



# Managing your money and paying your rent

How to make the most of your Universal Credit  
payments in Scotland

This guide can help you:

- ➔ Get the right bank account
- ➔ Draw up a budget
- ➔ Pay your rent
- ➔ Deal with rent arrears
- ➔ Get online



the Money  
Advice Service



**UC** Universal  
Credit

# Here to help you

The **Money Advice Service** is independent and set up by government to help people make the most of their money by giving free, impartial advice. As well as advice about getting ready for Universal Credit, we offer information on a wide range of other money topics.

Visit our website today for advice, tips and tools to help you make informed decisions.

 [moneyadviceservice.org.uk](https://moneyadviceservice.org.uk)

**Free impartial advice**

 on the web

 on the phone

## This guide is for you if you want to know more about Universal Credit

### It can help you:

- make a new claim
- use the right bank account to manage your money
- work out how to pay your rent directly to your landlord
- think about how to make a single payment last a month
- set a budget to plan your spending
- get online and feel confident using a computer.

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# What you need to know about Universal Credit in Scotland

- ⇒ You may have to wait up to five weeks for your first payment, so don't delay your claim.
- ⇒ Universal Credit will be paid directly into your bank account.
- ⇒ You'll get one monthly payment for your whole household.
- ⇒ Any help you get with your rent will be included in your payment.
- ⇒ After you've got your first payment, you can choose twice monthly, rather than monthly payments.
- ⇒ You can also choose to have your rent paid directly to your landlord.
- ⇒ Most people make and manage their Universal Credit claim online.

## 1 Getting the right bank account

### Make sure that you use a bank account that:

- lets you receive automated payments – because that is how your Universal Credit will be paid
- allows you to set up Direct Debits or standing orders to pay your rent and other bills after you've got your first payment.

If you've not used Direct Debits or standing orders to pay rent or regular bills before, talk to your bank about how to arrange the best date for payments to go out to avoid the risk of you going overdrawn.

Don't set up any Direct Debits or standing orders until you know how much Universal Credit you'll be getting and you've got your first payment.

If the money goes out before this, you might go overdrawn and have to pay charges or fees to the bank.

### Fee-free basic bank accounts

If you don't qualify to open a standard bank account, for example because you've never had a bank account or you've got a poor credit history, you might be able to apply for a fee-free basic bank account.

Fee-free basic bank accounts allow you to make and receive payments but you can't get an overdraft. You won't pay any charges for using your account. However, if you miss regular payments you may still have to pay fees to the people you owe money to.

Find out more about which banks or building societies offer fee-free basic bank accounts at:

👉 [moneyadviceservice.org.uk/fee-free-basic-bank-accounts](https://moneyadviceservice.org.uk/fee-free-basic-bank-accounts)

### Bank accounts if you are claiming as a couple

If you're in a couple and you're both getting Universal Credit, you can choose to have your Universal Credit paid into a joint or single account. Talk to your partner about what works best for both of you.

### Next steps

Find out more about the different types of bank account and pros and cons at:

👉 [moneyadviceservice.org.uk/choose-the-right-bank-account](https://moneyadviceservice.org.uk/choose-the-right-bank-account)

# 2 Draw up a budget

## You can choose to receive your Universal Credit payment twice a month, or once a month

Whichever way you choose to get paid, you need to think of ways to make sure you have enough money to last until your next payment.

## Split your spending into essential and non-essential items

Take a look at your spending and create two lists: one for things you really need, and another for things you could live without.

## Shop around for better deals

With the essentials, like your gas and electricity or your phone, see if you can switch to a better deal. And look out for discounts and vouchers when food shopping.

Find great ways to save at:

[moneyadvice.service.org.uk/my-money](https://moneyadvice.service.org.uk/my-money)

## Cut back on anything you don't need

Be ruthless – cut as many non-essentials as you can. Even small things like newspapers and sweets quickly add up.

Use the handy checklist on the next page to write down how much you have coming in and everything you spend each month.

If you want to do a more detailed breakdown of your income and outgoings, use our online budget planner to help you.

