



Change - Service Type - To Collect and Pay

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](#).

When the Direct Pay arrangement is set up the receiving parent will be advised to contact the paying parent where a payment is missed to establish the reason for the missed payment, and to determine whether a late or partial payment will be made. If the paying parent confirms that they will not be making the payment the receiving parent should contact Child Maintenance Group (CMG) once 5 working days have elapsed, providing any available evidence of the missed payment. The receiving parent should also be made aware that a missed payment may result in a change to collect and pay.

The receiving parent's expectations should be managed regarding the timescales to set up and receive payments when changing to a collect and pay service type. For example, if imposing a DEO it could be up to 3 months until payments are received.

If payments are reported as missed during the direct pay period, both clients will be asked to provide evidence of the missed payments. Whilst there is no legal limit as to how far back a check for missed payments should be considered the caseworker should base their decision on what would be reasonable based on the evidence. This includes:

- Evidence of payments made, as the paying parent is advised to pay by a traceable method of payment and keep evidence that payments were made.
- If the paying parent cannot provide evidence of payments made or after attempts we are unable to contact them, we will assume payments were not made and move quickly to change to collect and pay.
- Whether the paying parent is paying late and has no reasonable explanation for this.
- Whether the delay in payment was unavoidable e.g. banking error where the standing order payment was not made or the paying parent's wage is late.
- When the last Annual Review was undertaken. If client statements were issued at Annual Review then it would be considered reasonable to restrict to the date of the last Annual Review as these letters ask clients to contact us if they are unhappy with their current service type.
- Whether there is a reasonable explanation why the receiving parent did not report the missed payments sooner e.g. hospitalisation. If there is a reasonable explanation the caseworker can consider backdating to the last effective date of the case being put onto Direct Pay.
- Welfare of the child(ren) associated with the application.

This list is not exhaustive and advice and guidance can be sought on a case by case basis where necessary.

For a change of service to collect and pay, where it is established that payments have been missed, 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. If unable to obtain a method of payment from (MOPF) for a paying parent, impose a default method of standing order, or if payments have been proven to be missed in the direct pay period you may move to an enforced MOPF. Obtain method of payment to (MOPT) details from the receiving parent to allow monies to be paid out.

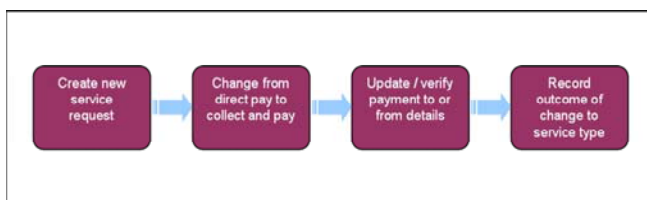
Advise clients that using the Child Maintenance Group's (CMG'S) collect and pay service incurs collection fees, and that these can be avoided by making their own family based arrangement or remaining on direct pay. For more information refer to [Collection Fees Summary](#).

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, advise them 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](#).


Consideration must be given to any outstanding changes of circumstances. 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. If the change of circumstances cannot be completed timeously, this should not, by default, impact the decision to change or reject the request to change service type to collect and pay.

The purpose of this process is to establish if a change to the service type can be applied, and then to log the decision on the system.

For more information refer to the Policy, Law and Decision Making Guidance 



Always use the new terminology when speaking to clients. For more information refer to [Terminology Changes](#).



 This procedure uses the terms receiving parent and paying parent.


The receiving parent is the parent who receives or who is expected to receive child maintenance, known as the parent with care (PWC) or person with care (PeWC) on the system and in legislation. The paying parent is the parent who pays or who is expected to pay child maintenance, known as the non resident parent (NRP) on the system and in legislation.

Create New Change Service Type Service Request (SR)

 Ensure that all Service Requests are completed with a satisfactory outcome of **Accepted** or **Rejected**. Do not cancel these SRs.

