

Money and Mental Health's submission to the Work and Pensions Committee's second inquiry into safeguarding vulnerable claimants

Introduction

The Money and Mental Health Policy Institute is a research charity established by Martin Lewis to break the vicious cycle of money and mental health problems. We aim to be a world-class centre of expertise developing practical policy solutions, working in partnership with those providing services, those who shape them, and those using them to find out what works. Everything we do is rooted in the lived experience of our Research Community, a group of 5,000 people with personal experience of mental health problems.

This written submission has been informed by the experiences of our Research Community - a network of thousands of people with lived experience of mental health problems. This response also draws on our wider body of research. Unless otherwise specified, all quotes in this response are drawn directly from the Research Community.

In this response, we provide an updated response to question 4 of this inquiry.

Background

- In any given year, one in four people will experience a mental health problem which affects their cognitive and psychological functioning.¹ Over a lifetime, this proportion rises to nearly half the population.² However, we do not always know when we are unwell or receive treatment. Over a third (36%) of people with a common mental disorder have never received a diagnosis, and 62% are not currently receiving treatment.³
- People with mental health problems have a median gross annual income of £2,376 less than people without mental health problems.⁴ Lower employment rates and weaker wages when in work help drive this vast difference, combined with the fact that people with mental health problems are more likely to receive benefits, which provide a low level of financial support.⁵
- Common symptoms of mental health problems, like low motivation, memory difficulties, limited concentration and reduced planning and problem-solving abilities, can make

¹ McManus S et al. Adult psychiatric morbidity in England, 2007. Results of a household survey. NHS Information Centre for Health and Social Care. 2009.

² Mental Health Foundation. Fundamental facts about mental health. 2016.

³ McManus S et al. Mental health and wellbeing in England: Adult Psychiatric Morbidity Survey 2014. NHS Digital. 2016.

⁴ Lees C and Stacey B. Always on your mind: Preventing persistent money and mental health problems. The Money and Mental Health Policy Institute. 2024.

⁵ Bond N and D'Arcy C. Mind the Income Gap: How work and social security shape the incomes of people with mental health problems. The Money and Mental Health Policy Institute. 2020.

applying for benefits and managing claims especially difficult.⁶ Despite these challenges, people with mental health problems receive limited support or flexibility from the Department for Work and Pensions (DWP) in making and managing a benefit claim. People also often face barriers to getting this support from third parties such as friends and family.⁷

- People with mental health problems are three and a half times more likely to be in problem debt than those without, and half (46%) of adults in problem debt also have a mental health problem.⁸
- Mental health and financial problems can form a devastating, self-reinforcing cycle. Over 420,000 people in problem debt consider taking their own life in England each year, and more than 100,000 people in debt attempt suicide.⁹

Summary

- The key concerns highlighted in Money and Mental Health's previous submission to this inquiry remain relevant.¹⁰ Unfortunately, we have not seen the Department take meaningful steps to address the issues we raised.
- Since the inquiry, two further developments from the DWP have raised additional concerns about the inadequacy of DWP's processes for identifying and supporting individuals with complex needs arising from mental health conditions.
- The first issue involves proposed changes to the Limited Capability for Work and Work-Related Activity (LCWRA) risk regulation. The second relates to insufficient safeguards for transitioning people from legacy benefits to Universal Credit (UC).
- Both cases highlight a continued failure by the DWP to adequately protect the well-being of people with mental health problems.

A note on terminology

- This submission refers to "people or individuals in vulnerable situations" rather than "vulnerable claimants". This is because vulnerability is not a characteristic inherent to a person but often is situational, and the term claimant can be dehumanising. However, there are instances in this submission where its use has been upheld for continuity with DWP communications.

4. What measures does DWP currently implement to ensure that vulnerable claimants are safeguarded against harm? How successful are these measures?

⁶ Bond N, Braverman R and Evans K. The Benefits Assault Course: Making the UK benefits system more accessible for people with mental health problems. The Money and Mental Health Policy Institute. 2019.

⁷ Bond N. Set up to Fail: Making it easier to get help with Universal Credit. The Money and Mental Health Policy Institute. 2021.

