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Department
for Work &
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Guidance

**Universal Credit
and rented housing:**

guide for landlords

Updated 13 May 2020

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1. Introduction

Universal Credit claimants have an online Universal Credit account to manage their claim. They use their account to report changes, send messages to their work coach and find support.

This document provides private and social sector landlords with information about Universal Credit to help them understand what they can do to help their tenants prepare for:

- their move to the single Universal Credit benefit payment
- making payments of their housing costs (rent) direct to their landlord themselves

It also explains what support is available for tenants, This includes alternative payment arrangements if claimants are finding it hard to manage their Universal Credit payment and pay their landlord themselves.

As a landlord you can:

- consider how Universal Credit may impact your business
- consider how you might need to adapt any policies or processes
- engage with your tenants early to identify any support needs making sure they understand their need to make rent payments

Get local information and advice about Universal

Credit by contacting [your regional partnership manager](#).

2. Helping tenants

prepare

2.1 Helping tenants prepare for Universal Credit

Universal Credit is designed to be claimed online. If tenants don't have access to the internet or are not confident using a computer, their jobcentre can tell them about local services that can help.

Landlords can help tenants to get ready for Universal Credit by encouraging them to:

- go online and set up an e-mail account
- open a bank account to receive Universal Credit payments
- know how much their rent and eligible service charges are (including rent free weeks) and who their landlord is
- set up direct debits for housing costs

Read the [Universal Credit and you](#) guide which all claimants receive when they make a Universal Credit claim to help support them through the changes. You can use this as a basis for conversations with tenants.

3. Universal Credit payments

In most cases Universal Credit is a single, monthly payment which is paid in arrears directly into the claimant's bank account. The first payment is usually received 1 month and 7 days after they submit their claim.

Universal Credit payments are made up of different amounts depending on the claimant's individual circumstances.

Payments include all eligible housing costs. The Universal Credit additional amount for housing costs helps tenants with their rent and service charge costs. Claimants must be liable to pay rent for the home they are living in to qualify for help with their

housing costs.

Claimants will be responsible for paying their rent themselves, unless they are unable to manage their finances effectively. In such circumstances a Managed Payment to Landlord may be put in place.

3.1 Private rented sector tenants

For private rented sector tenants, their Universal Credit additional amount for housing costs will be whichever is lower out of their actual costs or the relevant Local Housing Allowance rate.

3.2 Social rented sector tenants

For social rented sector tenants, their Universal Credit additional amount for housing costs will be their actual eligible housing costs which is the actual rent and any service charges covered by Universal Credit.

Universal Credit will not provide support for personal utility costs, such as water or electricity.

If a social rented sector tenant has any spare bedrooms, their additional amount for housing costs

will be reduced by:

- 14% for one spare bedroom
- 25% for 2 or more spare bedrooms

4. Evidence requirements

4.1 DWP checks on rent and tenancies under Universal Credit

The Universal Credit claimant or their landlord will be asked to provide appropriate evidence to support the Universal Credit claim.

Private rented sector tenants

A Universal Credit claimant must provide evidence of their rent liability and proof that they are living in your property. If a tenant doesn't have a written tenancy agreement or a rent book, DWP may accept a letter from their landlord or letting agent confirming the current rent and service charges.

This evidence should confirm:

- tenant and landlords name, address and contact details

- address of the property
- date the tenancy began and how long the term is
- amount of rent and how often it is paid
- any deposit amounts payable

Your tenant may also ask you to confirm in writing that they are living in your property if they do not have any other evidence of this.

Social rented sector tenants

If you're a Social Rented Sector landlord and your tenant has made a claim to Universal Credit, we will ask you to verify their rent and eligible service charges by either:

- the [UC Landlord Portal](#) - if you have access, verification request if a tenant claims Universal Credit.
- an email to you from your claimant's case manager seeking verification of housing costs

4.2 Notifying landlords that tenants are claiming Universal Credit

Private rented sector landlords

DWP does not have legislation to allow us to inform Private Rented Sector landlords that their tenant has made a claim to Universal Credit.

