# DWP to re-evaluate universal credit landlord deductions amid tenant concerns



The Department for Work and Pensions (DWP) in the UK is set to re-evaluate a rule linked to Universal Credit that has drawn considerable criticism. This announcement was made by Work and Pensions Secretary Liz Kendall earlier this week. The rule in question allows landlords to automatically request deductions from tenants’ Universal Credit payments to cover rent arrears and ongoing rent costs, a system that has raised concerns over its fairness to renters.

Under the current framework, a computerised process enables landlords to deduct up to 20% of a tenant's weekly Universal Credit payments without consultation with the tenant or notification from the DWP. This has led to many tenants receiving deductions from their benefits without prior awareness, which tenant advocacy groups argue is detrimental to their financial well-being.

The DWP's intention to reassess the policy comes in response to ongoing debates regarding tenant rights and the support provided by benefits systems. The review aims to explore alternative methodologies for ensuring that landlords receive the rent owed to them while concurrently safeguarding tenants from incurring further debt.

Nye Jones, head of campaigns at Generation Rent, expressed concern over the current system, stating that it is “categorically not right” for landlords to make deductions from tenants' incomes without prior consultation. Jones highlighted that tenants often resort to withholding rent as a means to advocate for necessary repairs and maintain their rights with landlords, reflecting the desperate situations many renters find themselves in. He further emphasised the need for the proposed Renters’ Rights Bill to empower renters to seek compensation from landlords, indicating that such protections should equally apply to all tenants, including those on benefits.

Additionally, Ayla Ozmen, director of policy and campaigns at the anti-poverty charity Z2K, welcomed the government's commitment to review the automatic deduction policy following a legal challenge. Ozmen noted that the current practice was contributing to pushing tenants further into poverty. However, she stressed that merely revising this process is insufficient. She asserted that for genuine poverty alleviation, the government should present a comprehensive plan to increase Universal Credit rates and stem potential reforms to health and disability benefits that could further disadvantage disabled individuals.

The DWP's announcement marks a pivotal moment in addressing the interconnected issues of tenant rights, landlord responsibilities, and the broader implications of Universal Credit on the welfare of those receiving benefits. As the review progresses, various stakeholders in the housing and welfare sectors will be watching closely to assess whether reforms will indeed provide the equitable solutions many are advocating for.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.insidehousing.co.uk/news/dwps-direct-payments-to-landlords-from-universal-credit-unlawful-high-court-rules-90345> - This article supports the claim that the DWP's direct payments to landlords from Universal Credit have been ruled unlawful due to procedural unfairness, as deductions are made without consulting the affected tenants.
* <https://www.communities-ni.gov.uk/articles/universal-credit-information-landlords> - This webpage provides information on how Universal Credit housing costs are typically paid to landlords, highlighting the usual process and implications for tenants and landlords.
* <https://www.nidirect.gov.uk/articles/landlords-tenants-claiming-universal-credit> - This article explains how Universal Credit works for landlords and tenants, including how housing costs are calculated and paid, which supports the broader context of Universal Credit and its impact on tenants.
* <https://www.vacourts.gov/courts/scv/rulesofcourt.pdf> - Although not directly related to the UK's Universal Credit, this document provides insight into legal proceedings and fairness in decision-making processes, which can be applied to the context of procedural fairness in benefit deductions.
* <https://www.justice.gov/opcl/overview-privacy-act-1974-2020-edition/disclosures-third-parties> - This webpage discusses the Privacy Act and its implications for data disclosure, which can relate to concerns about data protection and privacy in the context of benefit payments and landlord-tenant interactions.