



# Library Note

## The Azure Card

This Library Note provides background reading for Members in advance of the debate to be held on 20 November 2014:

“that this House takes note of the Azure card”.

In November 2009, the United Kingdom Borders Agency (UKBA) began to issue the Azure card to refused asylum seekers, for the interim period between refusal and returning to their country of origin. At the time, the UKBA suggested the pre-paid payment card would provide “a more efficient system” of support. However, the Azure card has undergone much criticism from parliamentarians and asylum support groups alike. Parts 1 to 3 of this Note focus on the Azure card’s legislative roots and its provision and usage. Parts 4 and 5 address the key criticisms that have been raised about the card, highlighted in a number of reports published over the years. Broader issues relating to asylum support and systems are briefly touched upon to provide some context for the debate surrounding the card; however, the focus of this Note is specifically on the Azure card and not on asylum support issues more broadly.

Mary Santo  
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## I. Overview

### What is the Azure Card?

The Azure card is a pre-paid payment card provided to refused or ‘failed’ asylum seekers who are destitute and who meet certain other criteria (see part 3 of this Note). A refused asylum seeker is a person whose asylum application has been unsuccessful. When a refused asylum seeker has reached the end of the appeals process and exhausted any appeal rights that they may wish to exercise, they are expected to return to their country of origin “as soon as possible”.<sup>1</sup> In principle, refused asylum seekers are not generally entitled to support from the Home Office.<sup>2</sup> However, there are circumstances under which a refused asylum seeker could be temporarily unable to leave the UK through no fault of their own—such as due to ill health. In such cases, support may be granted under section 4 (as amended) of the Immigration and Asylum Act 1999, known as ‘section 4 support’ (previously “hard cases” support), as a temporary measure.<sup>3</sup> Section 4 support is a “package” that consists of designated accommodation provided by the Home Office and a pre-paid payment card, frequently referred to as the “Azure” card.<sup>4</sup>

The Azure card is administered by private contractor Sodexo Limited on behalf of the Home Office and can be used in certain shops to purchase “food and essential toiletries only”.<sup>5</sup> The card is automatically credited each week, at midnight on a Sunday, with the amount of support due under section 4, which is £35.39 for a single adult per week (see part 3 of this Note). Section 4 legislation does not allow any of the support to be paid to the recipient in cash; all payment support is credited automatically to the Azure card.

## 2. Background

### Why Was the Azure Card Introduced?

The United Kingdom Borders Agency (UKBA) first began to issue the Azure card in November 2009 under the Labour Government. Previously, section 4 support was issued to recipients in the form of vouchers, which were phased out between November 2009 and February 2010. In 2002, the Labour Government had re-introduced cash as the method of supporting asylum seekers. It has been suggested by various asylum support groups that this was in recognition of “the multiple failures of the voucher system”.<sup>6</sup> However, for refused asylum seekers, vouchers continued to be given as the means of their support.

When announcing plans to introduce the plastic payment card system, in March 2009, the then Labour Minister for Borders and Immigration, Mr Phil Woolas, suggested that the change would “enable the UK Border Agency to cut down on the abuse of asylum support and provide a

<sup>1</sup> GOV.UK, ‘[Asylum Support: How to Claim](#)’, last updated 23 October 2014.

<sup>2</sup> Child Poverty Action Group, *Benefits for Migrants*, 6th edition, 1 June 2014, p 336.

<sup>3</sup> *ibid*, p 336.

<sup>4</sup> *ibid*, p 372.

<sup>5</sup> Home Office ‘[Section 4 Support](#)’, 15 July 2014, p 4.

<sup>6</sup> Refugee Council, [More Token Gestures](#), October 2008, p 4.

more efficient system”.<sup>7</sup> Later in 2010, after the general election, the new Government added that the cards had been introduced because:

[t]he voucher system was open to abuse and fraud and there was evidence that vouchers were often traded for cash at reduced levels. The vouchers also presented poor value for money to the user with restricted retail outlets.<sup>8</sup>

However, shortly after the roll out of the Azure card began, asylum support groups and parliamentarians raised similar concerns about the card to those which had been raised previously about the voucher system (see part 4 of this Note).

### Current Legislation

The legal framework to which the Azure card relates is under section 4(10) and 4(11) of the Immigration and Asylum Act 1999. Section 4 of the Act was amended with the insertion of subsections 10 and 11 by the Immigration, Asylum and Nationality Act 2006 (section 43(7)) which came into force on 16 June 2006:

(10) The Secretary of State may make regulations permitting a person who is provided with accommodation under this section to be supplied also with services or facilities of a specified kind.

(11) Regulations under subsection (10)—

- (a) may, in particular, permit a person to be supplied with a voucher which may be exchanged for goods or services,
- (b) may not permit a person to be supplied with money,
- (c) may restrict the extent or value of services or facilities to be provided, and
- (d) may confer a discretion.

