

NHF Universal Credit and rent arrears survey

March 2025

Headline findings

- The proportion of General Needs tenants claiming Universal Credit continues to increase, rising to 53% in March 2025 (from 50% in December 2024).
- Universal Credit tenants continue to be more likely to be in arrears than tenants paying by other means, however, the proportion in arrears has decreased for all tenants compared to previous quarters. 43% of tenants paying by Universal Credit were in arrears in March (down from 48% in December) compared to 24% of tenants paying by other means (down from 29% in December).
- Universal Credit tenants continue to be in higher levels of arrears compared to tenants paying by other means, but data since June 2024 suggests the difference is getting smaller. In March, average arrears per Universal Credit tenant in arrears were £666, compared to £507 per non Universal Credit tenant, a difference of £159. In June 2024, average arrears per Universal Credit tenant in arrears were £655, compared to £438 per non Universal Credit tenant, a difference of £217.
- Feedback on Universal Credit service delivery across the year 2024/25 show that, on the whole, landlords feel that Universal Credit service delivery has neither improved nor worsened. More than a fifth feel that the experience of resolving overpayment issues and absent joint tenant cases was worse than at the start of the year.

Introduction

The purpose of the Universal Credit and rent arrears survey is to track trends in rent arrears within the sector and any relationship this may have with Universal Credit (UC).

The survey collects key measures from a selected sample of housing associations on a quarterly basis, such as amount of rent arrears and number of tenants in arrears, at the end of the month. This current survey asks for data relating to 31 March 2025.

We received 25 responses. Not all respondents answered every question so where statistics are reported we signify the sample size with “n” (e.g. “n = 20”).

Results are reported as they were received (i.e. not weighted or adjusted). This means these results cover only the housing associations who responded to the survey and are not national figures for all housing associations. However, within the sample there is good geographical spread and, as most organisations are of medium size, the results are likely to be broadly indicative of the experience of the sector in general.

If you have questions regarding the data, please contact the NHF’s research team on research@housing.org.uk.

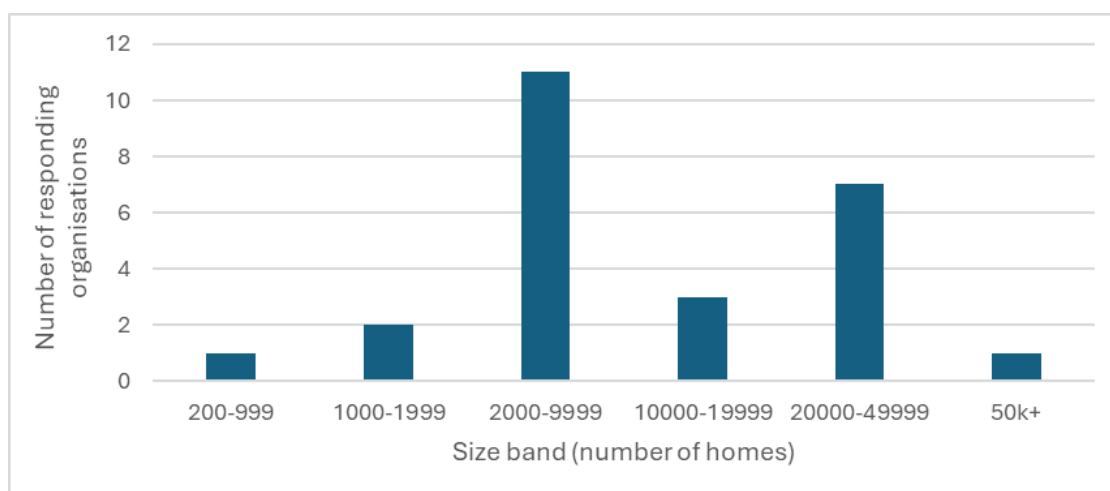
Respondent characteristics

We received responses from 25 housing associations. Respondents manage 368,780 occupied general needs properties, including social and affordable rent. Our survey covers 16% of the 2.3 million general needs properties reported by housing associations in the Statistical Data Return.

Table 1: Regional distribution of respondents

Region	Number
East Midlands	1
East of England	1
London	2
North East	2
North West	5
South East	2
South West	5
West Midlands	4
Yorkshire and Humberside	3
Grand total	25

Figure 1: Size distribution of respondents



Universal Credit claimants

Respondents reported that 53% of their general needs' tenants were thought to be claiming Universal Credit.¹ This is three percentage points higher than in December 2024 (50%), continuing the upwards trend from June 2024 when the proportion claiming Universal Credit was 46%.

