



# **Single Parent Families Impact Report**

**Issue 29**

**The Two Child Limit in  
Universal Credit**

**October 24**

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# Introduction

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OPFS regularly collects the experiences of single parents across Scotland. Through our five local services, national advice and information services and online support we capture key areas of concern for single parent families.

Our bi-monthly impact reports use this data to describe the impact of the cost-of-living crisis including rising energy costs and food bills as well as other issues affecting families across our services.

There are five parts to our impact tracking model:

- **Gathering knowledge:** Parents' experiences is systematically collected and analysed.
- **Monitoring emerging issues:** Emerging issues are described and highlighted.
- **OPFS response:** Our services respond by working to meet the needs identified.
- **Dissemination and communication:** Emerging issues communicated to key influencers.
- **Single Parent Proofing:** Using single parent feedback to inform the development, implementation and evaluation of policy and practice so that they respond effectively to the needs of single parents.

There are four areas covered in this report:

1. Health and Wellbeing
2. Money and family income
3. Separating/being a single parent
4. Child Maintenance

The four categories referred to in this short report reflect key issues which single parents have contacted us about over the months of September and October 2024 and are linked to a spotlight topic, focused on the 'Two-Child Limit in Universal Credit and Tax Credits'.

# Main findings

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As we move into the Autumn period many single parents still face financial insecurity arising from low incomes caused by low wages and benefits, possibly the aftermath of a recent separation with their ex-partner and/or their struggles to receive child maintenance payments. This report concludes with a case study which encapsulates the challenges caused by the UK Government's 'two-child limit for Universal Credit or Tax Credits', highlighting the negative impact it has on the families affected.

## 1. Health and wellbeing

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Like many things in society, we all strive for good mental health and wellbeing. Over the course of September and October, single parents have told us that they are often overwhelmed and stressed about day-to-day cost of living, affecting both themselves and their children. They find that their ability to do everyday things such as jump on a bus or a train, go shopping or spend quality time with their friends and family, are curtailed and problematic because of their sense of isolation and changed family circumstances.



*I am feeling continually overwhelmed and very worried about the future. How will I cope with being a single parent as I don't know any other single parents... My children and I are stressed all the time. I feel isolated and lonely every day.*

**Single parent with two children**



*My husband has walked out suddenly, and I am feeling very stressed and overwhelmed about the future for my children as this was so out of the blue. Any support would be gratefully appreciated.*

### **Single parent with three children**



*...I have also had both my parents die within a year of each other this last year. So, a lot has been happening. Can you suggest where I can meet other parents as I am really struggling emotionally.*

### **Single parent with one child**

These situations are not new or uncommon. In Britain around 1 in 4 people experience mental health problems<sup>1</sup>. This can make the day-to-day pressures of parenting feel more challenging. This is a staggering statistic which is fuelled by the social, economic and physical environment which people find themselves in. The Scottish Woman's Budget group carried out a survey in 2023 of 871 women across Scotland and found that,

- 86% of single parents said that the cost-of-living crisis had impacted on their mental health.
- 69% of them revealed they worried all the time and 58% tried to hide the situation from other people.
- 59% felt more isolated.
- Only 29% accessed help for mental health.
- 28% stated that the cost-of-living crisis had affected their child's mental health<sup>2</sup>.

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<sup>1</sup> [Gingerbread, 2024. Your Wellbeing.](#)

<sup>2</sup> [Scottish Women's Budget Group. Women's Survey 2023: Experiences of rising costs across Scotland.](#)

Concerningly, we are becoming too used to the shortfall in support throughout the UK for parents with mental health and well-being concerns and too accepting of the plight of low-income families. However, we must be consciously aware of not normalising this unacceptable and dire situation. We need to continually raise the profile of the people affected and highlight the dearth of services that they so desperately require.

## 2. Money and family income

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Recent research by the Joseph Rowntree Foundation discovered that more than 1 in 5 Scots are currently living in poverty, struggling to survive on incomes that fall short of what they require to make ends meet. This includes 1 in every 4 children in Scotland<sup>3</sup>.

Our Parents' feedback, from across all our five local services in the last two months, reiterate the theme of poverty and crisis. It is a constant concern for them which over the years has only increased.



*I am struggling financially... I am currently receiving around £50 per week and am the main carer for my eight-year-old daughter. What other financial assistance is available to help us?*

**Single father with one child**



*I am really struggling financially despite working full-time. I don't know if it would be better off cutting hours to gain entitlement to help with my childcare costs. What should I do?*

**Single parent with two children**

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<sup>3</sup> [Joseph Rowntree Foundation, 2024. Poverty in Scotland 2024](#)

Their financial challenges chime with the disproportionate impact of the rising costs of single parent households also reported by the Scottish Women's Budget Group survey (2023):

- 46% of single parents skipped meals
- 81% cut back on food
- 28% used foodbanks
- 62% cut back on activities for themselves
- 41% borrowed from family and friends<sup>4</sup>.