The Immigration and Asylum (Provision of Services or Facilities) Regulations 2007 under the above subsections were laid before Parliament on 10 January 2008 and came into force on 31 January 2008.<sup>9</sup>

### Section 4 compared to Section 95

Prior to the Asylum and Immigration Act 1999, asylum seekers could receive mainstream benefits that were set at 90 percent of mainstream benefit rates.<sup>10</sup> The Act, however, created an entirely separate support system for asylum seekers, known as section 95 support. This reduced the asylum support rate to 70 percent of income support and was intended to meet recipients’ basic living requirements for a six month period—the anticipated length of an asylum

<sup>7</sup> HC *Hansard*, 19 March 2009, [col 69WS](#).

<sup>8</sup> HC *Hansard*, 13 September 2010, [col 869W](#).

<sup>9</sup> [The Immigration and Asylum \(Provision of Services or Facilities\) Regulations 2007](#), SI 2007/3627.

<sup>10</sup> House of Commons Home Affairs Committee, [Asylum](#), 11 October 2013, HC 71 of session 2013–14, para 74.

claim.<sup>11</sup> Section 4 support was introduced as a further reduced system of support, as a temporary measure for refused asylum seekers. A refused asylum seeker ceases to be eligible for support under section 95 (as amended) (with the exception of those with a dependent child under 18 years<sup>12</sup>) and support is terminated after a 21-day grace period from the notification of refusal. The refused asylum seeker must submit an application to the Home Office should they wish to receive section 4 support (see part 3 of this Note).

### 3. Current Provision

#### Eligibility

A failed asylum seeker is eligible to receive the Azure card if the person is

- ‘destitute’;<sup>13</sup>

and if the person is able to prove that they satisfy at least one of the following conditions:

- The person is taking all reasonable steps to leave the UK or place themselves in a position in which they are able to leave the UK. This could include complying with attempts to obtain a travel document to facilitate departure.
- The person is unable to leave the UK by reason of a physical impediment to travel or for some other medical reason.
- The person is unable to leave the UK because in the opinion of the Secretary of State there is currently no viable route of return available.
- The person has made an application in Scotland for judicial review of a decision in relation to their asylum claim or, in England and Wales or Northern Ireland, has applied for such a judicial review and been granted permission or leave to proceed.
- The provision of accommodation is necessary for the purpose of avoiding a breach of a person’s Convention rights, within the meaning of the Human Rights Act 1998.<sup>14</sup>

A person is considered destitute if they:

[...] do not have adequate accommodation or any means of obtaining it (whether or not [their] other essential living needs are met); or [...] have adequate accommodation or the means of obtaining it, but cannot meet [their] other essential living needs.<sup>15</sup>

The Home Office automatically accepts that a person is destitute if they apply for section 4 support within 21 days of asylum support ending, otherwise evidence will need to be provided.<sup>16</sup> The Home Office periodically reviews the circumstances of those in receipt of

<sup>11</sup> A decision was later taken by Labour Government to remove the link between asylum support and income support and therefore, since 2008, the level of section 95 support has been decided annually in accordance with “what has been felt to be appropriate”, HL *Hansard*, 23 May 2012, [col 785](#).

<sup>12</sup> Home Office, [Section 4 Support](#), 15 July 2014, p 10.

<sup>13</sup> *ibid*, p 8.

<sup>14</sup> *ibid*.

<sup>15</sup> Child Poverty Action Group, *Benefits for Migrants*, 6th edition, 1 June 2014, p 332.

<sup>16</sup> *ibid*, pp 336–340. For further information regarding criteria for support, including case studies, see pp 336–345.

section 4 support and can discontinue support if it deems that a person no longer meets the above criteria.<sup>17</sup>

## Finance

The most recent figures available show that in the first quarter of 2013, there were 2,900 Azure cards in use.<sup>18</sup> As at October 2014, the total administrative costs of the Azure card scheme since it was introduced in 2009 were noted by the Government as being approximately £1,515,000, and estimated administrative costs for the financial year 2014–2015 were expected to be £200,000.<sup>19</sup> The card scheme is intended to be self-financing, with costs to be recouped in fees generated by the contracts negotiated with participating retailers and UKBA efficiency savings.<sup>20</sup> However, questions have been raised over the different strands of support available to asylum seekers. For example, in its 2014 recommendations, the House of Commons Home Affairs Committee questioned whether a separate support system for failed asylum seekers was even necessary, and suggested that instead of investing in a section 4 tier of support, staff resources would be better placed elsewhere.<sup>21</sup> Evidence given to the Committee by ‘Still Human, Still Here’ estimated savings of between £2 million and £4 million, were section 4 to be abolished and those on it to be retained under section 95 instead.<sup>22</sup> On 27 February 2013, during a Westminster Hall debate relating to asylum support, Mr Harper, the then Minister for Immigration, noted that the Government “do[es] not think that the Azure card is more expensive than administering cash payments”.<sup>23</sup>

