

Cost of Living Payment

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Cost of Living Payments

Cost of Living Payments were intended to support claimants with the recent cost of living increases. Please see the table below of Cost of Living Payments issued to low-income claimants to date.

Amount	Eligibility Period	Payment Window
£326	26/04/22-25/05/22	July 2022
£324	26/08/22-25/09/22	November 2022
£301	26/01/23-25/02/23	April/ May 2023
£300	18/08/23-17/09/23	October/November 2023
£299	13/11/23-12/12/23	February 2024

Lines To Take

For full Lines To Take regarding Cost of Living Payments see:

Cost of Living Payment: Lines to take

Eligibility criteria

For Universal Credit claimants, eligibility for the Cost of Living Payment is based on their circumstances in the relevant assessment period which ends on or within the eligibility period.

Claimants were eligible for the Cost of Living Payment if they received any of the following qualifying benefits:

- Universal Credit
- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Income Support
- Pension Credit
- Child Tax Credit
- Tax Credit (see the Tax Credit section)

Payments were not made to claimants who were receiving any of the following:

- New Style Employment and Support Allowance,
- Contributory Employment and Support Allowance, or
- New Style Jobseeker's Allowance

unless the claimant also received Universal Credit.

If a claimant had a positive award of the qualifying benefit during the eligibility period but payments then ended or they changed benefits, they will keep their entitlement to the Cost of Living Payment.

In circumstances where other benefits, income or earnings reduces Universal Credit entitlement for the relevant assessment period to nil, the claimant is not entitled to the Cost of Living Payment.

If the claimant didn't receive a payment for the relevant assessment period but we have used their entitlement to pay off a Universal Credit advance, a deduction (including third party deductions) or we have made a payment to their landlord, they have a positive Universal Credit award and would be due the Cost of Living Payment.

If the claimant was sanctioned for the relevant assessment period which resulted in a nil award, they were not entitled to the Cost of Living Payment unless they received a Recoverable Hardship Payment that covers the relevant assessment period.

Those determined to have a Universal Credit 'nil award' during the qualifying period could be entitled to a Cost of Living Payment retrospectively if a sanction is successfully appealed.

Many of the most vulnerable claimants were those entitled to other elements in Universal Credit, such as housing or child costs. If a sanction is applied, claimants continue to receive these other elements and would remain eligible for a Cost of Living Payment.

Eligibility periods

The eligibility periods for each Cost of Living Payment were set by Parliament.

To get the first Cost of Living Payment, a claimant must have had a positive award (or later found to have a positive award) of either:

- Universal Credit for an assessment period that ended on or within 26 April 2022 to 25 May 2022, or
- income-based JSA, income-related ESA, Income Support or Pension Credit for any day in the period 26 April 2022 to 25 May 2022

To get the second Cost of Living payment, claimants must have had a positive award (or later found to have a positive award) of either:

- Universal Credit for an assessment period that ended on or within 26 August 2022 to 25 September 2022 or
- income-based JSA, income-related ESA, Income Support or Pension Credit for any day in the period 26 August 2022 to 25 September 2022

To get the third Cost of Living Payment, claimants must have had a positive award (or later found to have a positive award) of either:

- Universal Credit for an assessment period that ended on or within 26 January 2023 to 25 February 2023, or
- income-based JSA, income-related ESA, Income Support or Pension Credit for any day in the period 26 January 2023 to 25 February 2023

To get the fourth Cost of Living Payment, claimants must have had a positive award (or later found to have a positive award) of either:

- Universal Credit for an assessment period that ended on or within 18 August 2023 to 17 September 2023, or
- Income-based JSA, Income-related ESA, Income Support or Pension Credit for any date in the period 18 August 2023 to 17 September 2023

To get the fifth Cost of Living Payment, claimants must have had a positive award (or later found to have a positive award) of either:

- Universal Credit for an assessment period that ended on or within 13 November 2023 to 12 December 2023, or
- Income-based JSA, Income-related ESA, Income Support or Pension Credit for any date in the period 13 November 2023 to 12 December 2023

If a claimant qualified, they were paid automatically and they did not need to contact the Department. However, if a claimant does not receive this, they should report the missing payment via their usual benefit method.

If it is later found that a claimant was not entitled to Universal Credit for the eligibility period, they will be required to pay back the Cost of Living Payment.

Right of appeal

The Cost of Living Payment is based on the claimant's eligibility to a qualifying benefit during the qualifying period.

There is no right of appeal against the eligibility criteria for Cost of Living Payments.

If a claimant believes they were entitled to a qualifying benefit for one or more of the qualifying periods, they must make enquiries to the relevant benefit area.

Payment of the Cost of Living Payment

The payment of £326 was made between 14 July 2022 and 31 July 2022.

The payment of £324, was made between 8 November 2022 and 23 November 2022.

The payment of £301 was paid between 25 April 2023 and 17 May 2023.

The payment of £300 was paid between 31 October 2023 and 19 November 2023.

The payment of £299 was paid between 6 February 2024 and 22 February 2024.

Cost of Living Payments were made separately from the claimant's benefit payment or Tax Credits.

If the claimant is also entitled to a qualifying disability benefit, they may have received an additional Disability Cost of Living Payment.

Claimants entitled to the Winter Fuel Payment may have received an extra amount in addition to any Cost of Living Payment. See Pensioner Cost of living Payment on GOV.UK for details of the exact amounts.

