



13th September 2011

Universal credit could mean dodgy debt for vulnerable and disadvantaged families

Commenting on the DWP announcement that Universal Credit will be paid monthly Family Action Chief Executive Helen Dent said:

"Monthly payments will make life so much harder for families struggling to make ends meet and juggling their finances. Whilst some people may prefer monthly payments we know from speaking to our service users how they budget and manage their money and many rely on weekly payments to pay their bills and keep on top of things so they're not short at the end of the week or month. Monthly payments seem to have been conceived by those who have enough income to have a bank account, direct debits and standing orders. However the problem is that for a large number of people on benefits or a very low income and with growing debts, bank accounts and stable finances are a distant dream. Weekly payments help families manage and not run out of money. Monthly payments will cause financial hardship for families already living on the edge - we're worried they'll be driven into the arms of disreputable lenders. Universal credit could mean dodgy debt for vulnerable and disadvantaged families."

Ends

Notes

According to DWP figures given at the Centre for Social Justice seminar last week six million people in this country have no savings, and 1.5million have no bank account.

About Family Action

Family Action has been a leading provider and services to disadvantaged and socially isolated families since 1869. We work with over 45,000 children and families a year by providing practical, emotional and financial support through over 100 services based in communities across England. A further 150,000 people benefit from our educational grants and information service.