

https://www.housingrights.org.uk/landlords/social-security-benefits/universal-credit-landlords

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# **Universal Credit for landlords**

This information is for private landlords. Private tenants can find information and advice here.

Your tenants may need help with paying their rent. Usually, this means applying for Universal Credit.

Some tenants will need to claim Housing Benefit instead of Universal Credit.

## **Applying for Universal Credit**

Tenants have to <u>apply for Universal Credit online</u>. An <u>advice agency</u> can help if they cannot do this by themselves.

You'll need to give your tenants:

- your name and email address
- something that shows the full rent amount, such as a tenancy information notice, a tenancy agreement or a letter
- your bank account details if you want direct payments made to you

## Waiting for the first Universal Credit payment

A person usually gets their first payment between five and six weeks from the date they applied. It can take longer if the applicant hasn't sent all the information needed.

Tenants moving from Housing Benefit to Universal Credit may be able to get a 'run-on' payment. This is an extra two weeks of Housing Benefit that will help

while they wait for their first Universal Credit payment.

Tenants may also be able to <u>get a grant or loan while they're waiting for their first</u> payment. Your tenants should get advice if they're worried about paying rent.

## How often Universal Credit is paid

Universal Credit is paid once a month. The payment date depends on when your tenant started their claim. A tenant who claims on the 15th of a month will usually get their payment on the 22nd of the next month.

Universal Credit pays in arrears. This means your tenant cannot make a claim until after they have moved into the property.

## How much Universal Credit pays towards rent

Universal Credit makes one payment directly to a claimant for living costs. This can only be paid to your tenant.

A separate payment, called housing costs, is paid to help with rent. This can be paid to you or your tenant.

Universal Credit usually won't cover the full amount of rent in a private rented property. There is a maximum amount of housing costs Universal Credit will pay. The amount your tenant receives will depend on their own circumstances. There will often be a shortfall which the tenant has to make up.

When deciding how much to pay in housing costs, Universal Credit considers the tenant's:

- personal circumstances
- income, savings and assets
- household or family, their income and circumstances

## Extra help if Universal Credit doesn't cover the full rent

If the tenant needs more help, they could apply for a **Discretionary Housing**Payment (DHP). This is a top-up which can be awarded by the Housing Executive. The Housing Executive will look at the tenant's financial situation. Housing Rights can help tenants to apply for this payment.

#### Help to pay rates

Universal Credit does not help with rates. Your tenants have to <u>apply for a Rate</u> Rebate to get help with rates.

A Rate Rebate is credited to the property's rates account. The tenant cannot get a cash payment instead.

You'll need to <u>set up your own Rate Rebate account</u> for the rebate to be credited.

# **Who Universal Credit pays**

Your tenant can choose whether they or you receive the housing costs payment. Remember their housing costs payment may not cover all of the rent. So you will need to talk with them about how any shortfall will be covered

Sometimes the first payment can mistakenly go to the tenant even if they've been told it will be paid to you.

Make sure to check your bank account regularly. Speak to your tenant if you haven't had a payment when you were expecting one.

#### Figuring out which payment is which

Some landlords may have lots of tenants claiming Universal Credit. It can be hard to know which payment is for which tenant.

You have to create a 16-digit tenancy ID when you set up a payment for each tenant. This will be used as the reference for your BACS payments.

# Set up a direct payment if your tenant owes rent

You can ask Universal Credit to pay the housing part of your tenant's claim to you, instead of the tenant. They can only do this against the tenant's wishes if they owe at least two months' rent.

Use this form to ask for payments to go to your bank account.

You can also ask for a deduction from your tenant's Universal Credit to go towards rent arrears. You can only do this if they are still claiming Universal Credit for your property.

Use the form in this booklet to apply for a deduction.

# Tenants who move out during their assessment period

Your tenant's housing costs payment is based on their circumstances at the end of an assessment period.

This can cause problems for a tenant who moves to a new property or ends their tenancy before their assessment period ends.

You shouldn't have problems with this type of tenancy change as long as your tenant paid the first month's rent in advance.

<u>Contact Landlord Advice</u> if you're worried that your tenant hasn't paid all they owe.

## Getting help with Universal Credit problems

Landlord Advice can help with general questions about Universal Credit.

If you need to talk about specific payments, you can call Universal Credit on <u>0800</u> 012 1331. Universal Credit normally only speaks to the tenant about their claim.

Universal Credit can speak to you about your tenant's claim if:

- 1. you have your tenant's date of birth and national insurance number, and
- 2. your tenant adds a note to their claim journal giving permission for you to speak to Universal Credit about the housing element of their claim

## More advice

- Getting help towards rent
- Issues with social security benefits