On average across landlords, 32% of UC claimants had an Alternative Payment Arrangement in place, down from December (35%). This proportion has fluctuated between 30% and 35% over the year 2024/25.

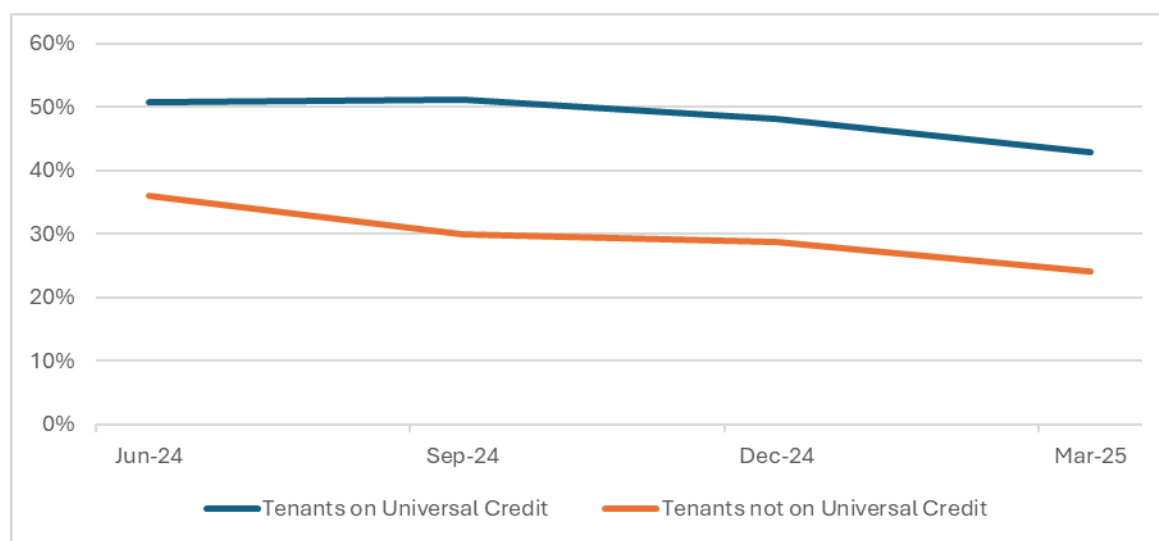
Arrears

Universal Credit tenants are more likely to be in arrears than tenants paying by other means. 43% of Universal Credit claimants were in arrears (n=25), compared to 24% of tenants not claiming Universal Credit (n=24). However, compared to December 2024, the proportion of both groups in arrears has decreased from 48% of tenants paying by Universal Credit and 29% of tenants paying by other means.

Figure 2 shows that for both tenants paying by UC and those paying by other means, there has been a downward trend in the proportion in arrears.

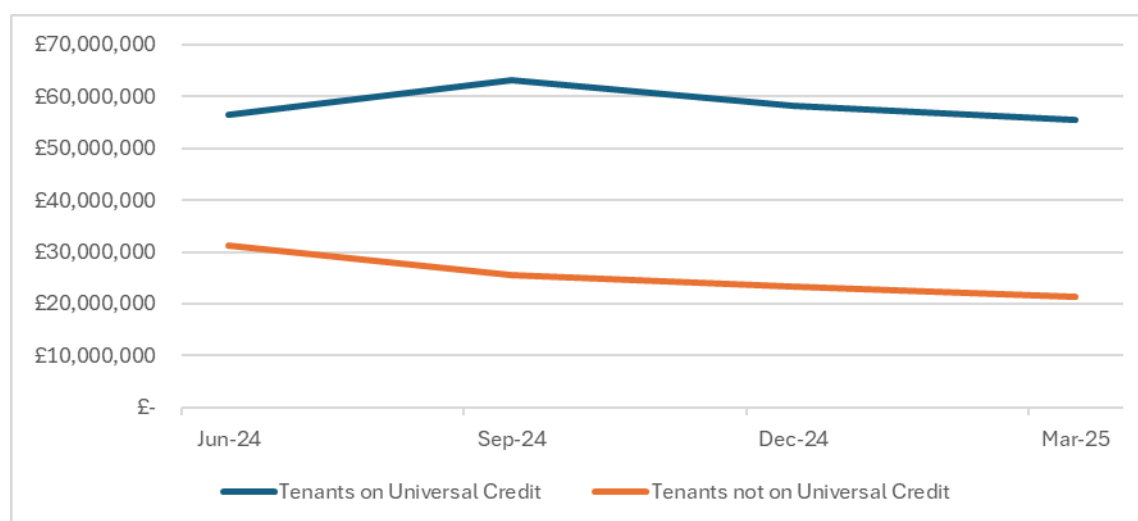
¹ Note that landlords are made aware of a UC claim when DWP requests rent details to verify the housing element entitlement. They are not notified when a claimant has ceased claiming UC, meaning landlords only have a rough indication of how many tenants are on live claims.