Advise clients that using the Child Maintenance Group's (CMG's) collect and pay service will incur collection fees, and that they can avoid these fees by making their own family based arrangement or by remaining on direct pay. For more information refer to [Collection Fees Summary](#) and the [Service Type Guide](#).

- When a receiving parent, or paying parent asks to change from direct pay to collect and pay, discuss their reasons for doing this. Manage the client's expectations on the timescales involved in setting up payments, for example, if we impose a DEO it could be up to 3 months until payments are received. Advise the client how any arrears will be collected if they accrued during the period of the direct pay agreement. For more information on service types refer to the Policy, Law And Decision Making Guidance .
- Ask the client if they have transferred bank details with the other party to allow payments to be made.
 - If no bank details have been provided advise the clients that we can pass details (including bank details) between clients using the CMSL0405/CMSL0406. Refer to [Transfer Data between clients](#) for more information.
 - If either party has any concerns about maintaining direct pay with regards to the other party finding out their location from the sort code, advise them they can choose to set up to receive payments through one of the following: a money transfer service such as PayPal or Moneygram or a non-geographic bank account with a sort code that doesn't identify a location. For more information refer to [Transfer Data between clients](#). For more information about money transfers refer to Policy, Law and Decision Making Guidance .
 - If the receiving parent will not provide the details to allow direct payment, advise the client we are unable to change the service type. Advise the paying parent to set the amount of their maintenance aside.
- Where a receiving parent wishes to change to collect and pay because the paying parent has failed to make payments, advise them of the five working day wait period, and that they should contact the paying parent to establish the reasons for non payment, and attempt to resolve the issue. If the SR is to be raised, confirm the receiving parent's method of payment to details. See [Method of Payment To - Set Up Initial](#) for more information.


 Do not raise this SR until the five working day wait period has elapsed.
- Gather detailed information from the receiving parent regarding the missed payment and record in the **Contact Notes**. For example, if the payment is short, record by how much. If the payment is late - record whether it is consistently late and how long this has happened for. If payments are disputed, record whether the receiving parent has any evidence e.g. bank statements to show that the payment wasn't made.
- Create a new SR for the contact requesting the change and from the dropdown lists select:
 - Process = CofC**
 - Area = Change Method of Payment**
 - Sub Area = Change to Service Type**
 - Subject = PWC/NRP**
 - Source** = The client requesting the change - The source is the person requesting the change in the Last Name and first name fields of the SR, from the source dropdown select their role on the case e.g. NRP or PWC.
- For employed paying parents, set the DEO Desire flag to ensure employer information is available if enforced MOPF is required later.


Change From Direct Pay To Collect And Pay

- Complete all the **Subject Details** applets with the details of the receiving parent and update the **New Service Type Details** to **Calculation and Collection**, complete the **reason for service type preference** dropdown with either **alleged non payment** or **relationship breakdown** and set the SR **Status** to **In Progress**. The system creates an activity plan displaying the list of tasks to complete.
- Update the SR **Sub Status** to **Calc and Collection**. A new activity plan will be generated. Choose the relevant section below based on the client requesting the change and whether payments are alleged to have been missed within the direct pay period.



Receiving Parent Request - No Payments Missed In Direct Pay Period

 Ensure that all Service Requests are completed with a satisfactory outcome of **Accepted** or **Rejected**. Do not cancel these SRs.

-  Call the paying parent and discuss whether they agree to the change to collect and pay, making clear they understand they will be charged for this service. If you are unable to contact the paying parent by normal telephone consider using the office mobile before issuing letter **CMSL6163** asking them to contact us. The paying parent has 14 days to respond.
- Go to **Verified Service Type** and select the appropriate drop down.

