

## Change - service type - to collect and pay

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Note: When referring a customer to My Child Maintenance Case (MyCMC) to raise a new Change of Circumstances you must advise that customer that if they do not raise the change themselves through MyCMC on that same day, there may be an impact on the date we deem the change to be effective from. Where the customer is adamant that they cannot raise the change through MyCMC (even with support) then the Change of Circs can be progressed by the caseworker and the effective date of that change would be considered as per the existing rules.

**Warning:** When making the change to service type from Direct Pay to Collect & Pay and there is CSA arrears under the threshold (£500), make sure to tell the customer that:

- If the last payment allocated was **more** than 90 days ago, that the CSA arrears will be written off **immediately**, or
- if a payment is not allocated within 90 days after the last payment, that the CSA arrears will be written off.

Changing the service type to Collect & Pay does not guarantee the re-establishment of compliance or prevent CSA arrears from being written off.

A change to service type concerns either a paying parent or a receiving parent request to change from direct pay to collect and pay. Changes to the service type are dealt with by caseworkers wherever the case is located. If either party requests a change to collect and pay, this must be agreed with the other party before the change can be approved, unless there have been missed payments during the direct pay period. For more information refer to the [Service Type Guide](#).

A change of service type from direct pay to collect and pay, resulting in an increased amount to be paid from the paying parent, could be a trigger point which causes further hostilities in cases of domestic abuse. If you suspect the customer could be a victim of domestic abuse, then the [Providing Assistance to Customers – The DA Plan](#) must be followed.

**Note: Section A of the DA plan must only be followed in emergency situations, for example, where the customer states they are in immediate danger.**

Check the customer is safe. If the customer is not in immediate danger and you feel they would benefit from the help of 3<sup>rd</sup> party organisations, follow **Section B** of the DA plan and signpost them to the relevant organisation

Where domestic abuse has been declared and it is identified that there are ongoing concerns/risks, caseworkers must inform the receiving parent that it's possible for somebody to find out which branch they opened their bank account at, and the name the account is in from their sort-code. They should also discuss the availability of national or non-geographical bank accounts should this be an issue.

If there is concern over the sharing of bank details between the receiving parent and paying parent, caseworkers must proactively offer for CMS to contact the other parent on the applying parent's behalf in order to share relevant details. Caseworkers must not be relying on the parent to object before offering this service. For further information on domestic abuse, refer to the [Domestic Abuse instructions.](#)

Where there has been a missed payment, the receiving parent will be advised to contact the paying parent to establish why and to determine whether a late or partial payment will be made. If the paying parent is non-compliant, the receiving parent should contact CMG after five working days have elapsed, providing any available evidence of the missed payment. Missed payments can only be considered under a change to service type and receiving parents should be advised of this as well as the associated collection charges and the timescales involved in setting up and receiving payments.

Where the receiving parent reports there has been more than one payment missed, investigate and make appropriate financial adjustments for missed payments. This can be carried out up to the last annual review date and no further. Both clients will be asked to provide evidence.

By exception, investigation and adjustments may be made for periods beyond the last Annual Review. Advice and Guidance should be sought on a case by case basis for exceptions.

Where payments have been missed, the circumstances and reasons must be identified and flexibility applied during the decision making process. This is to take account of missed payments caused by circumstances outside the control of the paying parent (that is, COVID-19 impact).

A CTST SR should not be raised:

- while there are outstanding changes that could impact the liability or where income has reduced as a result of the Coronavirus (Covid-19)
- where the paying parent is either making or agrees to make reasonable payments ( for more information refer to <https://intranet.dwp.gov.uk/manual/additional-instructions-covid-recovery/arrears-management>)
- until we have contacted the paying parent to confirm their circumstances. This will be the same contact approach as BAU.

Caseworkers checking for missed payments should make their decision on what would be reasonable based on evidence.