This struggle begins for many at the very outset of parenthood:



*I am on maternity leave and struggling financially. There is a delay in registering the birth of my child - not my fault so I can't get Child Benefit or the child element of Universal Credit. I am getting the Scottish Child Payment. I cannot get a Scottish Welfare Fund payment or an advance on my Universal Credit. Any other suggestions?*

**Single mother with new baby**

The first thought of a new parent should be one of joy rather than being worried about how they are going to make ends meet. Given the current cost of living crisis along with other fiscal shocks and benefit cuts, such as the Two Child limit, financial insecurity remains a constant companion for many single parents.

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<sup>4</sup> [Women's Budget Group, 2023. Women's Survey 2023: Experiences of rising costs across Scotland.](#)

### 3. Separating/being a single parent

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At times of separation from a partner, it is not always clear for the parent with care (usually the mother) what their rights are. This was often reflected in comments by parents using our Lone Parent Helpline and on-line advice services over the last two months:



*What is the best thing to do, in order of priority, when newly separated from your ex-partner - housing, Legal Issues, child contact, child maintenance, Universal Credit and other benefit entitlement. There is so much to think about. I am feeling very overwhelmed.*

**Single parent with two children**



*I am in the process of leaving an unhappy relationship and want more information on how to separate my finances and handle jointly owned property which we plan to sell. I also wanted information on the rights of my ex-partner in terms of children who are not his and he has not adopted.*

**Single mother with two children**





*I have recently been separated from my partner; he has agreed to pay the mortgage but is not keeping up with the payments. I have three children, and I am working 35 plus hours a week. Am I entitled to Universal Credit?*

**Single parent with three children**



*I am having several issues with my ex-wife about the divorce and finances. She has become very demanding and raising her voice in front of the children of 10 and 1. They are getting upset about this. I already had shared custody 50% of the week. The children are saying they want to stay with me full time. What are my rights please? I am not sure where I stand legally.*

**Single father with two children**



*I have recently been separated from my partner; he has agreed to pay the mortgage but is not keeping up with the payments. I have three children, and I am working 35 plus hours a week. Am I entitled to Universal Credit?*

**Single parent with three children**

Newly separated parents, at times, require reassurance and support over an extended period, to enable them to find their feet. With the right help, advice and information from OPFS services, parents can and do overcome these difficulties.

## 4. Child maintenance

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Child Maintenance is a major issue for many single parents in Scotland, but long-term systemic issues make access complex and unreliable. The problems of timely child maintenance payments and non-payment remain a significant issue for those who contact OPFS. There is a continued frustration about the lack of consistent payments received from ex-partners, difficulty in contacting the Child Maintenance Service and an overall sense of poor safeguarding for the parent with care of the children.



*"I need advice as my ex-partner wants to make an informal agreement for less than Child Maintenance Service has assessed they should pay."*

**Single parent with one child**



*"I am really struggling with receiving my child maintenance payments. I cannot get through to them on the phone and it is very stressful. It is a constant worry."*

**Single mother of three children**



*Grandparent calling on behalf of daughter who has been treated badly by the Child Maintenance service and given misinformation. Daughter is still waiting on payments for son from ex-partner...*

### **Grandparent of single parent**

It is unfair that so many children are going without sufficient child maintenance payments. OPFS continually pushes for effective and longer lasting payment provisions so that children's basic rights are upheld, and they are not caught up in the failures of the child maintenance service and some non-resident parent's intransigence.

## **Spotlight topic – Two Child Limit**

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Seven years after the introduction of the two-child limit, there are almost 1.6 million children in 440,000 families affected by the policy. These families are missing out on up to £3,455 a year per child (CPAG, 2024, P.2)<sup>5</sup>.

Universal Credit awards can include additional amounts for children or “qualifying young people” in full-time, non-advanced education up to the age of nineteen in a claimant's household. These amounts are designed to help with the costs of bringing up children, and to reduce child poverty. Under the UK's two-child limit, families on universal credit and tax credits receive a payment for each of their first two children, but no more for any additional children.

This limit has a detrimental impact on families, especially parents caring for a child with disabilities. In Scotland, 87,160 children are affected by the policy<sup>6</sup> and the financial loss does little to safeguard the most precarious household budgets.

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<sup>5</sup> [Child Poverty Action Group, 2024. Things Will Only Get Worse: Why the Two Child Limit Must Go.](#)

<sup>6</sup> [End Child Poverty, 2023. New data reveals North/South divide of children hit by two-child limit on benefits.](#)

Larger families have become poorer since the introduction of the two-child limit with the poorest families losing out the most. The policy breaks the link between need and social security: rather than assisting those in greatest need, it penalises them.<sup>7</sup>

The story below describes the hardships that are faced by families as a result of the Two Child limit.