Find our Budget planner tool at:  
[moneyadvice.service.org.uk/budgetplanner](https://moneyadvice.service.org.uk/budgetplanner)

## Money Manager tool

Make the most of your Universal Credit payment with personalised help from our Money Manager tool at:

[moneyadvice.service.org.uk/money-manager](https://moneyadvice.service.org.uk/money-manager)

# Budget Planner

## Income

Universal Credit

Earnings from work

Other benefits

Pensions

Other income

**Total income:**

## Essential costs

Rent or mortgage

Council Tax

Gas and electricity

Water

Phone and broadband

Transport and travel

Care and health costs

School and childcare costs

Child Maintenance

Insurances

Professional costs

Other essential costs

**Total essential costs:**

## Flexible costs

Personal costs

Food and housekeeping

Communications and leisure

**Total flexible costs**

**Total monthly outgoings (essential and flexible):**

If you're struggling with debt you can get free confidential debt advice today at:

[moneyadvice.service.org.uk/debt](https://moneyadvice.service.org.uk/debt)

## Priority debts

Rent or mortgage arrears

Council Tax

Gas and electricity

Water and sewerage

Child Maintenance

Court fines

**Total priority debts:**

## Non-priority debts

Overdraft

Credit cards

Personal loan

Car finance loan

Other loans

Store or catalogue payments

Loans from friends or family

**Total non-priority debts:**

**Total income minus total costs and total debts:**

£

# 3 Think about how you'll pay your rent

**If you choose to pay your rent directly to your landlord, here are some ways to make sure you pay your rent on time**

**Make sure your rent date is just after you get paid**

When you know the date your Universal Credit payment will be paid every month, ask your landlord if you can move the date you pay your rent to just after you get your Universal Credit payment – or wages if you're working.

**Set up a Direct Debit or standing order**

You can ask your bank to do this but wait until you've got your first payment. Your rent money will go to your landlord automatically on the same day each month and you won't have to remember to do it.

**Put your rent in a separate account**

Then set up a standing order so your rent goes straight into this account and sits there until rent day.

**Open a jam jar or rent account**

Jam jar accounts let you put your money into separate pots to keep it separate. You can have pots for rent, food and bills, making it easier to manage your payments. Some credit unions and housing associations offer jam jar accounts. You may have to pay a monthly fee.

**Get a prepaid card**

Put your spending money onto your card and leave money for your rent and other bills in your bank account.

# 4 If you go into rent arrears

**If you think you're going to be late with your rent:**

- always talk to your landlord, housing association or council before there's a problem
- open their letters and return their calls
- try to work with them to find a practical solution.

All these things will show you are making an effort to keep on top of things.

**If you are already in rent arrears:**

- you can ask your work coach to have your rent paid directly to your landlord.

If you want to carry on paying rent yourself ask your work coach for a more frequent payment. This may help you to pay your rent on time.

Find our Debt Advice Locator tool at [moneyadviceservice.org.uk/debt](https://moneyadviceservice.org.uk/debt)

**If you are paying back rent arrears:**

- tell your work coach if the repayments are too high and you risk going into more debt. They can help to set them at a rate you can afford.

**Advice about rent arrears or eviction:**

**Shelter**

0808 800 4444

[Scotland.Shelter.org.uk](https://Scotland.Shelter.org.uk)

**Citizens Advice Scotland**

0808 800 9060

[cas.org.uk](https://cas.org.uk)

**If you need help with your claim**

Call the **Universal Credit helpline**

free on:

Telephone: 0800 328 9344

Textphone: 0800 328 1344

If you already have an online account and journal you should call the **Universal Credit full service helpline** on:

Telephone: 0800 328 5644

Textphone: 0800 328 1344

8am - 6pm, Monday to Friday (closed on bank and public holidays). Calls are free.









the **Money**  
**Advice Service**

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Money Advice Line **0800 138 7777\***  
Typetalk **1800 1 0800 915 4622**

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\*Calls are free. To help us maintain and improve our service, we may record or monitor calls.

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