3.  If the paying parent agrees to the change, obtain MOPF details, or, if MOPF details already exist on the system verify that these are correct. If required issue letter **CMSL6168**. Refer to the section paying parent agrees change below. When all verification received consider if SMS is appropriate - for more info refer to [SMS Text](#)


Paying Parent Declines Change

4. If the paying parent refuses to change service type and the service type is to remain as direct pay, leave both **Arrears Start** and **End Date** fields blank.
5. Update the **Agreed Reason for Verified Services Type** to **NRP Declined** and the **Sub Status** to **CofC Decline**.
6. Update the **Resolution Code** to **CoC Rejected** and the **SR Status** to **Closed** and the **Sub Status** to **Complete**.
7. Remove the DEO desire flag.
8.   Call the receiving parent to inform them of the outcome. If you are unable to make successful contact issue **CMSL6164**.

Paying Parent Agrees Change


9. If new MOPF details are provided by the paying parent refer to the appropriate procedure below to set up the new MOPF:
- **Method Of Payment From - Set Up Initial** - If a MOPF has never been set up on the case
 - **Direct Debit - Set Up**
 - **Voluntary Standing Order - Set Up**
 - **DER - Self Selected - Set Up**
 - **DEO - Self Selected - Set Up**
 - **DFB - Set Up**

Use the **Create SR** dropdown within the **Change to Service Type SR** to generate the correct child Payments SR.

10.  Call the receiving parent to obtain MOPT details, or if MOPT details already exist on the system verify that these are correct. If you are unable to contact the receiving parent by telephone issue letter **CMSL6167**. If new MOPT details are received refer to **Change MOPT - Summary** or **Method of Payment To - Set Up Initial** to set up/change the new MOPT. If new MOPT details are not provided by the receiving parent update the **Resolution Code** to **CoC Rejected**, the **SR Status** to **Closed** and the **Sub Status** to **Complete**.
11. Remove the DEO desire flag.

Update SR



12. Update the **Arrears Start Date** and **Arrears End Date** fields with the values as per the table below.

	Arrears Start Date	Arrears End Date
Payments up to date and there is no delay in completing the SR	Leave the Arrears Start Date field blank. As the SR will be requested and accepted on the same date, the effective date is the date the change is requested.	Leave the Arrears End Date field blank
Payments up to date but there is a delay in completing the SR	The Arrears Start Date and the effective date are recorded as the date the service type change is requested.  If a direct payment is made after the change has been requested but before it has been accepted, it will need to be recorded as a DP Direct Non Scheme Payment. In this scenario, the Arrears Start Date and effective date are still the date that the service type was requested.	The date the change of service type is being accepted. i.e. This will be the same date the resolution code is to be updated.

13. Select the relevant **Sub Status** to **CoC Accept**.
14. Refer to **Record Outcome Of Change To Service Type** below to accept the change and complete the SR.

Paying Parent Request - No Payments Missed In Direct Pay Period



 Ensure that all Service Requests are completed with a satisfactory outcome of **Accepted** or **Rejected**. Do not cancel these SRs.

1.   Call the receiving parent and discuss whether they agree to the change to collect and pay, making clear they understand they will be charged for this service.
- If the receiving parent agrees to the change obtain MOPT details, or if MOPT details already exist on the system verify that these are correct. If a letter is required to obtain MOPT details issue **CMSL6167**. Go to **step 3**.



- If the receiving parent does not agree or contact is unsuccessful, decline the change. Go to **step 2**.

2. Go to **Verified Service Type** and select the appropriate drop down.

Receiving Parent Declines Change

3. If the receiving parent does not agree to change service type and the service type is to remain as direct pay, leave both **Arrears Start** and **Arrears End Date** fields blank.
4. Update the **Agreed Reason for Verified Services Type** to **PWC Declined** and the **Sub Status** to **CofC Decline**.
5.   Call the paying parent to inform them of the outcome. If you are unable to made successful contact attempt using the office mobile before issuing **CMSL6320**.
6. Update the **Resolution Code** to **CoC Rejected** and the SR **Status** to **Closed** and the **Sub Status** to **Complete**.
7. Remove the DEO desire flag.

