



The Scottish Parliament
Pàrlamaid na h-Alba

Social Justice and Social Security Committee

Sir Stephen Timms MP
Minister of State for Social Security and Disability
UK Government

27 October 2025

Dear Minister,

Low Income and Debt Problems – Request for an Updated Statement of Impact

The Social Justice and Social Security Committee held an inquiry on low income and debt problems earlier in this parliamentary session and subsequently published its report: [‘Robbing Peter to Pay Paul: Low Income and the Debt Trap’](#).

The Committee received [a brief response](#) to this report from one of your predecessors. As several of the report’s recommendations were directed at the UK Government, the Committee would very much welcome a more detailed update on the actions taken and their impact.

I am therefore writing to request an updated statement on the measures the UK Government has implemented to support people on low incomes who are managing debt, and the outcome of those measures.

To assist with this request, we have reproduced the relevant recommendations from the report in an annex to this letter.

The Committee values your engagement and looks forward to receiving a written update on progress and impact. We would be grateful to receive your response by **Friday 28 November**.

This letter has been copied to the Secretary of State for Scotland.

Yours sincerely,

Bob Doris MSP
Deputy Convener
Social Justice and Social Security Committee

Contact: Social Justice and Social Security Committee, The Scottish Parliament, Edinburgh, EH99 1SP. Email SJSS.committee@parliament.scot. We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

Annexe

UK Government Recommendations from Social Justice and Social Security Committee's Report, ['Robbing Peter to Pay Paul: Low Income and the Debt Trap'](#).

Theme: Impact of the rise in energy prices
Recommendation: In our consideration of the Scottish Government's proposed Tackling Fuel Poverty Strategy, we previously asked: The Scottish Government to make use of its devolved powers to the full extent to make sure that social security benefits are used for maximum impact on tackling fuel poverty, particularly for disabled children and adults who face higher costs to meet their needs. We reiterate this ask and urge the Scottish and UK Governments to continue to consider what more could be done to alleviate the burden of rising inflation, increased energy prices and the cost of living on low income households and to target support at those most in need. The Scottish and UK Governments must use experience and learning from the Covid-19 pandemic and economic crisis to develop a framework for distributing emergency funding in a fair and timely manner. We urge both governments to seek clarity from energy companies on what current actions are being taken to address fuel poverty, including actions to recognise the disproportionate impact fuel cost has on disabled people.
Theme: Changing pattern of credit and debt
Recommendation: We note the UK Government has recently announced its approach to address Buy-Now, Pay-Later and instalment lending with an aim of having secondary legislation in place by mid-2023. We believe it is crucial that regulation is introduced quickly before it becomes a bigger problem and urge the UK Government to move quicker, as many more people could have suffered harm with no recourse before mid-2023.
Theme: Households in financial crisis
Recommendation: We have heard a lot of evidence throughout the inquiry that aspects of the Universal Credit system were significant contributors to their experience of low income and debt. In particular; the two child limit, the benefit cap, the 5-week wait and the differential rate paid for parents under 25. We believe that the UK Government should look very closely at these aspects of Universal Credit and consider the impact they have on the experience of low income and debt. The evidence we heard about people's survival on low incomes and the budgeting decisions that they are forced to make is stark. Many people are in a cycle of financial crisis. We urge the Scottish Government, UK Government and Local Government to work collectively to develop a system of automation to consider

the complexities of eligibility for benefits and to shift the burden of responsibility from the individual. We intend to look at issues around poverty and low income throughout our work this session, including scrutiny of social security, the Scottish Government's budget and other relevant inquiry work.

Theme: Social Security direct deductions

Recommendation: We note with concern the level of strain that repayment of UK social security overpayments places on people's budget making them more likely to go into debt. The recent report by Lloyds Banking Foundation, Deductions: Driver of Poverty, recommends a set repayment period after which any outstanding debt is written off. The report noted a similar approach is taken to repayment of student loans. We invite the UK Government to provide an update on its consideration of how to manage historic Tax Credit and recovery of other benefit overpayments, particularly given the impact of the cost of living crisis.

Theme: Digital exclusion

Recommendation: We heard that during the pandemic, the Government worked with telecommunications businesses to provide access to certain websites without using data. We ask the Scottish Government to work with the UK Government and stakeholders to consider if this model could be developed to allow access to trusted money advice websites.

We recognise there is a marked geographical disparity in access to mobile and broadband services and that this contributes to digital exclusion. Noting that telecommunications responsibility lies with the UK Government, we welcome work being carried out by the Scottish Government via the R100 programme to address this, and we urge the Scottish Government to continue the rollout of this programme at pace.