⁸ Holkar M. Debt and mental health: a statistical update. Money and Mental Health Policy Institute. 2019.

⁹ Bond N and Holkar M. A silent killer: Breaking the link between financial difficulty and suicide. Money and Mental Health Policy Institute. 2018.

¹⁰ [Money and Mental Health's submission to the Work and Pensions Committee's inquiry into safeguarding vulnerable claimants](#). The Money and Mental Health Policy Institute. 2023.

Since our initial response to this inquiry,¹¹ two new policy developments from the DWP have emerged, both of which risk causing harm to people with mental health problems who are in vulnerable situations. The first concerns changes to the LCWRA risk regulation, while the second involves the government's managed migration of individuals from legacy benefits to UC.

Changes to the LCWRA risk regulation

The previous government, after consulting on changes to the Work Capability Assessment (WCA), proposed narrowing the eligibility for the LCWRA Substantial Risk regulations to apply only to those deemed most vulnerable, such as individuals in crisis or with active psychotic illnesses.¹² This tighter eligibility risks excluding many people with mental health problems who rely on the LCWRA element as a vital safeguard against harm. We are therefore deeply concerned that the current government has not committed to halting these reforms and appears to uphold the previous administration's intent to achieve benefit savings associated with these changes.¹³

The current Work Capability Assessment (WCA) provides limited opportunity for people with mental health problems to convey how their conditions affect them. This can make it difficult for people to score points during a WCA. The LCWRA Substantial Risk regulations ensure that those who don't score sufficient points for LCWRA, but who would face substantial risk to their mental or physical health if they were found not to have LCWRA, are provided with the additional financial support and easement from conditionality they require.

Our overarching concern with making it harder for people to qualify for this risk group, is the impact this could have on people with mental health problems' incomes. For those who are in the LCWRA group as a result of the Substantial Risk regulations, the removal of the 'LCWRA risk group' would see them lose £416.19 a month. Cutting this vital additional support when so many people with mental health problems are already struggling financially would be detrimental.

We are also concerned about the impact that being required to engage with work preparation activity would have on this group. People are placed in the LCWRA group specifically because engaging in work-related activity is inappropriate given their health condition(s) and/or disability(s), or because doing so could result in mental or physical harm. While the Department says that individuals would not be required to engage in work preparation activity that wasn't appropriate or tailored, Research Community members' experiences lead us to be concerned about the Department's current ability to deliver on this promise. We routinely hear of people

¹¹ [Money and Mental Health's submission to the Work and Pensions Committee's inquiry into safeguarding vulnerable claimants](#). The Money and Mental Health Policy Institute. 2023.

¹² Department for Work and Pensions. Government Response to the Work Capability Assessment: Activities and Descriptors Consultation. 2023.

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<https://www.theguardian.com/commentisfree/2024/nov/05/tax-and-spend-budget-disabled-people-austerity>

with mental health problems feeling pushed into agreeing to claimant commitments that aren't suitable for them due to their work coach failing to understand the impact of their mental health problem. The result can be devastating for both someone's mental health and finances if inability to comply leads to a sanction.

"I was forced into a job by the JobCentre, who told me I would be sanctioned if I didn't accept it. I left the job as the stress affected my depression, and [I] was sanctioned for 3 months, despite me trying to explain why." Expert by experience

What's more, the fluctuating nature of mental health problems can make regularly undertaking commitments difficult.¹⁴ This is why we would like the focus to be on providing voluntary employment support to people in the LCWRA group if and when they feel able, instead of enforcing regular commitments on people who have been identified as having limited capability for work *and* work related activity.

Managed migration

The DWP has announced plans to accelerate the managed migration of the final group of people receiving ESA, with the goal of sending out 63,000 migration notices per month by February 2025 and closing the legacy benefit system by April 2026.¹⁵ Many of those receiving income-based ESA are among the most severely affected by medical conditions, including mental health issues. As of February 2024, 415,445 people on ESA reported a primary mental health condition,¹⁶ with many thousands more experiencing secondary or undiagnosed mental health challenges.¹⁷ We remain concerned that adequate safeguards are not in place to support individuals with these conditions, many of whom are likely to face significant difficulties navigating the managed migration process.

