

Renting and Universal Credit

A guide for landlords and letting agents



There are people who have experienced difficulties when trying to rent a property whilst on benefits.

This outdated practice – known as ‘No DSS’ despite the Department of Social Security not having existed since 2001 – can leave individuals and families without a home, simply because they are in receipt of housing support.

Thousands of letting agents and landlords let to benefit claimants with no problems at all. In the few cases where there are issues, support is available for both claimants and landlords.

This fact sheet highlights the support that’s on offer to help claimants pay their rent on time and in full.

“What if the tenant doesn’t pay their rent?”

That’s a risk with all tenants, and landlord insurance is available regardless of your tenant’s employment status. And with Universal Credit **extra support is available** if problems arise.

As long as your tenant gives consent, you can speak to their case manager about rent concerns. They will work with you to agree the best solution.

Should your tenant fall into ↗ **arrears**, you can apply for those arrears to be recovered for you, as long as the tenant remains in the property.

“I don’t think the tenant will be able to manage their money.”

It is sometimes appropriate to have rent paid to you directly. This alternative payment arrangement is known as a ↗ **Managed Payment to Landlord**.

All landlords can apply for a Managed Payment to Landlord from the start of a Universal Credit claim using the online Apply for a Direct Rent Payment service.

“I don’t want to let to someone without a job.”

Universal Credit can include money towards housing costs, so if your tenant finds themselves out of work they could still get help to pay their rent. And remember that Universal Credit is claimed by people in a variety of circumstances including:

- In work
- In education or training
- Caring for young children
- Looking for work
- Unable to work due to a disability or health condition

“My mortgage lender won’t allow me to let to people on benefits.”

Please **check** with your mortgage lender. There have been many changes over the last few years. The majority of lenders do not have these restrictions now, even if they did previously.

“I heard it can take a long time for claimants to get their money.”

The vast majority of new claims are paid in full and on time.

Support is available to help ensure new claimants have set up their claim correctly and can receive financial support as quickly as possible.

Where a claimant cannot wait 5 weeks for their first payment, they can apply for a repayable ↗ **advance**.

They could borrow up to the same amount as their first estimated Universal Credit monthly payment, which could include an amount towards housing costs.



For more information visit ↗ [understandinguniversalcredit.gov.uk/landlords](https://www.understandinguniversalcredit.gov.uk/landlords) where you can also find out how to contact the DWP partnership teams.