- discuss the paying parents' circumstances whilst having regard to COVID.
- consider the paying parents' circumstances – are they newly non-compliant due to COVID or long term non-compliant? For example, consider when paying parent furlough may end. See below for more scenarios:

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- paying parent is off work sick and is self-isolating - statutory sick pay
- paying parent does not have any earnings at the moment as they are in self-isolation
- paying parent has lost job and cannot make any further child maintenance payments
- paying parent's income has changed either due to normal BAU changes or as they are on the job retention scheme/now getting 80% of earnings paid.
- paying parent has been told to take unpaid leave and does not have any earnings.
- paying parent is self-employed and has gone out of business
- shared Care changes
- change to Household/ ROC/QC etc.

### **Negotiate reasonable regular payments**

**Note:** For more information about what constitutes reasonable payments refer to <https://intranet.dwp.gov.uk/manual/additional-instructions-covid-recovery/arrears-management>

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- make paying parent aware that accepting a temporary lower payment doesn't change the amount owed and the arrears balance will still be collected. For more information, refer to [COVID Lines-To-Take](#)
- record all contact and agreement on the case. When using a Covid-19 easement you must put a clear note in the SR or case. Start each note entry with "COVID: ...". This is a new best practice adopted across DWP

### **Paying parent using direct pay**

Where a paying parent is using Direct Pay and their income has been impacted by COVID-19, if a payment is missed and the payments are brought up to date following the Arrears Negotiation, the paying parent can continue on Direct Pay and the CTST can be rejected. Contact the receiving parent and paying parent to advise of the outcome

**Note:** When rejecting a CTST, a Decision Note should be recorded to clearly state how the decision was made including, but not limited to:

- any evidence used (that is, verbal, RTI or documentary)
- circumstances considered that are outside of paying parent control (COVID)

Where the reason for acceptance of the reasonable regular payment is due to the impact of COVID, the Decision Note should start with "COVID".

If, following the paying parent's agreement to make regular reasonable payments (for more information refer to <https://intranet.dwp.gov.uk/manual/additional-instructions-covid-recovery/arrears-management>), they fail to make those agreed payments or a second payment is missed, the case will then move onto Collect and Pay.

### **Evidence for change of service type**

Where initial evidence confirms a change to collect and pay is necessary, consideration must be given as to how many times the direct pay arrangement has broken down previously and CMG had to intervene. There is no requirement to examine the case history any further than six months from when the Change to Service Type SR was raised, unless the receiving parent has advised of a pattern of non-compliance outside of this period e.g. the receiving parent advises the paying parent fails to pay every December as they are buying the child/children Christmas presents.

Any missed payments which occurred any longer than six months ago will not be counted as an intervention. If the case has not been open for, or on direct pay for six months, only consider the period from when the case was opened or changed to direct pay.

There may be some limited exceptional scenarios where a late payment is not counted as a requirement for CMG to intervene e.g. if a nationwide problem occurred, affecting the paying parent's bank which prevented the payment from being made on time.

Only non-compliance from the paying parent will be counted as a reason for CMG to intervene. If the receiving parent reported a missed payment, but refused to provide bank details to allow the paying parent to make their payment, this doesn't count as an intervention and the change of service type should be rejected.

For a change of service to collect and pay, if the receiving parent asks for the arrears to be collected, the payments are included in the paying parent's arrears balance. Method of payment (MOP) details for both clients must be established to complete the change. Default standing orders (DSO) should only be used in exceptional circumstances where all other MOPs have been pursued and efforts exhausted.

If either party has any concerns about setting up direct pay with regards to the other party finding out their location from the sort code, many banks and building societies offer accounts that use a 'central' or 'national' sort code instead of one linked to the local branch where the account was opened. This means that the accounts details won't give any clue about where the client lives. Clients can also receive payment through money transfer services such as PayPal or MoneyGram. For more information refer to [Transfer Data Between Clients](#).

Any outstanding changes of circumstances must be considered. Completing changes which affect the maintenance calculation may impact the decision to either change the service type (following discussion with the client) or the amount of arrears to be collected.

Refer to [Payment Compliant Card](#) to help in negotiation.