## Additional Support

For a single adult, the Azure card is credited with £35.39 per week. However, 2007 saw the Government introduce additional support that may be claimed by refused asylum seekers in certain circumstances under the Immigration and Asylum (Provision of Services or Facilities) Regulations 2007 which came into force on 31 January 2008.<sup>24</sup> Among other provisions this included additional support for travel costs, when travelling to receive healthcare in certain circumstances, and to make telephone calls within set criteria.<sup>25</sup> The regulations also made provision for pregnant women,<sup>26</sup> something which a report by the Joint Committee on Human Rights had noted as being an “immediate need” in March 2007.<sup>27</sup> Women who are pregnant are able to receive additional support redeemable for goods or services to the value of: £3 per week during their pregnancy; £5 per week when the newborn baby is under one year old; and £3 a week when the child is between the ages of one and three. Pregnant women are also able to receive a one-off maternity grant redeemable for goods to the value of £250 in respect of

<sup>17</sup> For further information on discontinuing support, see *ibid*, pp 345–7.

<sup>18</sup> House of Commons Home Affairs Committee, [The Work of the UK Border Agency \(January–March 2013\)](#), 8 November 2013, HC 616 of session 2013–14, EV 34.

<sup>19</sup> HL *Hansard*, 28 October 2014, [col WAI40](#).

<sup>20</sup> HC *Hansard*, 13 September 2010, [col 869](#).

<sup>21</sup> House of Commons Home Affairs Committee, [Asylum](#), 11 October 2013, HC 71 of session 2013–14, para 82.

<sup>22</sup> *ibid*, para 81.

<sup>23</sup> HC *Hansard*, 27 February 2013, [col 88WH](#).

<sup>24</sup> [The Immigration and Asylum \(Provision of Services or Facilities\) Regulations 2007](#), SI 2007/3627.

<sup>25</sup> Home Office, [Section 4: Additional Services or Facilities Under the 2007 Regulations](#), 22 July 2014.

<sup>26</sup> Asylum Support Appeals Project, [A Guide to Azure Cards for Families and Individuals in Receipt of Section 4 Support](#), April 2013, p 2.

<sup>27</sup> Joint Committee on Human Rights, [The Treatment of Asylum Seekers](#), 30 March 2007, HL Paper 81 of session 2006–07, p 38.

each expected child. Families with children under 16 are entitled to receive an additional clothing allowance to the value of £5 per week.<sup>28</sup>

Additional support is not automatically provided to a refused asylum seeker who fits the criteria for additional support. A claim is submitted to the Home Office and, should the application be successful, additional services and facilities are delivered via the Azure card. The only additional services or facilities that are not delivered via the card are facilities for travel.

## Support Rates

Table I shows the individual section 4 support levels alongside section 95 and mainstream benefit levels for 2012–2013:<sup>29</sup>

Rates per individual	Mainstream benefit	Section 95 asylum support		Section 4 asylum support	
		Section 95	% of mainstream benefit	Section 4	% of mainstream benefit
Single adult (18-24)	£56.25	£36.62	65%	£35.39	63%
Single Adult (25+)	£71.00	£36.62	52%	£35.39	50%
Couple (no children)	£111.45	£72.52	65%	£70.78	64%
Couple (children)	£128.85	£72.52	56%	£70.78	55%
Lone Parent	£88.40	£43.94	50%	£35.39	40%
Pregnant woman (25+)	£71.00	£39.62	56%	£38.39	54%
Child under 1 year	£64.99	£57.96	89%	£40.39	62%
Child 1-3 years	£64.99	£55.96	86%	£38.39	59%
Child 4-15 years	£64.99	£52.96	81%	£35.39	54%
Child 16-17 years	£64.99	£39.80	61%	£35.39	54%
Disabled child (additional)	£56.63	£0.00	0%	£0.00	0%
Single disabled adult (additional)	£30.35	£0.00	0%	£0.00	0%
Couple with disabled adult (additional)	£43.25	£0.00	0%	£0.00	0%

<sup>28</sup> Asylum Support Appeals Project, [A Guide to Azure Cards for Families and Individuals in Receipt of Section 4 Support](#), April 2013, p 2.

<sup>29</sup> The Children's Society, [Report of the Parliamentary Inquiry into Asylum Support for Children and Young People](#), January 2013, p 30.

