Opening Speech: The Successful Legacy Appeals Compensation Scheme



Jane Crawford
November 2026

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Successful Legacy Appeals Compensation Scheme

Some claimants could be eligible for a large payout!

Need to make a claim!

BUT the DWP is not trawling records to find eligible claimants!

Some could get £ thousands!

Most claimants won't know the scheme exists!

ucnotes HousingSystems

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Successful Legacy Appeals Compensation Scheme

Background –

- **Rollout of UC**
- **Why this new scheme exists**

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UC has replaced…

'Legacy' benefits

- Housing Benefit*
- Income Related ESA
- Income Based JSA
- Income Support
- Child Tax Credit
- Working Tax Credit

***Unless living in 'specified' or 'temporary' accommodation…**

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'Move to UC' – the Three Routes

'Natural migration'	'Voluntary migration'	'Managed migration'
Change in claimant's circumstances triggered need to claim UC. (No new claims for 'legacy benefits' – claim UC instead)	Some claimants actively chose to claim UC – eg. if better off.	Forced move onto UC. DWP selected legacy benefit claimants and set a deadline to claim UC.
Transitional SDP Element / Payment 'protected' the loss of the Severe Disability Premium (plus) for many. BUT no protection for others / if worse off overall!		Transitional Element For most worse off on UC

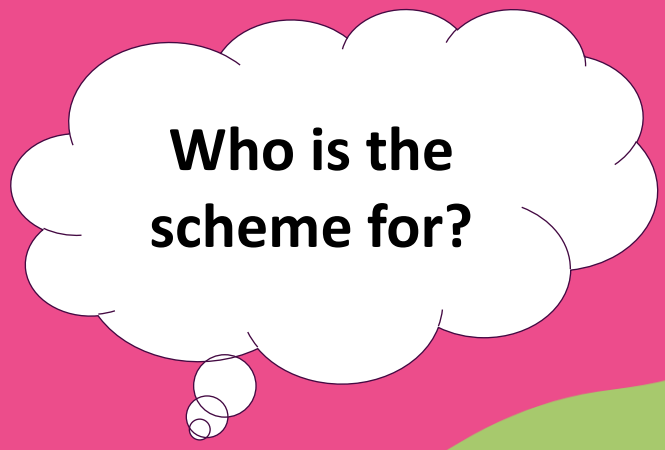
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Transitional Protections – moving to UC

Managed Migration Transitional Element	Transitional SDP Element / Payment	Claimed UC in any other circumstances
For those who successfully moved to UC under the Managed Migration process	For those who had a Severe Disability Premium in IR-ESA/IS/IB-JSA within the month before UC award started (and were not entitled to Managed Migration TE)	There was no Transitional Protection! And no going back to legacy benefits! 

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Successful Legacy Appeals Compensation Scheme



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Scheme to compensate those who

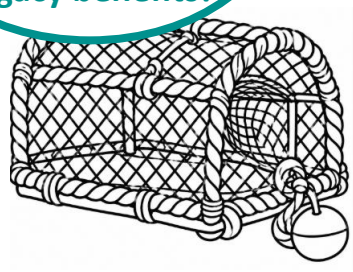
- Had to make a claim for UC because their legacy benefit was terminated incorrectly
- Claimed UC within one month of their legacy benefit ending
- Were worse off on UC
- Challenged the decision to terminate their legacy benefit and won

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The decision to terminate their legacy benefit was found to be incorrect

BUT
If had claimed UC – there was no way back to legacy benefits!

Even if they were worse off.





Challenged the decision to terminate their legacy benefit and won

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Who is the scheme for?

Jim was on IR-ESA (with Support Component & Carer Premium) & HB. He moved to a rented flat in a different LA area in 2019.
That triggered the need for him to claim UC. He was worse off.

This compensation scheme is not for these circumstances

Mina was incorrectly advised that she would be better off on UC, so she claimed in 2021 – but she was actually worse off!

Could lodge a complaint to the organisation that mis-advised

This compensation scheme is not for these circumstances

Megan was on IR-ESA & HB.
Her IR-ESA was terminated in 2019.
She claimed UC and was worse off.
She appealed the ESA decision and won, but was stuck on UC.

Might be entitled to compensation

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Successful Legacy Appeals Compensation Scheme

Why was the scheme introduced?