### **Amy a single mother with three children.**

*Amy is a single parent with three children aged six, four and two years old. She lives in a flat rented from her local Housing Association. She is struggling week to week to cover her essential costs and is often having to cut back on her own food to make sure her kids are eating.*

*She is unable to work due to childcare issues and has no family support.*

*Amy gets £287.92 per month less to keep herself and her three children because of the Two Child Limit. Because of the limit she does not receive the Child Premium in Universal Credit for her third child.*

*Due to the state of repair of the house, she rents from her local housing association, her bills are high, and she has to pay on average £70 to £80.00 per week for gas and electricity.*

*Amy is having to make tough decisions daily as to how she covers her costs. She will only heat the children's rooms and not the rest of the house. Although she budgets her money, she is still short on a weekly basis as she has to spend more on her outgoings than she has coming in.*

*She ended up building up arrears for her gas and electricity as she just couldn't cover her charges during the winter. She was supported by OPFS to arrange a repayment programme, but it was stretching her finances to*

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<sup>7</sup> [The two-child limit and child poverty in the United Kingdom - Wiley Online Library](#)

*the very limit, and she was erratic in her payments. She was supported to apply to a charity and the arrears were written off.*

*For Amy, the reduced income means that she cannot heat her room during the winter, the family cannot go on family outings that cost money, she has to buy basic foods and will either miss meals or eat small amounts to make sure that her three children have the same standard of living as others.*

*She has expressed feelings of hopelessness and is constantly anxious. She stresses over how she will cope with a sudden emergency or provide for things like birthdays or Christmas. She feels that she is letting her children down and would love to go out to work but has no family support to help.*

OPFS has produced a detailed briefing on the 'two-child limit' and why it should be abolished as well as other policy recommendations.<sup>8</sup>

### Policy Asks:

We urge the new Labour government to give **priority action** to:

1. **Scrap the 2-child limit to benefit payments:** Abolishing the two-child limit would cost the Government £2.5 billion in 2024-25. These costs are low compared to the harm that the policy causes and scrapping the two-child limit would be one of the most efficient ways to drive down child poverty rates. If abolished today, 490,000 children would be lifted out of poverty.<sup>9</sup>

### Medium term actions:

2. **Introduce a Social Security Child Lock:** The British government should support the most vulnerable families by introducing a benefit 'child

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<sup>8</sup> [Single parents in crisis: a pre-budget briefing for Scottish MPs](#)

<sup>9</sup> [Resolution Foundation, 2024. Catastrophic Caps - An analysis of the impact of the two-child limit and the benefit cap.](#)

lock.’ This would ensure child-related benefits are uprated by the rise in average earnings or the rate of the Consumer Price Index each year, whichever is higher. Growth should be shared, and it is not right that some of the country’s poorest children could miss out on the benefits of growth. A child lock would represent an investment in our collective future and would also be an effective way of reducing inequalities and enabling inclusive growth. All children’s benefits, including child benefit should be guaranteed under the ‘child lock’.<sup>10</sup>

- 3. Remove the benefit cap:** This is a separate policy from the two-child limit. It caps the overall level of benefit support a family can receive. Like the two-child limit, it also disproportionately affects families with children. Although the Scottish Government mitigate the Benefit Cap, this money could be spent elsewhere if it were abolished.

The Institute for Fiscal Studies reports that child poverty has increased, particularly among families with three or more children. The benefit cap, along with other policies like the two-child limit, has contributed to this rise. They estimate that abolishing the benefit cap would cost around £500 million per year and that removing both the benefit cap, and the two-child limit would be more effective in reducing child poverty. This combined approach would lift 620,000 children out of absolute poverty, compared to 540,000 if only the two-child limit were reversed. This would come at a cost of £3.3 billion annually.<sup>11</sup>

- 4. Increase the base level of benefits:** Evidence suggests that benefit levels are too low, and that families are often not able to afford daily living costs and extra costs associated with having a health condition or disability. The real value of the base level of benefits has fallen by 7.6% since 2010 and is widely considered to be inadequate.<sup>12</sup> In fact, the Westminster cross party Work & Pensions committee recommended that the Government “review the adequacy of benefit levels and publish its findings”.<sup>13</sup>

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<sup>10</sup> [Save the Children, 2024. Child Lock – What the UK Government can do to secure children’s futures.](#)

<sup>11</sup> [Institute for Fiscal Studies, 2024. Abolishing the two-child limit would be a cost-effective way of reducing child poverty.](#)

<sup>12</sup> [Institute for Fiscal Studies, 2024. Seven key facts about UK Living Standards.](#)

<sup>13</sup> [UK Parliament, 2024. Benefit levels in the UK – Work and Pensions Committee.](#)

## Conclusion

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Over the course of September and October, parents have described the intolerable living situations they experience day and daily. Child poverty policies need to be tailored to support single parent families out of poverty. The experience of the many families affected is that the Two Child policy does the opposite. Currently, the policy goes against everything that we as a society are trying to achieve which is promoting a more cohesive and inclusive society. If we are to invest in single parent families, society needs to generate more effective strategies to reduce child poverty and ensure that all children, regardless of their family structure, have the best possible start in life.



**One Parent  
Families Scotland**  
*changing lives, challenging poverty*

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