



# National Audit Office

Comptroller and Auditor General  
Sir Amyas Morse KCB

Rt Hon Esther McVey MP  
House of Commons  
London  
SW1A 0AA

Helping the nation spend wisely

Telephone +44 (0)20 7798 7777  
Facsimile +44 (0)20 7798 7990  
Email amyas.morse@nao.gsi.gov.uk

Date 4 July 2018

*Dear Minister,*

## UNIVERSAL CREDIT

I wrote to you on 27 June asking to meet to discuss my report on Universal Credit and your comments, but I have not yet been able to see you. Following your second set of statements in the House about the report I am now reluctantly writing an open letter to you to clarify the facts.


Our report was fully agreed with senior officials in your Department. It is based on the most accurate and up-to-date information from your Department. Your Department confirmed this to me in writing on Wednesday 6 June and we then reached final agreement on the report on Friday 8 June. It is odd that by Friday 15 June you felt able to say that the NAO "did not take into account the impact of our recent changes". You reiterated these statements on 2 July but we have seen no evidence of such impacts nor fresh information.

I'm afraid your statement on 2 July that the NAO was concerned Universal Credit is currently "rolling out too slowly" and needs to "continue at a faster rate" is also not correct. While we recognise regrettable early delays to Universal Credit, my recommendation made clearly on page 11 of the report is that the Department must now ensure it is ready before it starts to transfer people over from previous benefits. This will avoid the Department's performance declining further as it faces higher claimant volumes. I also recommended the Department learns from experiences of claimants and third parties, as well as the insights it has gained from the roll-out so far.

I'm also afraid that your statement in response to my report claiming Universal Credit is working has not been proven. The Department has not measured how many Universal Credit claimants are having difficulties and hardship. What we do know from the Department's surveys is that although 83% of claimants responding said they were satisfied with the Department's customer service, 40% of them said they were experiencing financial difficulties, and 25% said they couldn't make an online claim. We also know that 20% of claimants are not paid in full on time and that the Department cannot measure the exact number of additional people in employment as a result of Universal Credit.



I would still very much like to meet to talk about the report and to discuss the independent investigation we are currently undertaking on Motability, a matter that I know is important to you.

  
AMYAS C E MORSE