Social rented sector landlords

If you're a Social Rented Sector landlord and your tenant has made a claim to Universal Credit, you'll be notified by either:

- the [UC Landlord Portal](#) if you have access – verification request if a tenant claims Universal Credit.
- an email to you from your claimant's case manager seeking verification of housing costs

This is in line with the Social Security (Information Sharing in Relation to Welfare Services Amendment) Regulations 2015 that will enable the sharing of

limited relevant information with social landlords.

The supply of information and its appropriate use is governed by requirements of the Data Protection Act 2018. Social Rented Sector landlords will have an obligation only to use the information supplied by DWP for its specific intended purposes.

5. Paying rent

5.1 Ensuring that rent is paid

Universal Credit payments are paid monthly in arrears in the same way a wage is. Claimants will be expected, where possible, to arrange their own rent payments.

If landlords have previously received direct payment of Housing Benefit from the local authority, they will need to speak to their tenants to agree arrangements for collecting rent from them. Setting up a direct debit or standing order may help your tenant manage their rent payments.

In some cases an Alternative Payment Arrangement, such as Managed Payment to Landlord can be put in

place to support claimants.

Find out [about alternative payment arrangements](#).

Social Rented Sector landlords may be able to apply via the [UC Landlord Portal](#)

5.2 Paying rent while waiting for their first payment of Universal Credit

Many new claimants of Universal Credit will be coming from work and will be able to support themselves in the first month using their final payment of earnings.

However, where needed, a claimant can ask for a [Universal Credit new claim advance](#) to help pay their rent if they can't manage until their first monthly payment of Universal Credit.

5.3 Alternative Payment Arrangements:

[Alternative payment arrangements](#) are available for claimants who can't manage their monthly payment.

The landlord or claimant can apply for an Alternative Payment Arrangement (APA) Managed Payment to Landlord (MPTL) at the start of a claim or at any time, which will be considered on a case by case basis.

An APA can also include a more frequent than monthly payments or a split payment of an award between partners.

The UC Landlord Portal allows Social Rented Sector landlords to submit managed payment requests through the [UC Landlord Portal](#). This will only be for those tenants that are listed on the landlord's Portal account.

More [detailed information about Alternative Payment Arrangements](#).

6. Calculating rent

6.1 Calculating monthly rent if a claimant's rent is paid weekly

Universal Credit is paid monthly. If rent is paid weekly, a monthly amount will be calculated by multiplying the weekly rent by 52, then dividing by

12.

6.2 Other rent payment frequencies

Other payment frequencies will be calculated as follows:

- 4 weekly payments are multiplied by 13 and divided by 12
- 3 monthly payments are multiplied by 4 and divided by 12
- annual payments are divided by 12

6.3 53 week rent payment years

Universal Credit is calculated based on a 52-week year, unless rent is charged over fewer than 52 weeks.

6.4 Rent-free weeks

If a claimant has rent free weeks as part of their tenancy, the monthly payment is calculated by deducting the number of rent free weeks from 52.

For example, if there are 4 rent free weeks in a year,

the 4 weeks are deducted from 52. Universal Credit will be calculated as weekly rent multiplied by 48 and divided by 12.

Tenants should be made aware of any rent free weeks they have so that they can notify DWP, this will help to avoid confusion and ensure payments are accurate.

7. Service charges

7.1 Universal Credit and service charges

Any eligible service charges will be paid directly to tenants as part of the single Universal Credit payment.

More information [about Universal Credit service charges – guidance for landlords.](#)

7.2 Ensuring tenants are aware of what service charges are eligible for Universal Credit

Landlords in the social rented sector are responsible

for clearly setting out to the tenant which of their service charges are eligible, in accordance with the eligible service charges regulations and guidance. The claimant will report this as part of their claim.

In the private rented sector, a tenant's total rent is usually made up of both rent and service charges, which are not separately identifiable.