## Guidance

The Home Office has issued guidance regarding the Azure card, which consists of a list of stores that accept the card and its conditions of use (as at 5 September 2014). The national retail stores that have joined the scheme are:

- Tesco
- Boots
- Sainsbury's
- The Co-operative Food
- Mothercare
- ASDA
- Morrisons
- Iceland<sup>30</sup>

The charity shops that have joined the scheme are:

- British Red Cross (to be redeemed in their stores only)
- Salvation Army<sup>31</sup>

On 11 November 2014, in a recent written answer, the Government noted that the following stores also accept the Azure card: Holland and Barrett; Masala Bazaar; Midlands Co-operative; Food City Halal Market.<sup>32</sup>

Conditions of use:

- Once activated, the Azure Card (hereafter “the Card”) can be used at any outlet of the above stores in England, Scotland, Wales and Northern Ireland, or at other stores as advised by Sodexo or the Home Office.
- Your use of the Card will amount to your irrevocable acceptance of these Conditions of Use.
- The Card is a prepaid card. It is not a credit, debit or cheque guarantee card.
- The Card cannot be used to access cash at any time, including via “cash back” schemes or ATMs.
- If you are single (i.e. you have no dependants), you will not be able to carry over more than £5 balance on the Card at the end of each week unless otherwise stipulated by the Home Office. Each week ends at midnight, Sunday.
- The Card can be used to purchase any goods and services offered by the above stores (or other stores as advised by Sodexo or the Home Office) except store/gift cards of any kind, vehicle fuel, tobacco products or alcohol. All other items are available for

<sup>30</sup> Home Office, [Asylum Support: List of Stores that Accept Azure Cards](#), 5 September 2014.

<sup>31</sup> Home Office, [Asylum Support: List of Stores that Accept Azure Cards](#), 5 September 2014.

<sup>32</sup> HL *Hansard*, 11 November 2014, [col WA19](#).

purchase with the Azure Card at participating retailers. However, restricted goods are subject to change by the Home Office at any time.

- The balance on the Card can be checked on 0800 028 5364 (available 24hrs). Calls are free from landlines. Any other enquiries regarding the use of the Card should be directed in the first instance to the Sodexo Careline on 01276 687 099 (open 09:00–17:00hrs, Monday–Friday).
- You must regard the Card as cash. If it is lost or stolen, or you suspect fraudulent use, you must contact your accommodation provider/housing officer. A replacement card will be ordered, and you will be issued with temporary support. Such temporary support is provided by your accommodation provider/housing officer, not Sodexo or the Home Office. You may lose all or part of the value on the Card that has been debited because of theft or fraud.
- The Card is issued by R Raphael & Sons to Sodexo, who manage and administer this scheme on behalf of the Home Office of Her Majesty’s Government. Sodexo is the owner of the Card.
- Sodexo may process, retain or transfer your personal data within its groups of companies or to third parties solely for the purpose of managing and administering the Card.
- The Home Office reserves the right at its absolute discretion, and without reference to you, to give instructions to Sodexo to amend these Conditions of Use, and to amend or cancel all or any benefit outstanding on the Card at any time.<sup>33</sup>

#### 4. “No Cash” Basis

Concerns have been raised regarding the Azure card, the majority of which can be summarised under one fundamental issue: that of the “no cash” basis of support. It is this—and a number of issues that stem from it—which has led parliamentarians and asylum support groups alike to call for the abolition of the Azure card and of section 4 support in its entirety, and to ask that another method of support be made available to refused asylum seekers. In July 2014, the Red Cross published a report which advocated that the Azure card should be abolished.<sup>34</sup> It called for one integrated form of support throughout the asylum seeking process, with support (excluding accommodation costs) in the form of cash, as with other benefits.<sup>35</sup> In October 2013, the House of Commons Home Affairs Committee also reported that “section 4 is not the solution” for refused asylum seekers and called for “a better way forward”.<sup>36</sup> The Government responded by stating it felt that the Azure card “is an appropriate safety net for the minority that encounter a temporarily [sic] barrier” to returning to their country.<sup>37</sup>

<sup>33</sup> Home Office, [Asylum Support: List of Stores that Accept Azure Cards](#), 5 September 2014.

<sup>34</sup> British Red Cross, [The Azure Payment Card: The Humanitarian Cost of a Cashless System](#), 17 July 2014, p 8.

<sup>35</sup> *ibid.*

<sup>36</sup> House of Commons Home Affairs Committee, [Asylum](#), 11 October 2013, HC 71 of session 2013–14, para 82.

<sup>37</sup> [Government Response to the Seventh Report from the Home Affairs Committee Session 2013–14 HC 71](#), 13 December 2013, Cm 8769, p 19.

January 2013 saw the publication of an inquiry conducted by a cross-party panel of parliamentarians, chaired by Sarah Teather, MP for Brent Central, and supported by the Children’s Society. Among its recommendations was the view that:

[...] the Government should abolish section 4 support and urgently implement a single cash-based support system for all children and their families who need asylum support while they are in the UK.<sup>38</sup>

In November 2010, when the Azure card was still in the early stages of implementation, a report by the Asylum Support Partnership presented findings that, as a result of the Azure card, refused asylum seekers continued to “experience hardship and deprivation”.<sup>39</sup> It noted that:

The section 4 support voucher system was abolished on the grounds that it was stigmatising, represented poor value for money, was open to abuse and fraud and the vouchers were often traded for cash at reduced levels. We believe that many of these problems persist under the payment card system, and that it is an expensive, inappropriate and inhumane form of support.<sup>40</sup>