Receiving Parent Agrees Change


8. If MOPT details already exist on the system verify that these are correct. If new MOPT details are provided by the receiving parent refer to **Change MOPT - Summary** or **Method of Payment To - Set Up Initial** to set up/change the new MOPT.
9.   Call the paying parent to obtain MOPF details, or if MOPF details already exist on the system verify that these are correct. Consider using the office mobile. If required issue letter **CMSL6168**. If new MOPF details are received, refer to the appropriate procedure below to set up the new MOPF:
 - **Method Of Payment From - Set Up Initial** - If a MOPF has never been set up on the case
 - **Direct Debit - Set Up**
 - **Voluntary Standing Order - Set Up**
 - **DER - Self Selected - Set Up**
 - **DEO - Self Selected - Set Up**
 - **DFB - Set Up**

Use the **Create SR** dropdown within the **Change to Service Type SR** to generate the correct child Payments SR.

10. If the MOPF details cannot be verified, then you will need to set a default MOPF for the paying parent of standing order. A verified MOPT must be established for the receiving parent, as they can not be paid until their MOPT details are verified.



Update SR

11. If you are accepting the change update the **Arrears Start Date** and **Arrears End Date** fields with the values as per the table below.

	Arrears Start Date	Arrears End Date
Payments up to date and there is no delay in completing the SR	Leave the Arrears Start Date field blank. As the SR will be requested and accepted on the same date, the effective date is the date the change is requested.	Leave the Arrears End Date field blank
Payments up to date but there is a delay in completing the SR	The Arrears Start Date and the effective date are recorded as the date the service type change is requested.  If a direct payment is made after the change has been requested but before it has been accepted, it will need to be recorded as a Direct Non Scheme Payment. As the payment was made after the change was requested, collection charges will apply. In this scenario, the Arrears Start Date and effective date are still the date that the service type was requested. For more information, refer to Direct Non Scheme Payment .	The date the change of service type is being accepted. i.e. This will be the same date the resolution code is to be updated.


12. Select the relevant **Sub Status** to **CofC Accept**.
13. Refer to **Record Outcome Of Change To Service Type** below to accept the change and complete the SR.

Receiving Parent Request - Alleged Missed Payments In Direct Pay Period


1.   Contact the paying parent to advise them of the request to change service type and of the alleged missed payments, making clear they understand they will be charged for collect and pay. Give them an opportunity to pay any missed payments to the receiving parent in an effort to keep the direct pay service type in place. Ask the paying parent to provide MOPF details if none are held.
 - If both parties agree that payments have been missed, verbal evidence can be accepted and there is no need to write out for evidence. If the paying parent cannot be contacted by telephone, send letter **CMSL9516** to ask for evidence that payments have



been made. The paying parent has 14 days to respond. If evidence is needed from the receiving parent send letter **CMSL9619**. The receiving parent has 14 days to respond

- Seven days after issuing the **CMSL9516** and **CMSL9619**, issue letter **CMSL6168** for the MOPF and wait seven days for a response. If no MOPT details are held for the receiving parent also issue letter **CMSL6167** and wait seven days for a response.
- ⚠ If the paying parent had been contacted by telephone to confirm missed payments but had not been asked to provide MOPF details and you are unable to contact them by telephone again issue letter **CMSL6168** without waiting seven days.

 If the paying parent is in receipt of benefit or previously had an enforced MOPF, do not issue **CMSL6168** as a DfB will be applied or default Standing Order to set up immediate DEO.

2. If the paying parent provides evidence at a later date and this can be verified, create a **DP Direct Non Scheme** SR to remove any arrears that should not have been included. This service request can be done to remove any arrears that accrued during a direct pay period, even if the case service type is now collect and pay. For more information go to procedural exception **DP Direct Non Scheme Payment**.


 The paying parent can also appeal against a decision not to include any of their payments within one month of receiving notification of the decision but cannot appeal against an actual amount of arrears.

3.  If the paying parent cannot provide evidence, then any verbal or written evidence provided by the receiving parent can be accepted. If the paying parent states that they have overpaid whilst the direct pay agreement was in place, send letter **CMSL6166** to both the paying parent and receiving parent to request evidence. If both parents provide evidence, assess the evidence provided to establish exactly which payments have been missed/whether there is any overpayment. For more information on evidence refer to the Policy, Law and Decision Making Guidance 

4. Where any verbal or written evidence has been received record this evidence in the **Gather Record Evidence** tab within the **SR**.