DWP will not need to collect separate service charge information for the private rented sector group as DWP will pay the lesser of the total rent or the appropriate Local Housing Allowance.

8. Managed Payment to Landlord (Alternative Payment Arrangements)

8.1 Managed Payment to Landlord

If a tenant experiences difficulty in managing their single monthly payment or gets into difficulty paying their rent, the claimant, their work coach, Case Manager or their landlord can apply for a Managed

Payment to Landlord (MPTL).

This means we will pay the claimant's Universal Credit housing costs directly as a Managed Payment to the landlord (MPTL). This will be considered on a case by case basis.

An MPTL may apply from day 1 or at any point throughout the UC claim.

The amount of any managed payment you receive may change from month to month depending on the claimant's UC award, usually up to a maximum value of the eligible housing costs.

8.2 Application of a Managed Payment to Landlord request

UC staff will consider the need for a Managed Payments to Landlord using the APA tier 1 and tier 2 factor guidance.

The APA factors might include the following:

- addiction problems
- tenants in rent arrears

- mental health issues
- learning difficulties
- previously homeless

This list is not exhaustive. More detailed information about the tier factors can be found in the guidance [Alternative Payment Arrangements](#).

All APA's are subject to regular reviews to ensure that any Managed Payment to Landlord remains in the claimant's best interest.

8.3 Applying to have a Managed Payment to Landlord Alternative Payment Arrangement

If you have a tenant receiving Universal Credit you can apply for a Managed Payment To Landlord - MPTL request at any time by using the [Apply for a Direct Rent Payment service](#).

Apply for a Direct Rent Payment is a new online service for landlords to request direct payments of rent or rent arrears. It replaces the existing UC47 process.

If you're a social landlord you can also apply for a MPTL as part of the housing costs verification process, either by:

- using the [UC Landlord Portal to apply](#)
- the form Universal Credit sends to request housing cost details

You may also use the [Apply for a Direct Rent Payment service](#) which is a new online service for landlords to request direct payments of rent or rent arrears. It replaces the existing UC47 process.

Once the application has been processed the landlord will be advised of the decision. If the application is refused DWP cannot tell you the reason why. This is because of data sharing regulations and claimant confidentiality.

More [detailed information about requesting Alternative Payment Arrangements](#).

8.4 How DWP pay the Managed Payment to Landlord (MPTL)

Alternative Payment Arrangement (APA)

Private Rented Sector landlords

For private landlords, a Bank Automated Clearing System (BACS) payment will be paid into the bank account nominated by the landlord 7 days after the end of the claimants Universal Credit assessment period on a monthly basis.

The tenancy reference provided when requesting the MPTL, or the tenant's postcode and full name will be used as the BACS identifier and will appear on the payment transaction.

Social rented sector landlords

For social landlords the Third Party Deductions (TPD) Scheme will be used to pay the Alternative Payment Arrangement (APA) Managed Payment to Landlord (MPTL).

The TPD Scheme has a four weekly payment cycle.

Universal Credit payments are paid calendar monthly and equate to 12 assessment periods each year. This

means:

- DWP will assess what deductions (such as APA MPTL) can be made from Universal Credit payments 12 times each year at the end of each assessment period
- the APA MPTL is paid in the TPD payment cycle following a Universal Credit payment
- when a TPD payment cycle ends before DWP assess what deductions can be made from a Universal Credit payment, then any APA MPTL payment will be paid in the next TPD payment cycle
- 12 APA MPTL will be paid in 12 of the 13 TPD payment cycles

The first APA MPTL payment from the third party payments system is normally received within 6 to 8 weeks from the date deductions commence, for example, from the end of the assessment period in which managed payments commenced.

The MPTL APA is paid on the same day that landlords normally receive any third party rent arrears deductions and will be paid into the bank account

nominated by the landlord.

If you have multiple properties with MPTL's, then you will receive a single aggregated payment for all your tenants on a 28-day cycle and a schedule will be sent to you with a breakdown of all payments.