It called on the UK Borders Agency to abolish the Azure card and to amend legislation to enable the provision of cash support for all destitute refused asylum seekers.<sup>41</sup> Damian Green, the then Minister of State for Immigration, noted on behalf of the Home Office in response to a parliamentary question that the report only sampled one percent of those who used the Azure card and, although the Government would monitor the operation of the system, it did “not accept that the results were indicative of the majority of users”.<sup>42</sup>

Although drives to introduce cash support under section 4 are presently directed at the Azure card, petition for cash based support started prior to the card’s introduction. In 2008, when the vouchers were still in use, the Refugee Council noted that “[m]any of the problems highlighted regarding the use of vouchers for people on section 4 support could be overcome by providing support in the form of cash”.<sup>43</sup> Indeed, during the passage of what later became the Immigration, Asylum and Nationality Act 2006, Liberal Democrat and Labour Members of both Houses sought to amend the legislative basis to provide section 4 support in cash.<sup>44</sup> However, consecutive Governments have resisted doing so. One of the key reasons given has been that to allow cash could reduce the incentive for refused asylum seekers to leave the UK. In February 2006, Baroness Ashton of Upholland, the then Parliamentary Under-Secretary of State at the Department of Constitutional Affairs, expressed the Labour Government’s position stating:

In a sense, we do not want to invite people to draw on the public purse if they do not need to; more importantly, nor do we want to reduce the incentive for people to take steps to leave the UK voluntarily. Whether your Lordships like the consequence of what I am saying or not, it is crystal clear that that could be a consequence if we provided cash. We are trying to meet people’s needs in a way which does not increase

<sup>38</sup> The Children’s Society, [Report of the Parliamentary Inquiry into Asylum Support for Children and Young People](#), January 2013, p 8.

<sup>39</sup> Asylum Support Partnership, [Your Inflexible Friend: The Cost of Living Without Cash](#), November 2010, p 7.

<sup>40</sup> *ibid.*

<sup>41</sup> *ibid.*

<sup>42</sup> HL *Hansard*, 16 November 2010, [col 719W](#).

<sup>43</sup> Refugee Council, [More Token Gestures](#), October 2008, p 5.

<sup>44</sup> House of Commons Library, [Asylum: Azure Card Payments](#), 6 December 2010, SN5792, p 4.

the incentive for those people who have exhausted all of their appeal rights. We want to ensure that they are able to leave the UK once the barrier to leaving has been resolved. That is the principle behind it.<sup>45</sup>

The above position was also expressed by the current Government. In September 2010, Damian Green, the then Minister of State for Immigration, implied that the “more restrictive cashless support” of the Azure card was reflective of its “temporary nature” and that such limitations were “necessary” in order to prevent “additional pressure on limited public funds” and to “avoid creating an incentive” for failed asylum seekers to remain in the UK.<sup>46</sup>

Concern has continued to be expressed by others regarding the basis of such a position (see part 5 of this Note regarding level of provision and length of time on card). In November 2010, the Asylum Support Partnership produced a parliamentary briefing which stated there was “no evidence” that vouchers increased the rate of return of refused asylum seekers to their own countries, and that “it is likely that the payment card will prove equally ineffective in this regard”.<sup>47</sup> More recently, the premise has been dubbed “dangerously flawed” by the panel chaired by Sarah Teather.<sup>48</sup> Evidence given to the panel by the Asylum Support and Immigration Resource Team suggested that the cashless support system risks producing “a generation of disenfranchised youth, non-deportable and yet excluded from citizenship”<sup>49</sup> and, although referencing asylum seekers more broadly, the panel noted that “[c]lear examples from the past show no correlation between levels of support and numbers of asylum seekers in the UK”.<sup>50</sup> It highlighted evidence given by ‘Still Human, Still Here’ that “in 1999 when support payments were reduced and vouchers were introduced, asylum applications increased. When cash was reintroduced, the numbers went down steadily for years afterwards”.<sup>51</sup>

The Asylum Support Partnership claims that evidence given to its 2010 report indicates that refused asylum seekers still seek to obtain cash, to the point where they “may be working illegally, selling goods they have bought for less than face value or engaged in exploitative relationships or prostitution”.<sup>52</sup> The report expresses its perception that people will turn to “dangerous and exploitative” ways of accessing cash in order to meet basic needs.<sup>53</sup>

However, the “cash-less” system of the Azure card has meant that the Home Office has been able to access data that can be used to analyse transaction histories<sup>54</sup> for each card holder which has assisted in monitoring spending.<sup>55</sup> It has also meant that the Home Office has been able to collect any unspent excess on the Azure cards. The annual value returned in 2011 was £106,638; in 2012, it was £103,346; and in 2013 it was £101,628.<sup>56</sup>

<sup>45</sup> HL Hansard, 7 February 2006, [cols 584–5](#).

<sup>46</sup> HC Hansard, 16 September 2010, [col 1213W](#).