5. Record whether the missed payment declarations align/do not align or no payments have been missed, and update the relevant fields in activity plan by selecting the appropriate outcome:


- **Both Clients Provided Evidence**
- **NRP Only Provided Evidence**
- **PWC Only Provided Evidence**
- **Neither Client Responded**

6. Review the evidence provided by clients. Update the **Notes** tab to fully document your decision, this includes making a Welfare of the Child Decision. For more information on discretionary decisions including a verbatim statement to record refer to Policy, Law and Decision Making Guidance 

7. Record the outcome and selecting the appropriate outcome:

- **Review Supports PWC** - continue to **Determine missed payments**
- **Review Supports NRP** - continue to **Determine missed payments**
- **No Missed Payments** - go to **Step 8**
- **Case-Worker Decision** - continue to **Determine missed payments**.

8. If the paying parent has paid missed payment or evidence results in no missed payment and either party disagree to the change decline the change. Leave both **Arrears Start** and **End Date** fields blank and update the **Agreed Reason for Verified Services Type** to **PWC Declined/NRP Declined** and the **Sub Status** to **CofC Decline**.

9.  Call the both parties to inform them of the outcome. If you are unable to make successful contact issue **CMSL6164** to the receiving parent and **CMSL6320** to the paying parent.

10. Update the **Resolution Code** to **CoC Rejected** and the SR **Status** to **Closed** and the **Sub Status** to **Complete**.

11. Remove the DEO desire flag.

Determine missed payments

12. If missed payments have been established tick the **DP Missed Payment Indicator** box.


13. The effective date to use and the arrears start and end dates depend on the type of payments that have been missed. If only full payments have been missed go to **step 14** and follow the table to complete the dates. If partial payments or a mixture of full and partial payments have been missed then go to the procedural exception **Partial Payments**.

⚠ This action must be completed before completing the change to service type, including any DP Direct Non Scheme Payments action.

14. Record the **Effective Date** and update the **Arrears Start Date** and **Arrears End Date** fields. The effective date will be the same as the arrears start date. This will allow the system to unsatisfy the debt between the last liability posting date before the effective date until the date the change has been completed. Refer to the table below to confirm the dates to be entered for each circumstance.


	Arrears Start Date	Arrears End Date
Payments missed	Both the Arrears Start Date and effective date of the SR change are aligned to the date one day before the first missed full direct pay payment. E.g. if the schedule is monthly and the last payment was made on	The date the change of service type is being accepted.


	01/10/2015, the next missed DP payment will be 01/11/2015. The effective date and the arrears start date will be 31/10/2015.	i.e. This will be the same date the resolution code is to be updated.
Payments up to date and there is no delay in completing the SR	Leave the Arrears Start Date field blank. As the SR will be requested and accepted on the same date, the effective date is the date the change is requested.	Leave the Arrears End Date field blank
Payments up to date but there is a delay in completing the SR	The Arrears Start Date and the effective date are recorded as the date the service type change is requested.	The date the change of service type is being accepted. i.e. This will be the same date the resolution code is to be updated.
No payments made and case has always been Direct Pay	If the case has always been set to direct pay service type and there have never been any payments made by the paying parent, record the effective date and the Arrears Start Date as the initial effective date	The date the change of service type is being accepted. i.e. This will be the same date the resolution code is to be updated.

 If the arrears start date is earlier than the last annual review date send an email to the Underpayment SPOC team to carry out the action for you. They will follow the process detailed in procedural exceptions and return the case to you to complete from **step 14**.

15. If the paying parent has paid any payments between the arrears start date and the arrears end date, record these payments as dp direct non scheme payments, confirming that payments were genuinely made. This process is also followed for any additional payments reported as having been paid between the arrears start date and arrears end date after the SR has been completed. Refer to **DP Direct Non Scheme Payment** in procedural exceptions.