Figure 2: Proportion of tenants in arrears, June 2024 to March 2025



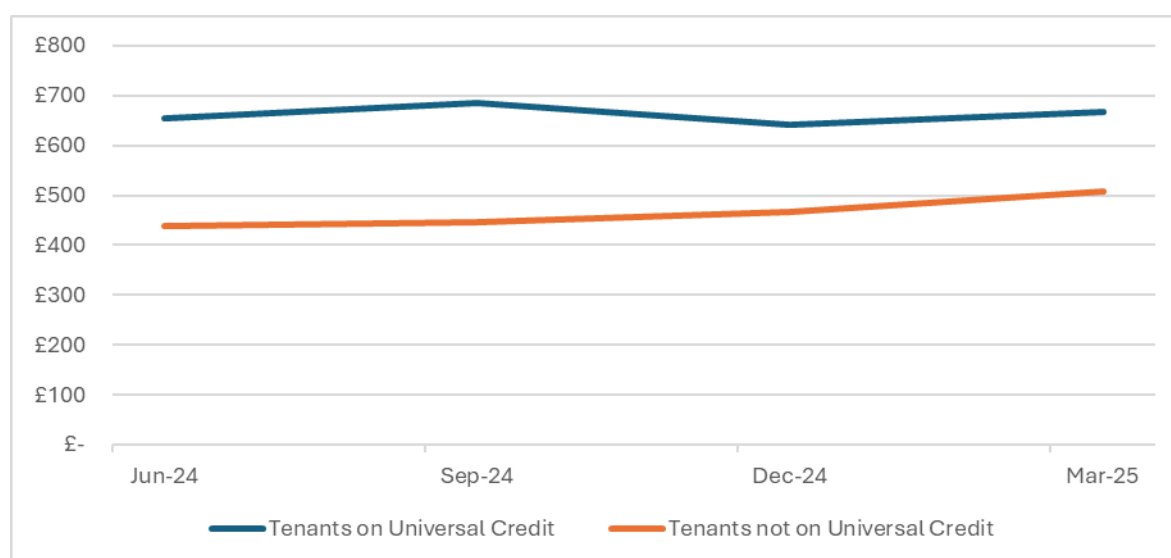
In terms of amount of arrears, Figure 3 indicates that the total amount of arrears for tenants on Universal Credit and those paying by other means follows a similar downward trend to the proportion in arrears. Compared to December 2024, there has been small decrease in total arrears for both tenants on Universal Credit (from £58m to £56m) and those paying by other means (from £23m to £21m).

Figure 3: Total arrears, June 2024 to March 2025



Tenants paying by Universal Credit are still more likely to be in higher arrears, but data since June suggests the difference is getting smaller (see Figure 4). In March, average arrears per Universal Credit tenant in arrears were £666 (n=25), compared to £507 per non Universal Credit tenant (n=24), a difference of £159. In June 2024, average arrears per Universal Credit tenant in arrears were £655, compared to £438 per non Universal Credit tenant, a difference of £217.

Figure 4: Average arrears per tenant in arrears, June 2024 to March 2025



We calculated arrears as a percentage of annual rent due in the financial year 2024/25, across the 16 respondents who told us their total annual rent due. This tells us that arrears as a percentage of rent due for UC accounts was 4%, compared to 2% for non-UC accounts. This is similar to December 2024, with no clear trend across year 2024/25.

Feedback on Universal Credit service delivery

We asked respondents to provide any feedback on Universal Credit service delivery since the beginning of January 2024. We received comments from nine housing associations, covering a range of topics including rent verification, migration to Universal Credit and absent joint tenant cases continuing to be an issue.

Two comments highlighted that the rent verification is causing unnecessary confusion for tenants and landlord time dealing with issues. One landlord reported that, while their increase is applied on 7th April, tenants are prompted on 1st April but unable to complete for a future date. This is resulting in lots of early verification having to be rejected. Another comment highlights that all tenants, including those who do not have an April rent review, are being prompted to update their rent which causes those tenants unnecessary stress.

There were concerns with the lack of support for vulnerable tenants who are moving to UC, including long wait times for a DWP visit for some tenants. One landlord also reported overpayment issues when HB is not stopped in a timely way for tenants moving to UC.

Payment issues regarding absent joint tenant cases were raised again, with landlords highlighting that this is still an ongoing problem for some tenants. And another landlord shared a payment issue which has been ongoing for over a year, despite them having contacted DWP and reported it on the UC portal, where a payment is being made to the incorrect tenancy number each month which they are having to transfer into the right account.

