

## **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.

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### **Change of Circumstances Advance**

A change of circumstances to any of the following could have the effect of increasing the Universal Credit award amounts:

- housing
- child or children
- 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 of circumstances which results in a significant increase in their Universal Credit entitlement. A claimant must (due to financial need) be unable 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 also possible for a New Claim Advance and Change of Circumstances Advance to be paid in the same assessment period.

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### **Timescale**

Claimants can apply for a Change of Circumstance Advance during any relevant assessment period.

### **Amounts**

The maximum amount of the Advance is 50% of the increase to the claimant's Universal Credit estimated amount.

The claimant must 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.

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### **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 must be undertaken over the phone or by updating the journal.

### **Recovery**

Claimants must be informed that they have 6 months to repay the Advance (the maximum period). To avoid 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 which results in unexpected regular bus / taxi fares for parents to visit) which means 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.

A claimant may want to repay the advance in a lump sum. In these circumstances they should be asked to ring the Debt Management phone line. [See Debt Management guidance for phone numbers](#)

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## **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 - when the claimant does not have enough money to last until the Advance is paid.

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