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Court of Appeal Ruling 12th May 2020

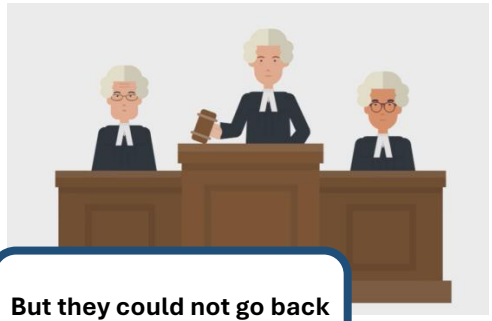


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Court of Appeal Ruling 12th May 2020

DWP's failure to provide transitional protection for claimants who transferred to Universal Credit following an incorrect legacy benefit decision was unlawful.

TD, AD and PR v Secretary of State for Work and Pensions [2020] EWCA Civ 618



TD was lone parent/carer of AD. In 2017 her IS was stopped and she was advised to claim UC.

PR was a single claimant. In 2017 her ESA was stopped and she claimed UC.

Both TD and PR were worse off on UC.

Both TD and PR successfully challenged the decision to end their legacy benefit.

But they could not go back onto legacy benefits.

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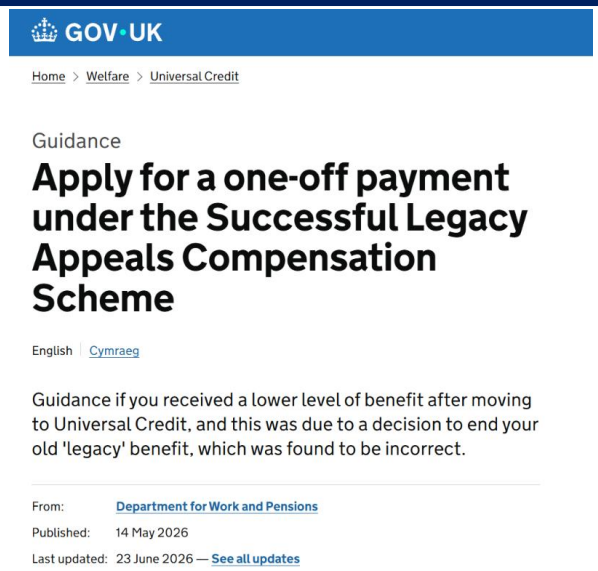
They were entitled to legacy benefits, and would have continued to be entitled to exactly the same benefits, if it had not been for what in law amounted to errors made by the* [DWP]. *Furthermore, those errors were subsequently acknowledged by the* [DWP] *through the review process.

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The Successful Legacy Appeals Compensation Scheme

6 years after the Court ruling…

DWP launched the scheme in May 2026



GOV·UK

Home > Welfare > Universal Credit

Guidance

Apply for a one-off payment under the Successful Legacy Appeals Compensation Scheme

English | Cymraeg

Guidance if you received a lower level of benefit after moving to Universal Credit, and this was due to a decision to end your old 'legacy' benefit, which was found to be incorrect.

From: Department for Work and Pensions
Published: 14 May 2026
Last updated: 23 June 2026 — See all updates

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Scheme to compensate those who

Had to make a claim for UC because their legacy benefit was terminated incorrectly

Claimed UC within one month of their legacy benefit ending

Were worse off on UC

Challenged the decision to terminate their legacy benefit and won

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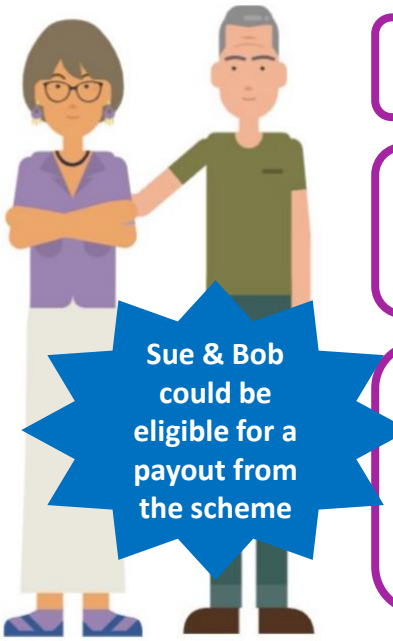


In 2019, Megan was on Income-Related ESA (in the WRAG) and Housing Benefit. Her IR-ESA ended when she was found fit for work after a review. She claimed UC as soon as she got this decision.