DWP will use the landlord's creditor reference number to pay both rent arrears and the managed payment APA to the landlord.

Payments will be shown as individual transactions, and will include an identifier to show whether the payment relates to rent arrears (RA) or APA (MPTL) payment.

A remittance note will be sent to the landlord which shows how the payments have been broken down.

When a managed payment APA or rent arrears deduction is paid through third party deductions, their claimant/tenant reference number will be annotated at the end with either:

- RA for rent arrears payments
- MP for managed payment

The claimant or tenant reference number shown on the Third Party Payment schedule are 18 characters.

To help with identification of the 2 types of payments, the tenant reference number is 16 characters long, allowing for the RA or MP suffix.

8.5 Third Party Payment Contact Centre

If you have any queries relating to your Third Party Payment schedule once the Alternative Payment Arrangement has been set up, you can contact the third party contact centre.

Third party contact centre

Telephone number: 0800 328 0128

(Monday to Friday, 8am to 6pm)

[Find out about call charges](#)

8.6 Enquiring about a Managed Payment to Landlord

In the first instance the landlord should engage with their tenant about the issue.

The tenant can use their online account to access and notify their landlord of any information they wish to provide to their landlord.

The tenant can share the information from their account with their landlord or other representative, if they wish to, as this contains information about housing payments made. The tenant should never share security details of their log in access to their online account with their landlord or provide the landlord with access to their online account.

The landlord must not:

- a. request the log-in details from the tenant and/or
- b. make disclosing these details or allowing access to the tenant's online account a condition of the tenancy

If more assistance is required, the claimant can seek this via their journal, face to face with their work coach or by contacting the service centre by telephone.

For landlords, the claimant must provide explicit

consent to share their personal information with their landlord or other representative via their journal, face to face with their work coach or by contacting the service centre by telephone on an instance by instance basis.

Find out more about Universal Credit consent and disclosure in the [Universal Credit consent and disclosure information guide](#).

When contacting Universal Credit, the claimant's representative will be asked to confirm their identity so the case manager can speak to the landlord direct. If you are unable to engage with your tenant, you can contact the following number 0800 328 5644.

[Find out about call charges](#)

When calling the service centre using the business as usual telephone number 0800 328 5644, the integrated telephony system will filter the call directly to the case manager dealing with the claim as long as some unique identification questions about the claimant can be answered. These include:

- the telephone number the claimant has

registered with Universal Credit

- their post code
- the first line of their address
- their date of birth

We recommend that the claimant is always to hand when any representative contacts the UC service centre on behalf of a claimant they are supporting.

The [Housing Queries Routeway](#) has more information.

Get local information and advice about Universal Credit by [contacting your regional partner manager](#).

8.7 Other APA Types

More [detailed information about other types of Alternative Payment Arrangements](#)

9. Recovering rent arrears from a Universal Credit claim

Universal Credit can only make deductions in respect of rent arrears for a debt owed on the

claimant's current address. If the claimant changes address any deductions being made will cease.

Arrears of rent and service charges for the property the tenant is currently living in are included in the list of deductions that can be made from a Universal Credit payment.

If your tenant has accrued rent arrears to the value of 2 months' rent or more, you can [request a managed payment or rent arrears deduction](#).

The maximum rate at which deductions for rent arrears can be made is 20% of the Universal Credit standard amount. This amount may differ depending on whether other deductions or any sanctions or fraud penalties apply.

More [information about help paying bills using your benefits](#).

The rate used will depend on the claimant's circumstances. Only the claimant can request a change to the percentage rate by contacting Universal Credit.

9.1 How DWP will pay rent arrears

deductions to the landlord

If approved, rent arrears deductions will be paid under the third party deduction (TPD) scheme.

More [guidance for creditors and suppliers receiving a third party payment](#).

Note: Creditor Reference Number: It is important that you provide your Department for Work and Pensions Creditor Reference Number (if you have one). This can be found on your last payment schedule preceded by 5 zeros. If you don't provide this number, it can result in significant delays of payment to you

For details of how to receive electronic payment schedules, an information pack or further information email:

customerpayments.edi@dwp.gov.uk.

