

## **Advances – Change of Circumstances**

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### **Advances**

Universal Credit claimants have access to four types of advances:

- New Claim Advance
- Change of Circumstances Advance
- Benefit Transfer Advance
- Budgeting Advance

The following content focuses on Change of Circumstances Advances.

### **Change of Circumstances Advance**

A change in circumstances which could have the effect of increasing the Universal Credit award amounts are things such as:

- housing
- child
- partner
- disabled child
- childcare
- carers
- Limited Capability for Work
- Limited Capability for work and work related activity
- loss of earnings (to be considered in the assessment period following the date final earnings were received)

Claimants can request an advance when they report a change in their circumstances which will result in a significant increase in their Universal Credit entitlement. Claimants would need to be unable (be in financial need) to manage until their next scheduled payment of Universal Credit to be eligible for a change of circumstances advance.

A claimant may be entitled to more than one change of circumstances advance in the same assessment period if each advance relates to a different change. It is possible new claim advance and change of circumstances advance to be paid in the same assessment period.

### **Timescale**

Claimants can apply for a change of circumstance advance during any relevant assessment period.

### **Amounts**

The maximum amount of advance is 50% of the increase to their Universal Credit estimated amount.

The claimant should be offered support to calculate the most appropriate amount of advance payment, based on their monthly outgoings and their ability to repay it over the next six months.

### **Refusal**

If a decision is made to refuse the claimant an advance, in no circumstances should this be communicated face to face. The notification to the claimant should be undertaken over the phone or by updating the journal.

### **Recovery**

Claimants should be informed that they have six months to repay the advance (i.e. the maximum period). To guard against hardship, the repayment deduction amount will be no more than the equivalent of 40% of the claimant's Universal Credit Standard Allowance.

During the recovery of the advance there may be exceptional circumstances (for example a child going into hospital, resulting in unexpected regular bus / taxi fares for parents to visit) that mean that recovery over six months will push the claimant into genuine hardship.

In these circumstances, payments can be deferred for up to 3 months. Full recovery must be completed within 9 months.

Whilst joint claimants have joint liability for an advance, only the claimant requesting the advance has to confirm that their partner has agreed to the advance request and recovery terms. If the couple subsequently separate, the recovery of the advance will be taken from both of them on a 50/50 basis.

### **Payment**

Advances are paid by BACS transaction into the account that the claimant is using for their Universal Credit claim within three working days.

If a payment is needed more quickly, provision can be made for a same day Faster Electronic payment. These should only be made where there are exceptional circumstances that require this, for example, where the claimant does not have enough money to last until the advance is paid.