She later challenged the IR-ESA decision and won at appeal stage, but was stuck on UC.

She was worse off, as on UC two non-dependant deductions were taken for her twin sons – both aged 23 and getting UC as jobseekers.

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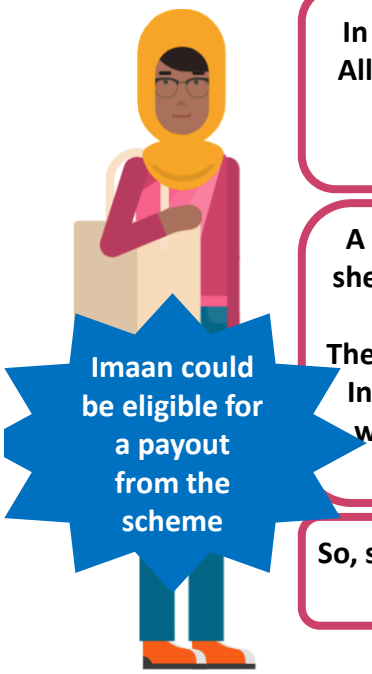


In 2020, Sue (then 67) and Bob (then 60) were claiming IS and HB. Bob was the main claimant of the HB.

They moved to a more suitable property in the same Local Authority area and their HB stopped. They claimed UC but were much worse off due to the loss of the pensioner premium.

They were unhappy at the loss of income and so asked HB to look at whether they should have lost their HB. The LA agreed that they should have been allowed to keep their HB as this was a change in circumstances a new HB claim was not needed. However, they could not go back to IS and HB due to the "lobster pot effect".

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In 2019, Imaan was claiming Income Support to top up her Carers Allowance, CTC for her two young children, HB and PIP for herself. Sadly, her dad, who she was caring for, died and her Carers Allowance and Income Support stopped 8 weeks later.

A couple of weeks after that, she spoke to the DWP who told her she had to claim UC – which she did. But she was worse off (due to the loss of the Disability Premium) and so she sought advice. The adviser explained that she should have been allowed to stay on Income Support as a lone parent, but the best they could get her was the two weeks she'd had no income due to the delay in her claiming UC.

So, she challenged the DWP's decision to end her IS – and won at MR stage. She was awarded IS for those two weeks.

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Successful Legacy Appeals Compensation Scheme

How does someone claim?

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How to claim



Download the application form at gov.uk: https://www.gov.uk/guidance/apply-for-a-one-off-payment-under-the-successful-legacy-appeals-compensation-scheme#how-toapply



By letter – answer the application form questions. Send letter or application form to: Freepost, Lowestoft Jobcentre, Post Handling Site B, Wolverhampton, WV99 1NH. RTGC-GJXX-GSKR



Tel: 0800 158 5557
Welsh language, Relay and BSL available

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The form is quick and easy to complete!

Successful Legacy Appeals form

Apply for a one-off compensation payment under the Successful Legacy Appeals Compensation Scheme.

Check if you are eligible

Section 1 – Previous benefits

1. Have you ever received any of these benefits:
   - Employment Support Allowance (income-related)
   - Income Support
   - Jobseeker's Allowance (income-based)
   - Tax credits
   - Housing Benefit

   Yes ( )
   No ( )

2. Did your benefit stop because a decision was made that ended your entitlement?

   Yes ( )
   No ( )

3. Did you make a successful claim for Universal Credit within one month of the date of that decision?

   Yes ( )
   No ( )

4. Was the decision to end your benefit reversed?

   Yes ( )
   No ( )

Which of these benefits were you receiving before you made your claim for Universal Credit?

[ ] Employment Support Allowance (income-related)

[ ] Income Support

[ ] Jobseeker's Allowance (income-based)

[ ] Housing Benefit

[ ] Tax credits – this includes Child Tax Credit, Working Tax Credit, disability element for children and disability element for adults (disabled worker element)

What date did [that/those] [benefit/benefits] stop?

If you are not sure, give an approximate date to help us find your claim.

