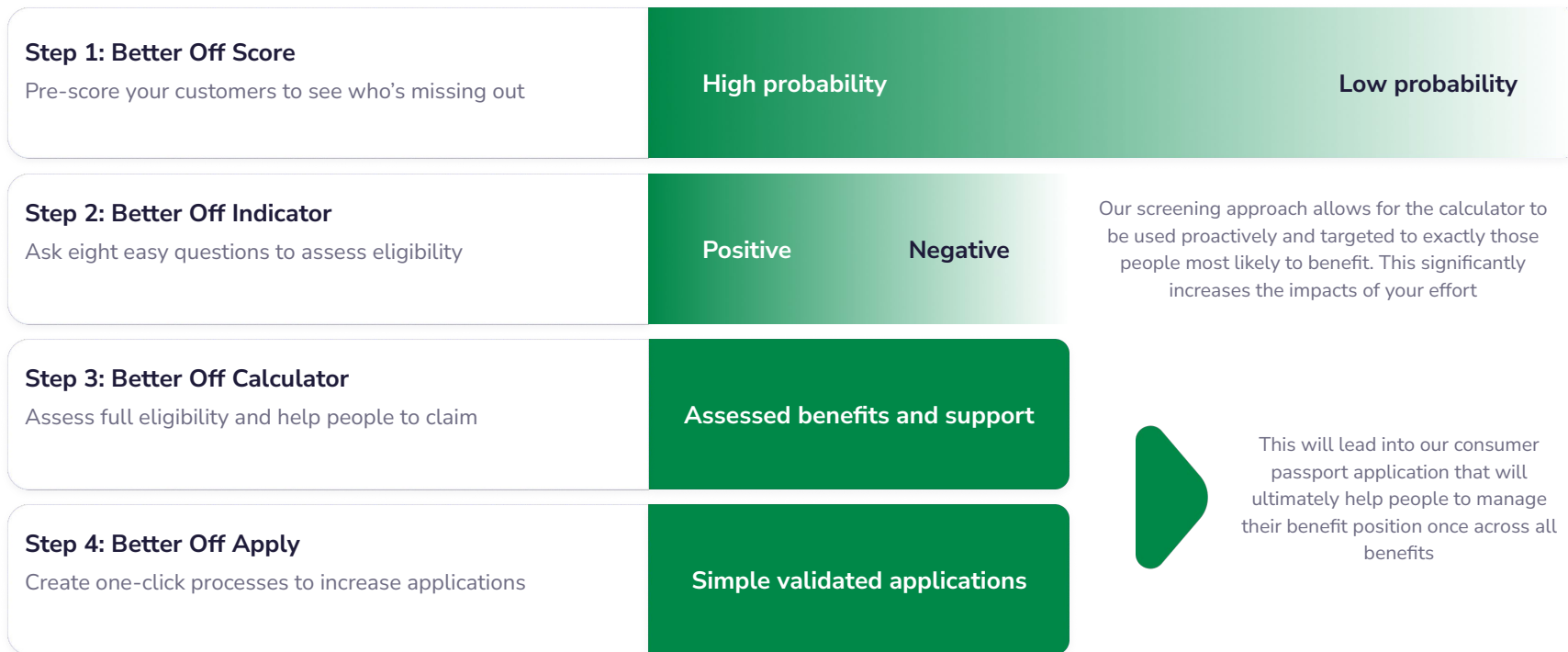


**Having a benefits calculator is a good first step, but proactively engaging customers unlocks biggest impact**

**Proactively understanding eligibility opens many options to engage people**



# How does a proactive approach work in practice?



# Example: Financial services use cases

## Improve collections and recoveries

Many people in collections would benefit from a welfare / support assessment yet the complexity of the journey often makes this difficult for both parties to complete.

Our targeted approach enables creditors to **understand which customers are most likely to benefit**. They can then target these customers to go through the assessment journey without impacting those for whom benefits are not available.

## Intervene at pre-arrears

In pre-arrears, many financial services organisations have tools and models to help them understand which customers are likely to enter into arrears. Often, however, there are limited tools to change this path for people.

**Income maximisation** through the benefits calculator can make a material difference to that outcome when applied to the right people at the right time

## Tackle persistent debt

Since the FCA introduced the regulations around persistent debt, creditors have a duty to help people with sustained credit card debt to exit that situation.

Again, **targeted assessment based on probability** can play an important role in supporting a holistic solution.

Even in 'prime' or 'near prime' portfolios, many people can be eligible for benefits  
A typical eligibility per user is around £300 to £400 a month

Poll: Where in the customer journey would you most like to add a proactive benefits calculator?



# Discussion



# Next steps

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Take our very short survey when the webinar ends to:

- Give us feedback and ask further questions of our speakers
- Book a chat with the team



Scan to book a chat

Register for our next webinars:

- Tackling child hunger by auto enrolment in Free School Meals on Wednesday 26 June
- Missing out: Over £1 billion in support is unclaimed in North East England each year on Wednesday 10 July
- Housing and innovation: New ways to tackle the cost of living crisis and rent arrears challenges on Wednesday 24 July



# Thank you

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