<sup>47</sup> Asylum Support Partnership, [Parliamentary Briefing: November 2010](#), p 2

<sup>48</sup> The Children’s Society, [Report of the Parliamentary Inquiry into Asylum Support for Children and Young People](#), January 2013, p 4.

<sup>49</sup> *ibid*, p 9.

<sup>50</sup> *ibid*, p 4.

<sup>51</sup> *ibid*.

<sup>52</sup> Asylum Support Partnership, [Your Inflexible Friend: The Cost of Living Without Cash](#), November 2010, p 6.

<sup>53</sup> *ibid*.

<sup>54</sup> HC Hansard, 16 December 2013, [col 384W](#).

<sup>55</sup> House of Commons Library, [Asylum: Azure Card Payments](#), 6 December 2010, SN5792, p 3.

<sup>56</sup> HC Hansard, 31 October 2013, [col 536W](#).

Some of the other key issues highlighted and debated over the years relating to no-cash support of the Azure cards are summarised below and, although categorised separately, are often closely interlinked.

### Card balance

Under the previous voucher method, some users had found themselves out of pocket because an item was purchased for less than the full amount of the voucher but the remaining amount would not always be retained. When using an Azure card, however, only the exact amount spent is deducted from the card each time it is used in any given week. For a single adult, a maximum equivalent of £5 can be carried over to the following week. The Government has noted that the level of provision is set at the absolute minimum amount for a person who is destitute and that therefore there should not be any more than £5 credit remaining at the end of any given week. However, those using the card have reported that the limited carry-over has made it problematic to save for larger items, such as a winter jacket.<sup>57</sup> Others have noted that if the recipient were to be too unwell to go to the shops for the duration of any given week, they would miss out on almost all of their weekly allowance.<sup>58</sup> Families are able to carry over their balance. However, if too much balance remains on the card, it has been suggested that the Home Office may question the family's need for support.<sup>59</sup>

### Stores: expensive and limited

The Azure card can only be used in designated shops (see page 6 of this Note) which means that refused asylum seekers can not necessarily get the best value for money. During the proceedings on the Immigration Bill in April 2013, Lord Roberts of Llandudno expressed his view that the Azure card “forces” people to buy their goods in the most expensive shops whereas he held that they “should be able to buy their goods in the most competitive places”.<sup>60</sup> In May 2014, Lord Taylor of Holbeach, the then Parliamentary Under Secretary of State for the Home Office, noted that:

Any retail outlet that provides food and other essential living items and accepts visa transactions can apply to join the Azure card scheme [...] There are ongoing discussions with other outlets that may be interested in joining the scheme.<sup>61</sup>

The Government has made some provision for certain goods that may not be able to be accessed in the accepted stores, such as a process for nominating specialist Halal meat suppliers.<sup>62</sup> However, in order to nominate a specialist Halal meat supplier, a refused asylum seeker must submit a separate application to the Support Payments Team in the Home Office and accepted applications will be forwarded to Sodexo who then conduct ‘business test’ checks and initiate the affiliation process if it is successful. Certain criteria must be met, including confirmation that the nominated retailer provides Halal meat that is not available from existing affiliated supermarkets or stores within a distance of 3 miles. The provisions that have been put

<sup>57</sup> Freedom from Torture, [The Poverty Barrier: The Right to Rehabilitation for Survivors of Torture in the UK](#), 17 July 2013, p 35.

<sup>58</sup> The Children's Society, [Report of the Parliamentary Inquiry into Asylum Support for Children and Young People](#), January 2013, p 14.

<sup>59</sup> Child Poverty Action Group, [Benefits for Migrants](#), 6th edition, 1 June 2014, p 373.

<sup>60</sup> HL *Hansard*, 3 April 2014, [cols 1107–10](#).

<sup>61</sup> HL *Hansard*, 14 May 2014, [col 501VA](#).

<sup>62</sup> Home Office, [Azure Section 4 Payment Card, Process and Criteria for Nominating Specialist Halal Meat Suppliers](#), 1 January 2013.

in place have been deemed limited by some users, with 63 percent of those surveyed by the British Red Cross revealing that they had a “large extent” of difficulty getting culturally appropriate food due to Azure card limitations.<sup>63</sup> Other reports have noted that users of the Azure card are unable to do simple tasks, such as purchase milk from their corner shop<sup>64</sup> or use credit for the repair of clothes or shoes instead of purchasing items.<sup>65</sup>

## Travel

There are some provisions for additional travel (see part 3 of this note). Yet evidence has been presented of people needing to walk to hospital appointments because they have no cash and because additional payments for travel are not always received on time.<sup>66</sup> The Government has stated that accommodation should usually be provided within three miles of a designated supermarket,<sup>67</sup> but for some it may be difficult to carry food shopping this distance and, depending on where they are placed in accommodation, those on support may need to walk long distances to reach other destinations, such as taking children to school.<sup>68</sup>