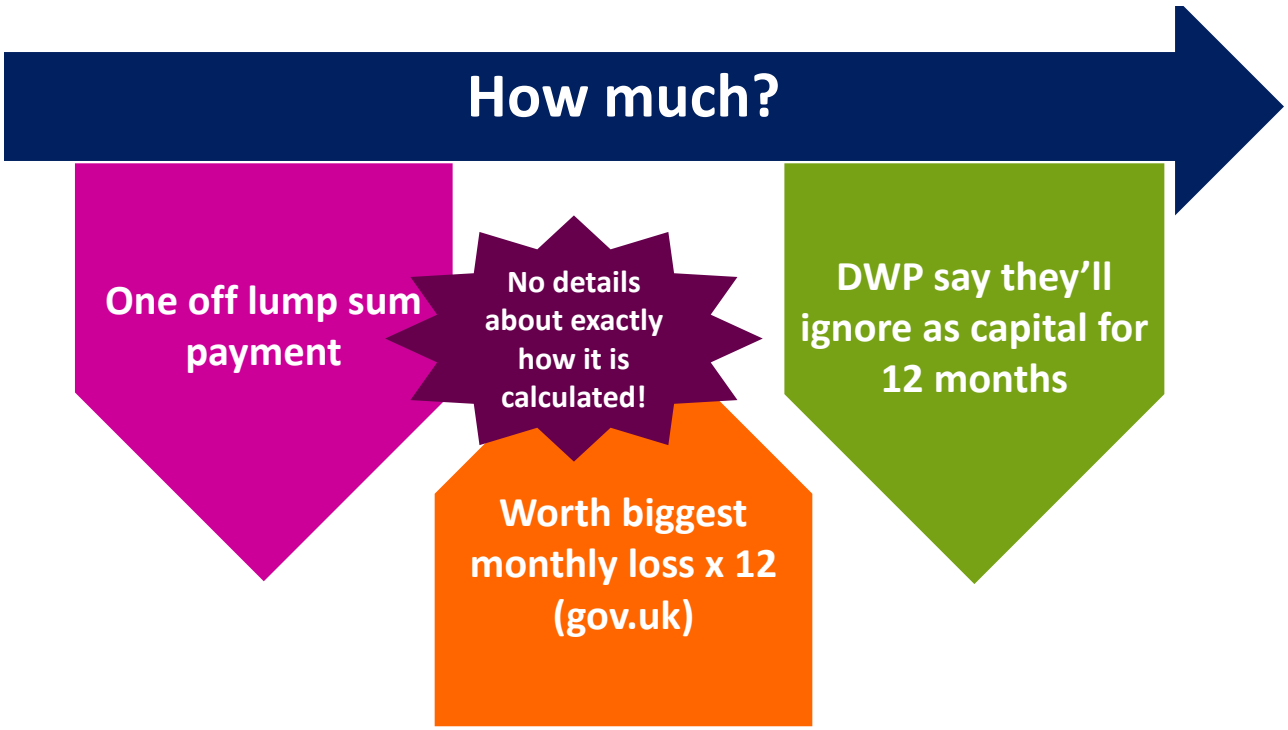
Date (Month / Year):

If claimant has supporting evidence, e.g. benefit award letters, bank statements showing payments, rent account statements showing HB direct payments - attach.

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Successful Legacy Appeals Compensation Scheme
How much could someone get?

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How much?
One off lump sum payment
No details about exactly how it is calculated!
DWP say they'll ignore as capital for 12 months
Worth biggest monthly loss x 12 (gov.uk)

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In 2019, Megan was on Income-Related ESA (in the WRAG) and Housing Benefit. Her IR-ESA ended when she was found fit for work after a review. She claimed UC as soon as she got this decision.

She later challenged the IR-ESA decision and won at appeal stage, but was stuck on UC.

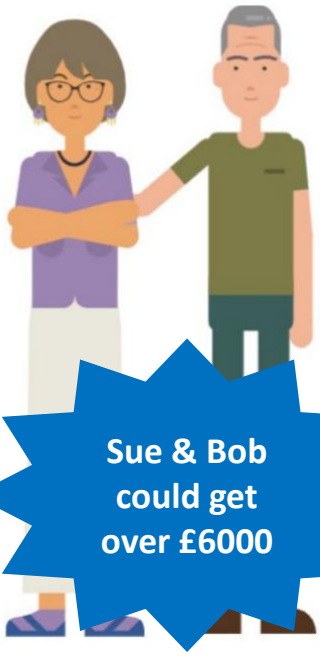
She was worse off, as on UC two non-dependant deductions were taken for her twin sons – both aged 23 and getting UC as jobseekers

Megan could get over £1700

We don't know if the 2019 figures or the 2026 figures would be used in calculating the biggest monthly loss

So she could get over £2300!