If following the decision in **step 6**, no further payments have been reported as paid, no further investigation of payment dates is required.


16. Select the **Verified Service Type** and **Agreed Reason for Verified Service Type** by selecting the appropriate drop downs.
17.  Where method of payment details have not been previously gathered, call the receiving parent to obtain MOPT details or if MOPT details already exist on the system verify that these are correct. If you are unable to contact the receiving parent by telephone issue letter **CMSL6167**.
18. If new MOPT details are received refer to **Method of Payment To - Set Up Initial** or **Change MOPT - Summary** to change the MOPT.

 A verified MOPT must be established for the receiving parent, as they cannot be paid until their MOPT details are verified. If MOPT details are not provided by the receiving parent update the **Resolution Code** to **CoC Rejected**, the SR **Status** to **Closed** and the **Sub Status** to **Complete**. Remove the DEO desire flag.

Within the Change to Service Type SR update **Verified Service Type** as **Calculation and Collection** before creating Payments SR.


19. Where missed payments have been confirmed and the paying parent has either refused to pay or failed to agree a MOPF, set up an enforced MOPF to ensure that maintenance payments are established as soon as possible. The initial MOPF will need to be set as weekly Default Standing Order (DSO) and complete the change of service type first to collect and pay before imposing a DEO if the PP is employed or a deduction order if the paying parent is self-employed but there is no need to wait for another payment to miss for enforcement action to begin.

To set up the Standing Order, raise as a child SR using the **Create SR** dropdown in the Change Service Type SR. For more information refer to **Standing Order - Set Up** and set the frequency as weekly but do not issue the standing order mandate as part of this process.

 If linked to another case with a monthly frequency, Standing Order frequency will also need to be monthly.

To set up an enforced MOPF, refer to **Setting an Enforced MOPF** immediately following completion of the change service type SR.

20. Refer to the appropriate procedure below to set up the new MOPF:
- **Method Of Payment From - Set Up Initial** - If a MOPF has never been set up on the case
 - **Direct Debit - Set Up**
 - **Voluntary Standing Order - Set Up**
 - **Default Standing Order - Set Up**
 - **DFB - Set Up**

 A perform calculation SR will be automatically generated from the MOPF SR, these letters will hold incorrect information stating the case is still on Direct Pay as the change service type has not been completed. These letters can be cancelled with an accompanying activity note explaining why.

21. Select the relevant **Sub Status** in the SR to **CofC Accept**.
22. Refer to **Record Outcome Of Change To Service Type** below to accept the change and complete the SR.

Record Outcome Of Change To Service Type

 Ensure that all Service Requests are completed with a satisfactory outcome of **Accepted** or **Rejected**. Do not cancel these SRs.

- Any charges or Secretary of State arrears that were previously suspended or any PWC Residual arrears suspended between the arrears start date and arrears end date need to be unsuspended when changing the service type back to collect and pay. For more information refer to [Suspend/Unsuspend Liabilities](#).
- Once you have entered the new payment frequency do not complete the SR straight away - you will need to work out when the new first collection will be and when the first full liability posting following the change of frequency will occur. To find out when the next liability posting occurs, view the liability schedule in the client Financial Accounts screen. If the first collection occurs before the liability is posted (note that this is likely to be in exceptional circumstances) you will need to delay completion of the SR (i.e. by setting a wait status) - the length of this delay is dependent on the MOPF:



Where a change to a service type has been completed on a posting day, the projected liability schedule may be displayed incorrectly, however this is a display issue only, the paying parent's account balances are correct and the expected posting will still occur. For more information refer to [Change - Payment Frequency/Collection Date](#)