There were isolated comments regarding issues that commonly come up within the survey:

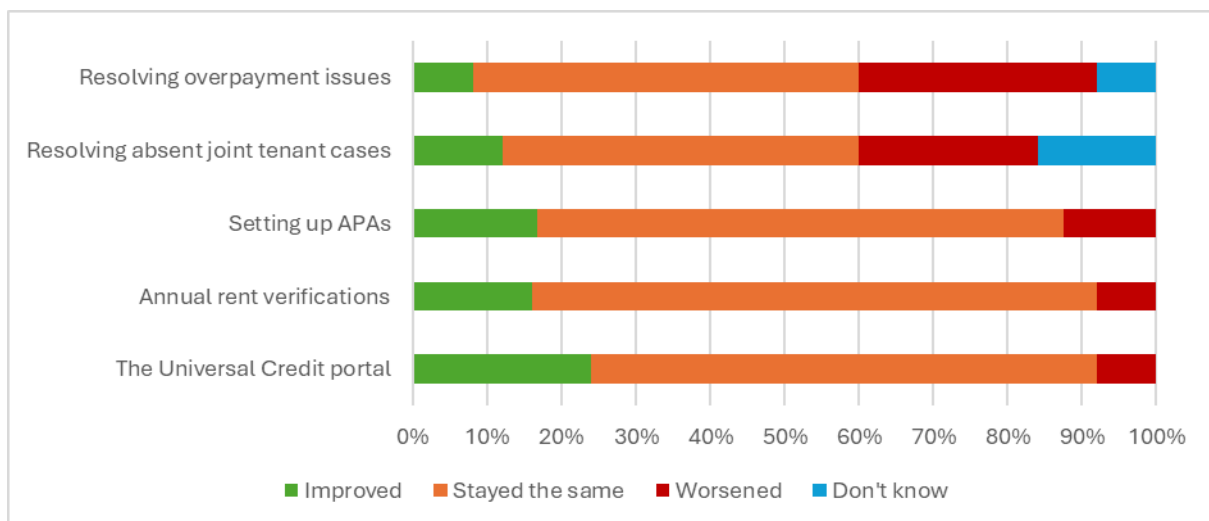
- One shared that waiting for confirmation from customers to accept APAs is having an impact on cashflow and ability to support those customers.
- Another shared that 53rd week is affecting arrears as many people are refusing to pay it as they don't understand it's not covered by UC.

Universal Credit Service Delivery April 2024 – March 2025

In the March 2025 Universal Credit and rent arrears survey, we asked an additional set of questions to establish whether respondents felt there had been any progress on issues or topics that have previously been raised in the feedback section of the survey.

The chart below shows the proportion of respondents who felt each Universal Credit service or process had improved, worsened or stayed the same. It shows that overall, most respondents felt these services had remained the same. Over 20% felt that the resolution of overpayment issues and absent joint tenant cases was worse than the beginning of the year (compared to 8% and 12% respectively who felt that resolution of those issues had improved). On the other hand, over 20% of respondents felt the UC Portal had improved (compared to 8% who felt it had got worse).

Figure 6: Respondents' perspectives on changes to Universal Credit services and processes since the start of 2024/25



Respondents could provide further information about the reasons for their responses. These comments covered the range of topics we asked about and a range of sentiments.

Comments that reflected more broadly on Universal Credit service delivery predominantly stated that little had changed over the year.

“I do not feel that there have been any significant changes in the last 12 months for landlords.”

Those who felt the resolution of overpayments was getting worse or staying the same were concerned with the length of time and resource required of landlords to deal with the issues. Similar sentiments were made about absent joint tenant cases.

“Overpayments and absent joint tenants have stayed the same but is poor.”

“Overpayment issues take a lot of time and numerous communications, but we are working with the team now and we try to meet once a month to address any issues”

On the rent verifications process, a few respondents shared persistent issues with verifications coming in incorrectly or already being overdue when appearing on the to do list. However, another landlord found that the number of issues had reduced. And while one landlord said that the use of an automation bot had improved the process for them this year, another was frustrated that changes were made in the background of the rent verification system which meant they had to make last minute changes to their software, causing delays and additional costs.

Comments on APAs were also mixed. Improvement in the process was linked to fewer rejections and APAs coming through for ESA claimants who are migrated over. Negative responses discussed the impact of having to wait for tenants to approve housing costs.

On the UC Portal, respondents felt it was “okay” and had improved, but one also stated that the individuals from the Universal Credit teams who use the portal have been inconsistent in their processing of claims.