## Administrative problems

Payment failures have been reported to take place and on occasion payments that have failed at the checkout have still been charged. Delays in receiving section 4 credit and additional support have also been recorded.<sup>69</sup> In January 2013, Damian Green, the then Minister of State for Immigration, gave figures that:

[f]rom November 2009 to December 2010 there have been over 1 million successful transactions which represents 85 percent of the total. Only 0.25 percent (3,600) of the unsuccessful transactions were due to technical faults, with 14 percent due to users not having sufficient funds in their account and the remaining 0.75 percent due to service users attempting to use their card in non-affiliated stores.<sup>70</sup>

To check the remaining balance on an Azure card, individuals can call a free telephone number, but calls to this number are only free from a landline, not mobile phones and many refused asylum seekers do not have access to a landline. The Home Office monitors usage and, it has been suggested by the Asylum Support Appeals Project that, if service users call too regularly, they may be charged in future.<sup>71</sup> In the first quarter of 2013, the number of support enquiries made to Sodexo was 412.<sup>72</sup> Moreover, the telephone service is only provided in English.

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<sup>63</sup> British Red Cross, [The Azure Payment Card: The Humanitarian Cost of a Cashless System](#), 17 July 2014, p 31.

<sup>64</sup> The Children’s Society, [Report of the Parliamentary Inquiry into Asylum Support for Children and Young People](#), January 2013, p 14.

<sup>65</sup> House of Commons Home Affairs Committee, [Asylum](#), 11 October 2013, HC 71 of session 2013–14, para 80.

<sup>66</sup> The Children’s Society, [Report of the Parliamentary Inquiry into Asylum Support for Children and Young People](#), January 2013, p 12.

<sup>67</sup> HC *Hansard*, 13 September 2010, [cols 869–70W](#).

<sup>68</sup> The Children’s Society, [Report of the Parliamentary Inquiry into Asylum Support for Children and Young People](#), January 2013, p 14.

<sup>69</sup> *ibid*, pp 9 and 14.

<sup>70</sup> HC *Hansard*, 25 January 2011, [cols 130–1W](#).

<sup>71</sup> Asylum Support Appeals Project, [A Guide to Azure Cards for Families and Individuals in Receipt of Section 4 Support](#), April 2013, p 2.

<sup>72</sup> House of Commons Home Affairs Committee, [The Work of the UK Border Agency \(January–March 2013\)](#), 8 November 2013, HC 616 of session 2013–14, EV 34.

## Stigma

Interwoven among the above are concerns regarding the stigma that asylum seekers can often face. A pre-paid card has meant that some boundaries that can be put in place by the Home Office, such as preventing the support from going to items such as alcohol, which is restricted. However, the use of the card carries with it the identity of being a refused asylum seeker and there have been reports of users being abused.<sup>73</sup> In addition, as the refusal of restricted items relies upon the knowledge of the staff serving the user, witnesses have reported that supermarket staff have refused other accepted items.<sup>74</sup>

## 5. Other Issues

### Level of provision

There is no statutory provision to increase section 4 support or, indeed, broader asylum support annually. Income support payments rose by 5.2 percent in 2012–13<sup>75</sup> whereas no increment has been added to section 4 support since 2011. However, there has been a 7.63 percent increase in the consumer price index between April 2011 and September 2014.<sup>76</sup> The report produced following the inquiry that Sarah Teather chaired with the support of the Children’s Society recommended that all asylum support “should be increased annually and at the very least in line with income support”.<sup>77</sup>

During a related debate in the House of Commons on 27 February 2013, the then Minister for Immigration, Mark Harper, noted:

One of the key points in her report, is that the amount of money given to both asylum seekers and failed asylum seekers is very low and does not meet families’ essential living needs [...] The legal test is whether it meets people’s essential needs, which are food, toiletries and clothing.<sup>78</sup>

He reminded the House that someone is in receipt of section 4 where “a decision has been made that they do not have a right to remain in the country [...] I accept that it is not generous, but I do not think that it is ungenerous”.<sup>79</sup>

However, a number of witnesses to the panel that Sarah Teather chaired suggested that the Government should take heed of the Joseph Rowntree Foundation’s minimum income standards data to ensure that support rates met the real cost of living, and suggested an absolute minimum of 70 percent of income support would be required to meet essential living costs.<sup>80</sup>

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<sup>73</sup> The Children’s Society, [Report of the Parliamentary Inquiry into Asylum Support for Children and Young People](#), January 2013, p 14.

<sup>74</sup> House of Commons Home Affairs Committee, [Asylum](#), 11 October 2013, HC 71 of session 2013–14, para 80.

<sup>75</sup> The Children’s Society, [Report of the Parliamentary Inquiry into Asylum Support for Children and Young People](#), January 2013, p 18.

<sup>76</sup> Office for National Statistics, [Consumer Price Indices: 1988 to 2014: 2005=100](#), last updated 14 October 2014.