10. Reporting changes

10.1 Changes that might affect a Universal Credit payment

Claimants are responsible for telling DWP of any

changes that might affect their Universal Credit payment. This includes things like:

- annual rent changes
- changes to eligible service charges
- separating from a partner

Where a Managed Payment to Landlord is in place, landlords are equally responsible for telling DWP of any changes they could reasonably know might affect the claimant's Universal Credit payment.

10.2 Changes which may affect or end the Managed Payment to landlord (MPTL) APA

Whilst a MPTL is in place the landlord must notify the department of any changes which a landlord can be reasonably expected to know which might affect the claimant's entitlement to Universal Credit and the amount awarded. For example, the claimant changes address.

When a claimant changes address the MPTL APA will cease from the end of the assessment period before the claimant changed address

If your tenant moves home and you need to end a MPTL, please contact the service centre immediately on 0800 328 5644.

[Find out about call charges](#)

If the MPTL is overpaid due to a change that has not been reported by either the claimant or the landlord, the landlord may be asked to repay the overpaid benefit. Universal Credit payments are made every calendar month and take account of changes during that month.

Note: If a claimant has earnings in a particular month that are higher than normal the claimant may get a lower Universal Credit payment for that month. This will reduce the value of any MPTL that may be in place; or no payment at all will be paid to the landlord if the claimant's earnings are high enough and they no longer qualify for Universal Credit.

The claimant is responsible for paying any shortfall in

their rent to their landlord.

DWP should notify you when the MPTL ceases but we cannot tell you the reason why. This is because of data sharing regulations and claimant confidentiality.

11. Paying for 2 homes

11.1 Universal Credit payments for 2 homes

Support through Universal Credit can be paid on 2 homes if:

- liability for 2 homes has arisen because of fear of violence in the normal home – in this case, both liabilities can be paid for up to 12 months as long as there is an intention to return to the original property
- a disabled person can't move into a new home because it needs adaptations – in this case the claimant must show that the delay is reasonable and if so, both liabilities can be paid for up to 1 month

- a family has been housed in 2 homes because of the size of the family. This is not time-bound.

The Universal Credit additional amount for housing costs can also be paid where someone is not able to occupy their home because of essential repairs, but will only cover either the housing costs of the other accommodation or the accommodation which they normally occupy as their home (not both).

If someone cannot move into accommodation immediately because they are in hospital or a care home, then the Universal Credit additional amount for housing costs can be paid on the new accommodation for up to 1 month.

12. Discretionary housing payments

This payment gives the claimant additional financial support so that they can meet a rent shortfall or other housing costs.

Universal Credit claimants can contact their local authority and apply for a [discretionary housing](#)

[payment](#).

The local authority decides on whether to award a discretionary housing payment.

13. Specialist accommodation needs

13.1 Universal Credit and supported housing

Universal Credit does not provide housing costs support for claimants living in Specified (Supported) Accommodation. In such circumstances, claimants will need to apply for Housing Benefit from their local authority for help with housing costs.

13.2 Universal Credit and temporary accommodation

Universal Credit does not provide support for housing costs for claimants living in local authority Temporary Accommodation due to homelessness. In such circumstances, claimants, will need to apply for [Housing Benefit](#) from their local authority for help

with housing costs.

14. Universal Credit Scottish Choices

14.1 If your tenant lives in Scotland

Find out [more about Universal Credit payment dates for people living in Scotland](#).

15. Complaints

You can provide feedback on the service you have received by using the [online complaints service](#).

Although the portal home page refers to JSA and Universal Credit customers, there is an agreement that landlords can also use the portal to comment or make a complaint.

The portal will request a National Insurance Number (NINO), you will need to enter a reference number in the format of a NINO in order to proceed.

You can also contact us using the information

contained within the [Housing Queries Route way](#).

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