- For direct debit, the SR must be completed no more than 14 days before the next available due date (e.g. if the due date is the 20th February, you must wait until after the 6th February to complete this, this will move the collection to the 20th March)
 - For Bank Head Office Collection Account (BHOCA), standing/default standing order, wait until after the collection date has passed for that month (e.g. if this is the 20th of the month wait until the 21st)
- When the service type has been changed to collect and pay, issue letter **CMSL9514** to the receiving parent and **CMSL9515** to the paying parent to confirm the change. Navigate from the **COC More Info** tab to the **More Info** tab and then update the **Resolution Code** to **CofC Accepted**.
 - The system will generate a calculation child SR and automatically update BaNCS with the new service type, effective date and if applicable, dates of missed payments. Non on-going maintenance is displayed in the payment schedule view of the child SR as arrears. See [Calculation - Post Initial](#) for more information.
 - If there have been payments missed or the payments are up to date but there has been a delay in completing the SR check that the Arrears End Date is the same as the date the resolution code is being updated.
 - If the P2P schedule contains debt not owed to the receiving parent, letter **CMSL4081** must be clerically issued.
 - If Change to Service Type and perform calculation child SR change to a **Status Error** and **Sub Status Technical**, do not attempt to change back to **In Progress**. Instead, call AAC for further advice.
 - Update the **SR Status** to **Closed** and the **Sub Status** to **Complete**.
 - Immediately following closure of the Change Service Type SR, where there have been proven missed payments during the direct pay period, refer to [Setting an Enforced MOPF](#) to issue CMSL6038 warning letter and begin steps to set up an enforced MOPF. There is no need to wait for another payment to be missed

Setting an Enforced MOPF

- Create the following SR:
 - **Process = Arrears**
 - **Area = Arrears Management**
 - **Sub Area = Action Missed Payment**
- Set the **SR Status** to **In Progress**.
- Generate an **Arrears Review** child SR using the **Create SR** menu. Using the **Arrears Review** child SR, continue from **step 2** of [Arrears - Consider action](#) procedure and issue **CMSL6038** to the paying parent at **step 4**.
 - CMSL6038 must be issued clerically in this instance.

Arrears start date earlier than annual review date

SPOC Process

SPOC team details:

Midlands and South West: There is no SPOC team. To be completed by all case workers.

South East: There is no SPOC team. To be completed by all case workers.

Eastern (including Northern Ireland) : CMG Eastern 2012 Underpayments

North East, Scotland and North West: CMG Northern 2012 Underpayments

The subject of the mail should be one of the following based on the segment where the case is held:

NEW CASE Underpayment OFFICIAL

COC Underpayment OFFICIAL

ANNUAL REVIEW Underpayment OFFICIAL

ARREARS Underpayment OFFICIAL

BENEFITS NEW CASE Underpayment OFFICIAL


BENEFITS COC Underpayment OFFICIAL

COMPLAINTS RESOLUTION Underpayment OFFICIAL


COMPLAINTS REVIEW Underpayment OFFICIAL


ENFORCEMENT Underpayment OFFICIAL

The mail should contain the case number, the master case number, the arrears start date and state that this is a Direct Pay - Underpayment.

 If the Annual Review has passed but has not impacted the system, then follow the steps to complete the Annual Review first; otherwise the balances will be incorrect. Once this is done, then the Change Service Type should be followed by following the procedural exception below.

 **From this point the process should only be carried out by an underpayment SPOC**

 To allow arrears that accrued before the annual review date to be recorded, you will need to reverse out whole payments to reflect the missed payments. The payments reversed out will be the first missed payment up until the annual review date. This action should always be carried out in the same day.

 Before creating the SR navigate to the paying parent's online statement and check the transactions in the credit amount field and make a note of each credit amount and the corresponding transaction date that will need to be reversed out to cover the missed payments.

Example: The annual review date was 23/07/2015 and the first payment missed was 01/06/2015 you will reverse out the payments that were due on 01/06/2015 and 01/07/2015 by DP underpayment process.