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In 2020, Sue (67) and Bob (60) were claiming IS and HB. Bob was the main claimant of the HB.

They moved to a more suitable property in the same Local Authority area and their HB stopped. They claimed UC but were much worse off due to the loss of the pensioner premium.

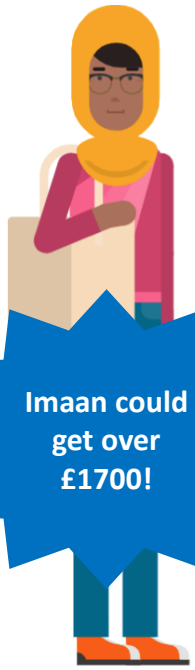
They were unhappy at the loss of income and so asked HB to look at whether they should have lo
The LA agreed that they should have
keep their HB as this was a change in ci
wever,
bs

Sue & Bob could get over £6000

Or if they use the 2025/2026 figures…

Sue & Bob could get over £10,000

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Imaan could get over £1700!

In 2019, Imaan was claiming Income Support to top up her Carers Allowance, CTC for her two young children, HB and PIP for herself. Sadly, her dad, who she was caring for, died and her Carers Allowance and Income Support stopped 8 weeks later.

A couple of weeks after that, she spoke to the DWP who told her she had to claim UC – which she did. But she was worse off (due to the loss of the Disability Premium) and so she sought advice. The adviser explained that she should have been allowed to stay on Income Support as a lone parent, but the best they could get her was the two weeks she'd had no income due to the delay in her claiming UC.

So, [illegible] end h[illegible] those t[illegible]

Or if they use the 2025/2026 figures…

She could get over £2200!

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Successful Legacy Appeals Compensation Scheme

Must have challenged the decision to terminate their legacy benefit and won…

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Scheme to compensate those who

Had to make a claim for UC because their legacy benefit was terminated incorrectly

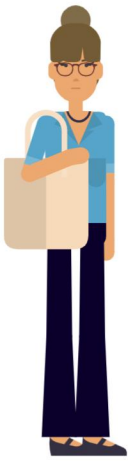
Challenged the decision to terminate their legacy benefit and won

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Challenged the decision to terminate their legacy benefit and won

Must have had the decision overturned after they:

- **Asked to have the decision looked at again**
- **Asked for a Mandatory Reconsideration (revision) of the decision**
- **Appealed the decision**



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Challenged the decision to terminate their legacy benefit and won

Must have had the decision overturned after they:

- Asked to have the decision looked at again
- Asked for a Mandatory Reconsideration (revision) of the decision
- Appealed the decision

MR requests must normally be made within 13 months of the decision

No time limit if there was 'official error'!

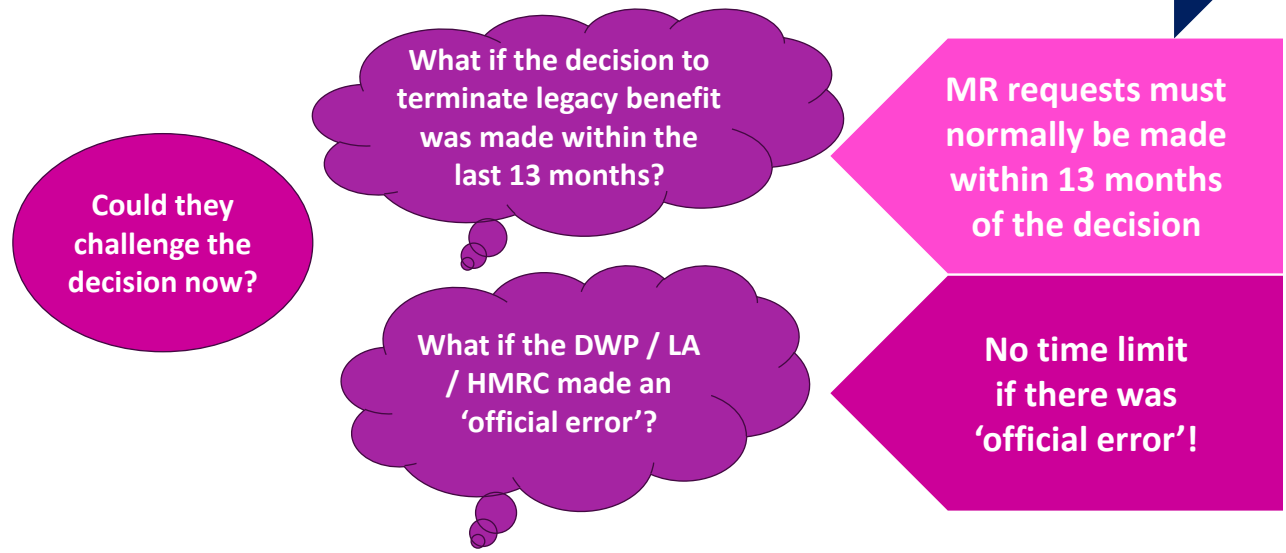
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Challenged the decision to terminate their legacy benefit and won