<sup>77</sup> The Children’s Society, [Report of the Parliamentary Inquiry into Asylum Support for Children and Young People](#), January 2013, p 5.

<sup>78</sup> HC Hansard, 27 February 2013, [cols 85–6VWH](#).

<sup>79</sup> *ibid.*

<sup>80</sup> The Children’s Society, [Report of the Parliamentary Inquiry into Asylum Support for Children and Young People](#), January 2013, p 11.

## Duration

The Government has been clear that the Azure card is intended as a temporary measure and that is a key basis under which the level of provision is set. However, as mentioned above, there is doubt among asylum support groups and parliamentarians that the level of provision has made refused asylum seekers go home more quickly (see part 4 of this note) and, in spite of the Government intending the card to be a temporary measure, evidence has suggested that this is not the case. In 2007, Citizens Advice estimated that nine months was the average time on section 4 support.<sup>81</sup> On 12 February 2013, the Government presented data taken from management information systems, which showed the length of time that those in receipt of section 4 support had been on section 4 support.<sup>82</sup> It showed that, even though the card is intended to be a temporary measure, a number of people had been living on section 4 provisions for periods of years:

Duration	Cases
0 to 2 years	1,335
2 to 4 years	883
4 to 6 years	382
6+ years	127
Total	2,727

Before the above statistics were given, evidence submitted to the panel chaired by Sarah Teather “called into question the justification that levels of financial support should be lower because it was a temporary form of support, when in reality families stay on this support for many years”.<sup>83</sup> There have also been cases reported where those who have been on section 4 support for a long time have later been given refugee status on reapplication.<sup>84</sup>

## A “Package” with Accommodation

Occasionally, full board accommodation may be provided by the Home Office, in which case a person is not also provided with the Azure card, but otherwise accommodation and financial support come as a package.<sup>85</sup> On 27 February 2013, the then Minister for Immigration, Mark Harper, noted that it is:

[...] worth remembering that [those in receipt of section 4 support] have furnished housing with no bills to pay [...] people who are in asylum support accommodation do not have to pay any utility bills, buy furniture or meet some of the costs associated with running a household.<sup>86</sup>

He indicated that this should be kept in mind when considering that the amount of section 4 support is lower than the income support equivalents. However, because the accommodation

<sup>81</sup> Joint Committee on Human Rights, *The Treatment of Asylum Seekers*, HL Paper 81-I of session 2006–07, p 37.

<sup>82</sup> HC Hansard, 12 February 2013, [cols 602–3VV](#).

<sup>83</sup> The Children’s Society, *Report of the Parliamentary Inquiry into Asylum Support for Children and Young People*, January 2013, p 8.

<sup>84</sup> HC Hansard, 27 February 2013, [col 70WH](#).

<sup>85</sup> Home Office, *Section 4 Support*, 15 July 2014.

<sup>86</sup> HC Hansard, 27 February 2013, [cols 85–6WH](#).

provided is on a “no-choice” basis,<sup>87</sup> refused asylum seekers can be separated from their family. Circumstances have been noted where refused asylum seekers are faced with the choice of either living with their family or receiving support via the Azure card. Moreover, evidence given to the Home Affairs Committee revealed circumstances where refused asylum seekers could have accommodation provided for them by friends or family but, because that would mean they cannot also receive the Azure card for payments, are moving into government-funded accommodation—resulting in the taxpayer “pay[ing] for accommodation that is not necessary”.<sup>88</sup> Equally, the Asylum Support Partnership has noted in its guidance to refused asylum seekers that there is only one offer of accommodation and if it is refused for any reason, the UKBA may stop support.<sup>89</sup> More broadly speaking, there have been questions raised over the standards of accommodation provided to asylum seekers.<sup>90</sup>

Despite all of the above criticisms, the Government has held its position that it is “satisfied” that the Azure card within its section 4 package context “meets the essential living needs of recipients”.<sup>91</sup> In response to a recent oral question, the Government once again reaffirmed and echoed previous statements, that “[t]he Government therefore has no plans to abolish the card or change legislation to allow people supported under section 4 to receive cash instead”.<sup>92</sup>

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<sup>87</sup> British Red Cross, [‘New Report Reveals Stigma and Hunger for Asylum Seekers Who Have to Live Without Cash’](#), 25 July 2014.

<sup>88</sup> House of Commons Home Affairs Committee, [Asylum](#), 11 October 2013, HC 71 of session 2013–14, p 36.

<sup>89</sup> Asylum Support Partnership, [Are You Destitute and at the End of the Asylum Process?](#), March 2012, p 1.

<sup>90</sup> The Children’s Society, [Report of the Parliamentary Inquiry into Asylum Support for Children and Young People](#), January 2013, pp 19–21.

<sup>91</sup> HL *Hansard*, 11 November 2014, [col WA20](#).

<sup>92</sup> HL *Hansard*, 28 October 2014, [col WA140](#).