Our 2022 research¹⁸ identified three major challenges faced by individuals with mental health problems during managed migration, which hinder their ability to successfully claim UC: reduced capability to complete the tasks required for making a claim; fears about the migration process and its potential consequences; and limited awareness of, or access to, available support. These challenges create a serious risk that many individuals with mental health

¹⁴ Bond N, Braverman R and Evans K. The Benefits Assault Course: Making the UK benefits system more accessible for people with mental health problems. The Money and Mental Health Policy Institute. 2019.

¹⁵ Parliamentary Statement made by Sir Stephen Timms, Minister for Social Security and Disability, Statement UIN HCWS205 12

¹⁶ Stat-Xplore. 415,445 people receiving income-based ESA legacy benefits with a primary condition of a mental or behavioural disorder as of February 2024.

¹⁷ Money and Mental Health analysis of Department for Work and Pensions, Employment and Support Allowance statistics, May 2018, and Adult Psychiatric Morbidity Survey 2014. For more, see Bond N and Braverman R. The benefits assault course. Money and Mental Health Policy Institute. 2019.

¹⁸ Bond N. A fit-for-purpose managed migration process: safeguarding claimants with mental health problems in the move to Universal Credit. The Money and Mental Health Policy Institute. 2022.

problems will not be able to engage with the managed migration process, putting them at risk of losing their benefit income.

“I put it off for a long time because I didn't understand the process.” Expert by experience

The DWP has introduced the Enhanced Support Journey (ESJ) for ESA recipients, which includes measures such as checking for evidence of why a claim hasn't been made, calling individuals a week before their deadline to discuss barriers to claiming, arranging home visits when necessary, and conducting pre-termination checks before ending a legacy benefit award.¹⁹ However, these steps fall short of providing a crucial safeguard to prevent someone's income from being cut off. Nor do they fully address the need to support and optimise individuals' ability to successfully transition to UC.

Research from CPAG²⁰ has highlighted three key flaws in the ESJ that hinder the DWP's ability to effectively reach and support vulnerable claimants:

- Delayed intervention: The ESJ doesn't begin until one week before a claimant's deadline—12 weeks after they receive their migration notice. This timing is too late to provide meaningful support to individuals in vulnerable situations.
- Limited consideration of vulnerability: When the DWP contacts an individual a week before their final deadline, staff do not review their records for signs of vulnerability beforehand, reducing their ability to anticipate and address the individual's specific needs.
- Insufficient post-claim support: Once someone submits their UC application, they are treated as a “business-as-usual” case, even if they previously received ESJ assistance. However, these individuals might require ongoing support to assist with attending job centre appointments, accepting a claimant commitment, or verifying details like tenancy agreements, for example. If an individual, especially one who relied on help to submit their application, doesn't understand the need to check their online journal for follow-up tasks, they risk non-compliance and claim closure. This could leave them without any benefits—neither legacy benefits nor UC payments.

It is vital that the DWP takes steps to address the holes in the ESJ. In addition to this, the DWP should provide a guarantee that they will not stop anyone's legacy benefits until they have successfully made a claim for UC. This would provide a vital safeguard to all individuals, including those who have mental health problems but may not have a diagnosis or be unaware they're experiencing a mental health problem.

While this option is optimal, we are aware the DWP is committed to completing migration and sees this safeguard as a potential deterrent to individuals responding to migration notices and

¹⁹ National Audit Office. Progress in implementing Universal Credit: Department for Work & Pensions. February 2024.

²⁰ CPAG. Managed migration 7. 2024.

moving over to UC. Therefore, as an alternative but less preferable option, the DWP should at the very least provide a guarantee it will not stop the benefits of anyone the department knows is vulnerable as part of the migration process. In light of the above stated concerns about how many people are falling through the gaps of DWP's identification of vulnerable, this should include but not be limited to all those in receipt of ESA and Personal Independence Payment (PIP). This would mitigate some risk of harm and safeguard some individuals in the most vulnerable situations.