What if they didn't challenge the decision?

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Challenged the decision to terminate their legacy benefit and won



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OFFICIAL ERROR:
an error made by DWP, LA or HMRC
(or anyone providing services on their behalf)
which was not materially contributed to
by any person outside that authority
(eg the claimant)

NOTE: – Most incorrect Work Capability Assessment decisions are unlikely to be official error. However, if the DWP ignored relevant evidence, for example, there could be official error.

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The decision to terminate IS was an official error – no time limit to challenge!

She could challenge the decision now!

In 2019, Imaan was claiming Income Support to top up her Carers Allowance, CTC for her two young children, HB and PIP for herself. Sadly, her dad, who she was caring for, died and her Carers Allowance and Income Support stopped 8 weeks later.

If she wins her MR/appeal she can then apply to the compensation scheme!

A coup… she h… the I… …ad… …come Sup… …oke to the DWP who told her …ut she was worse off (due to …) and so she sought advice. …have been allowed to stay on …nt, but the best they could get her …the two weeks …e'd had no income due to the delay in her claiming UC.

She did not bother challenging the DWP's decision to end her IS at the time.

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What can we do?

Do we know of claimants who did not challenge but could do now?



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Winston and Rose were on Income-Related ESA (WRAG) and HB. But when Winston turned State Pension Age in October 2019, their HB was terminated. So they claimed UC, which caused Rose's IR-ESA award to end.

They speak to an adviser today, who confirms that their HB was incorrectly terminated.
When they became a mixed age couple, Winston's new pension income was low enough that Rose's IR-ESA could have continued for them both (it would have included the Pensioner Premium). Their working age HB could therefore have continued too.
They would have been £580 per month better off!

As the decision to terminate their HB was an official error – they are not too late to challenge it.

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Successful Legacy Appeals Compensation Scheme

What if they didn't claim UC within one month of being told their legacy benefit had ended?

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Scheme to compensate those who

- Had to make a claim for UC because their legacy benefit was terminated incorrectly
- Were worse off on UC
- Claimed UC within one month of their legacy benefit ending
- Challenged the decision to terminate their legacy benefit and won

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Did not claim UC within one month?

- Contact CPAG's Early Warning System!
- Those who waited over one month after they found out that their legacy benefit ended before they claimed UC

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The DWP will look for those who need compensation

TRUE 👍

FALSE 😳

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The DWP will look for those who need compensation

FALSE 😳

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Successful Legacy Appeals Compensation Scheme

What can we do?

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What can we do?

Identify customers who could be eligible



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What can we do?

Get the information out there!



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What can we do?

Let customers know the scheme exists

Leaflet



The Successful Legacy Appeals Compensation Scheme

This Scheme is for you if:

- ✓ You claimed Universal Credit within a month of a legacy benefit ending, and
- ✓ You were worse off on Universal Credit, and
- ✓ Your legacy benefit had been incorrectly terminated, and
- ✓ The decision to end that legacy benefit* was reversed.

*Legacy benefits are: Income Support, Income-Based Jobseeker's Allowance, Income-Related Employment and Support Allowance, Housing Benefit, Child Tax Credit and Working Tax Credit.

IMPORTANT: If you think you may be due a payment from this Scheme, you MUST apply for it. The DWP are not seeking out people who might be entitled.

Based on the information known at time of going to print: Sept 2026. Rules are subject to change.

Could I be entitled to a payment from this Scheme?

You could be entitled to payment from this Scheme if:

- ☑ You were getting a legacy benefit, and
- ☑ The DWP, HB Office or HMRC made a decision to end that benefit, and
- ☑ You claimed Universal Credit within a month of your legacy benefit ending, and
- ☑ You were worse off on Universal Credit, and
- ☑ The decision ending your legacy benefit was later overturned, and
- ☑ There was no other reason why you claimed Universal Credit when you did, and
- ☑ Your IS, IB-JSA or IR-ESA did not include a Severe Disability Premium.