Payments do not affect the claimant's entitlement to Universal Credit and are disregarded when calculating their income, savings and investments. See Capital disregarded indefinitely.

Reassurance that payment has been made

Claimants only need to check the account their benefit is paid into to confirm whether a payment has been made.

The first set of payments will appear on the claimant's bank statement as 'DWP Cost of Living', although some banks may shorten this.

The second and third Cost of Living Payments will appear on the claimant's bank statement as 'NINO DWP Cost of Living' (for example, 'AA123456A DWP Cost of Living').

Case manager instructions – Cost of Living Payment handovers

As the bulk of eligible claimants were identified by an automated scan, claimants can request that we reassess their eligibility to Cost of Living Payments.

For the £326, £324, £301, £300 and £299 Cost of Living payments, claimant requests will be sent to the case manager for investigation. Please follow the below process when you receive a Cost of Living related handover:

- establish which Cost of Living Payment the claimant is querying (this should be evident from the history notes left by the telephony agent).
- check the claimant's Universal Credit claim for an assessment period that ends on or within the relevant eligibility period (if the claimant doesn't have an assessment period that ends on or within the eligibility period, they would not be entitled to that Cost of Living Payment)
- if the claimant had an assessment period that ended within the qualifying period, you must check that they had a positive award for that assessment period (see **eligibility criteria**)
- if the claimant was eligible to the Cost of Living Payment, we must check the Central Payment System (CPS) to determine if they have already been paid it (Cost of Living Payments are easily identifiable in CPS by checking for the amount and issuing office)
- if the claimant isn't eligible or has already been paid the Cost of Living Payment they are querying, you must respond to them via their Universal

Credit journal (or by phone if a phone only claimant) to let them know the outcome

- if the claimant is due the Cost of Living Payment or you are having trouble establishing their eligibility, you will need to send a handover to the Cost of Living team ensuring a history note is left on the claim detailing the investigation that you have done (the Cost of Living Team can then investigate further and if necessary, make the payment)
- only the Cost of Living Team should issue payments to a claimant - this is due to the need to record this data centrally to ensure that payments aren't duplicated (the only exception to this is when taking the action associated with a payment after a claimant is deceased), see the related content on the same subject

Credit Union, Corporate Appointees and care homes

Where Credit Unions, Corporate Appointees or care homes have received the first Cost of Living payment (issued in July 2022) but are unable to identify which claimant the payments belong to, administrators must email the Bank Liaison Service. They must provide the payment reference number and include 'Cost of Living Payment' in the subject header of the email.

The inbox address is not to be shared with claimants, it is for use of Credit Unions, Corporate Appointees and care homes only.

Some Credit Unions may ask the claimant for an 18 digit reference number to help identify the payment. Credit Unions must contact the bank to get the 18 digit reference number which can then be sent to the Department's Finance Section.

Banks

The Right of Appropriation law means that a bank must not use a benefit payment or Cost of Living Payment made by the Government to repay the claimants overdraft. Claimants who suggest this has happened will need to speak to their bank.

If the payment has been credited to a claimant's bank account which is no longer in use, DWP are not able to recall or replace the payment.

With regard to the first set of payments where the claimant's account details have been changed after the 7 July 2022, DWP may not be able to replace the payment.

For the second set of payments where the claimant's account details have been changed after the 1 November 2022, DWP may not be able to replace the payment.

For the third set of payments where the claimant's account details have been changed after the 17 April 2023, DWP may not be able to replace the payment.

For the fourth set of payments where the claimant's account details have been changed after 24 October 2023, DWP may not be able to replace the payment.

For the fifth set of payments where the claimant's account details have been changed after 30 January 2024, DWP may not be able to replace the payment.

If the account belongs to someone other than the claimant, the claimant should approach that person for the payment where it is safe to do so.

If the account belongs to the claimant, the payment can only be replaced if the payment is returned to DWP.

If the payment is credited to an account that is closed, the payment will be returned to DWP by the bank. Once DWP have confirmed the return of this payment, it will be reissued to the account that the claimant's Universal Credit is paid into.

Tax Credit recipients

For the £326, £324 and £301 payments, HMRC issued Cost of Living Payments to Tax Credit recipients later to allow time to ensure those who claim Tax Credits, as well as a means-tested benefit, did not receive the payment twice.

For the £300 and £299 payment, HMRC issued the Cost of Living Payments to Tax Credit recipients during the same period as Universal Credit claimants.

For further information on the Cost of Living and Tax Credits see the Cost of Living Payment page on GOV.UK

Security alert

The Department has been alerted to bogus emails and SMS Text messages that are being issued.

DWP will not ask for bank details by email or SMS text message and the Department will never send claimants a link to click into. If a claimant receives an email or SMS asking for bank details, they must not click into it.

Cost of Living Payment: overpayment

An overpayment will occur if a claimant received a Cost of Living Payment but was not entitled to Universal Credit in the assessment period which ends on or within the relevant eligibility period.

Cost of Living Payment overpayments are fully recoverable and must be referred to Debt Management.

The overpayment may have occurred because the claimant was originally entitled to Universal Credit but has retrospectively lost entitlement for the assessment period which ended within the relevant eligibility period.

If an agent identifies that a claimant has been overpaid the Cost of Living Payment, they must follow the process outlined in Cost of Living.