

Press release: New budgeting support for Universal Credit claimants

Money Advice Service's Online Money Manager is an interactive tool that offers personalised advice, on making the most of your money while you're on Universal Credit. It offers help and advice on a range of money topics, including opening a bank account, keeping on top of bills and dealing with debt.

Universal Credit is built to mirror the world of work to make the transition much easier for claimants and so there is always an incentive to work. New claimants receive monthly benefit payments, just like a pay cheque, and some may need extra help to manage this change.

Employment Minister Damian Hinds said:

Universal Credit gives people back control of their own lives and finances, and makes the transition into work much smoother. We know that this can be a big change. Our work coaches offer budgeting support to all new claimants and this new tool will help more people get all the skills they need to manage their money.

Caroline Rookes, Chief Executive for the Money Advice Service, said:

The Online Money Manager is an essential tool that will help people to plan and budget for this new way of receiving their money and paying their bills. They will be able to find personalised information about bank accounts, help with setting up direct payments to landlords, budgeting and saving money on regular bills, as well as where to go for additional support if they are struggling with financial commitments.

We are pleased to be working closely with the Department for Work and Pensions to bring this tool to the people who can benefit the most.

Online Money Manager

The online service includes:

- step by step questions that signpost users to financial guidance and support relevant to their personal circumstances
- hints and tips for managing money and paying bills from a monthly payment.
- signposting to further support, such as advance payments and free debt advice

Universal Credit is a single monthly payment which replaces 6 benefits. It is simpler for claimants, and adjusts automatically when someone moves into work. It is designed to mirror the world of work and the monthly payments reflect the way many people's wages are paid. Money for housing costs also goes to the claimant, rather than direct to a landlord, giving people control over their own finances.

Jobcentre Plus work coaches:

- give people the support they need to prepare for, move into and stay in work – including help with job searching and signposting to relevant training and interview advice
- can provide budgeting advice for those that need it

Budgeting tips from the Money Advice Service

List all your income and outgoings

Keep track of how much money you have coming in and how much you need to spend on essentials. You can use the Online Money Manager to help.

Divide your spending into essential and non-essential items

Take a look at your spending and create 2 lists: one for things you really need, and another for things you could live without.

Sort out your rent or mortgage payments

Make sure you keep your rent or mortgage money separate from your everyday spending money. Think about setting up a direct debit or standing order to pay your landlord or lender directly each month after you get your first Universal Credit payment.

Think about how you'll manage a monthly payment

Universal Credit is paid monthly so if you're used to working out your spending weekly or fortnightly, you'll need to start managing your money across the whole month.

Work out how you'll cover your essential outgoings

These include rent or mortgage, Council Tax, utility bills, and repayments on loans, credit cards or store cards. If there's a risk you'll fall behind with payments, don't bury your head in the sand. Lenders, councils and landlords can work with you to manage repayments if you tell them as soon as there's a problem.

Get better deals on regular bills

With essential bills, like your gas, electricity or phone, you could save up to £200 a year if you switch to a better deal. Even making a single call to your current provider to ask about cheaper tariffs could make you better off.

Check for insurance policies and make a claim

If you've taken out any income or payment protection policies you might find the insurance company will cover loan repayments if you're not working. Check your policy paperwork if you're not sure.

Think before you borrow

If you're tempted to borrow, think carefully about how you will keep up with repayments. Stay away from high-cost borrowing like payday or doorstep lenders. If you must borrow, credit unions can offer cheaper loans and will work with you to set affordable repayments.

Prioritise debts – and get help if you're struggling

Your rent or mortgage, Council Tax and gas or electricity bills are priority bills. If you're struggling to pay them, get free, confidential debt advice as soon as you can. A debt adviser can help you manage your debts even if you think you have no spare money to deal with them. The [Debt Advice Locator Tool](#) will help you find free advice in your area.

About the Money Advice Service

The Money Advice Service is an independent organisation. It gives free, unbiased money guidance online at moneyadviceservice.org.uk or via free phone on 0800 138 7777. Debt advice is also provided through a variety of partners across the UK.

The service was set up by the government and is paid for by a statutory levy on the financial services industry, raised through the Financial Conduct Authority. Its statutory objectives are to enhance the understanding and knowledge of members of the public about financial matters (including the UK financial system) and to enhance the ability of members of the public to manage their own financial affairs.

For more information about the Online Money Manager for Universal Credit claimants contact pressoffice@moneyadviceservice.org.uk or call 0207 943 0593.

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