It doesn't matter how long ago you moved onto Universal Credit.
IMPORTANT: If you're not sure, speak to a Benefits Adviser

How do I apply?	You can: Download and print the application form from gov.uk, complete and return it to the address provided, or Write a letter that answers all the questions and send it to the same address, or Struggle to do the above? Call the Helpline on: 0800 158 5557
How much will I get?	If entitled, you will receive one lump sum payment. The amount of the lump sum will be worked out by taking the biggest monthly loss and multiplying this by 12.
How will a lump sum payment affect my other benefits?	Any lump sum payments from this Scheme will be treated as capital and ignored for 52 weeks. After 52 weeks it will only affect your entitlement to UC if your total capital is worth £6,000 or more.

IMPORTANT: If you don't have proof that you were getting one of the legacy benefits, or that the decision ending it was overturned, don't be put off applying. The team processing the applications should be able to check.

Didn't challenge the ending of your legacy benefit?

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What can we do?

Let customers know the scheme exists

Wording on emails / letters Eg…

Did you know?

Some Universal Credit claimants can get compensation if they are worse off on UC. If you made your claim for UC because your legacy benefit was incorrectly ended, see the information here https://www.gov.uk/guidance/apply-for-a-one-off-payment-under-the-successful-legacy-appeals-compensation-scheme#full-publication-update-history or speak to a benefits adviser.

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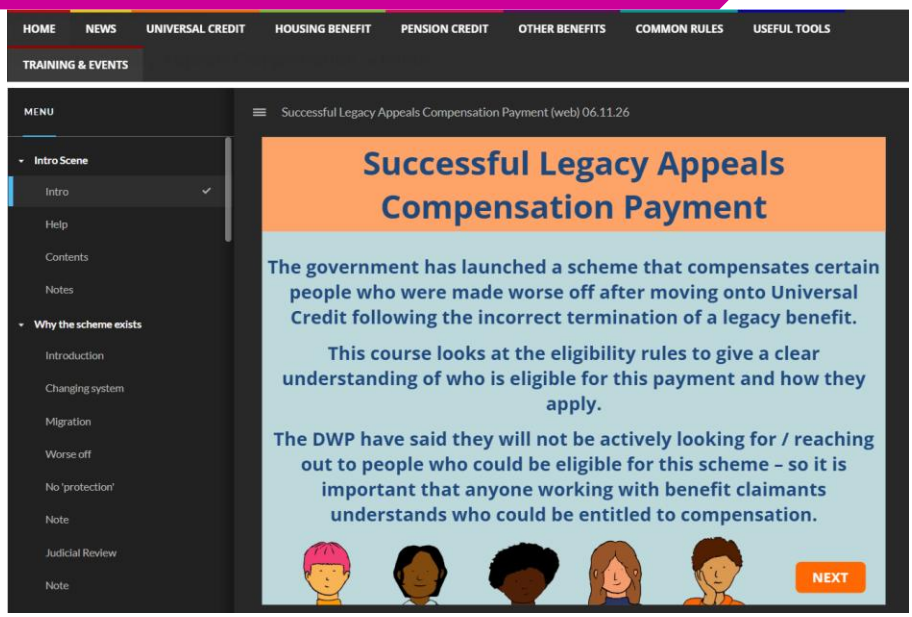
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Learning resource for advisers:

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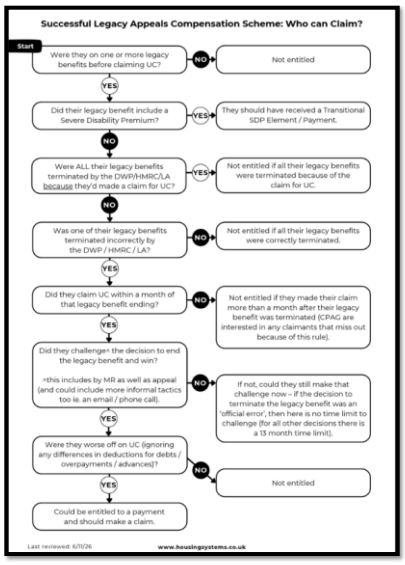
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Our open access E-Learning course!



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Flowchart in your conference pack!



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