Date Expected	Amount Expected	Amount Received	Difference between amount due and amount received	Total amount unpaid
01/06/15	£250	£0.00	-£250	£250
01/07/15	£250	£0.00	-£250	£500
01/08/15	£250	£0.00	-£250	£750
01/09/15	£250	£0.00	-£250	£1000
01/10/15	£250	£0.00	-£250	£1250
01/11/15	£250	£0.00	-£250	£1500
01/12/15	£250	£0.00	-£250	£1750

1. From the paying parent's contact, create a service request (SR). From the drop down list select:

- Process = CofC
- Area = Review Case
- Sub Area = DP Adjustment

2. Link the SR to the case, from the case drill down into the SR and update the **Reason** field with **Partial payment** and the **Source** field with **NRP**.

3. In the **CoC More Info/DP Adjustments** tab select the **Last Name** MVG to populate with the other party in the case. Set the **Status** of the SR to **In Progress**.



4. Update the **Overpay/Underpay Amount** field with the total amount of the payment/s that need to be reversed out.

5. Enter the period of missed payments within the Missed Payment Start date and Missed Payment End date fields. Missed Payment Start date is the day before the first missed payment date and Missed Payment End date is the day before the Annual Review Date. E.g. The **Missed Payment Start date** is 31/05/15 and the **Missed Payment End date** is 22/07/15.


6. Update the **Sub Status** to **Underpayment**.

7. In the **CoC More info** tab tick the **Evidence Confirmed** box and update the **Adjustment Type** field to **Underpayment**.

8. Record a decision note with the following statement – adding the values specific to your case, "Direct pay underpayments reported prior to annual review date. Payments of £x.xx for date/s dd/mm/yy reversed out to allow service type change to progress."

 Update the **Notes** tab to fully document making a Welfare of the Child Decision. For more information on discretionary decisions including a verbatim statement to record refer to Policy, Law and Decision Making Guidance .

9. Set the **Status** of the SR to **Pending Approval** and **Sub Status** to **Pending Approval - TL** to send to your team leader for approval.

 The system will display the nearest whole pound value to the receipt amount (rounded) in the Overpay/Underpay Amount field – record the correct amount in the SR notes. Although the incorrect value is displayed the system will adjust the receipts by the correct amount as it uses the value of the receipts between the start and end date entered.

Team leader action

10. Check that the adjustment is appropriate and that the notes have been recorded. Set the **Action** to **Approved** or **Rejected** and enter the reasons for approval/rejection. Return the case to the caseworker.

SPOC Caseworker action

11. If the SR has been rejected, correct the SR and go back to **step 9**. If the SR has been approved go to **step 12**.

12. Update the **Resolution Code** to **DP Adjustments Accepted**.

13. Select the **Reverse Auto Satisfied Liabilities** button, the **Reversed Amount in BaNCS** field will be populated with the exact amount of receipts being reversed (unrounded) and the **BaNCS status** field will update to **Success/OK**.

14. Ensure all activities in the activity plan is updated and **close** and **complete**.

Original Caseworker action

15. Return to the **Change to Service Type SR** and record the **Arrears Start date** as the Annual review - in our example this would be 23/07/15 and the **Arrears End date** to the date the service type change is being completed. Return to the **Change Service Type SR** and the details tab of this procedure to continue to complete the change to service type.



Remember the effective date will be the same as the arrears start date.

Partial Payments



If the arrears start date is earlier than the last annual review date send an email to the SPOC team to carry out the action for you. They will follow the process detailed in procedural exceptions - Arrears start date earlier than annual review date and return the case to you to complete from **step 14** of the main procedure.



If the case has always been set to direct pay service type and paying parent has not paid any payments, liabilities need to be reversed back to the first payment date, record the effective date and the **Arrears Start Date** as the initial effective date and **Arrears End Date** as the date the change of service type is being accepted (i.e. the resolution code will be updated). Then follow the below: **DP Direct Non Scheme Payment** exception.



This action must be completed before completing the change to service type, including any DP Direct Non Scheme Payments action.

If a paying parent has either missed payments, has made partial payments or has a combination of partial and full missed payments over a range of periods, consider the total amount of payments made and ensure the system reflects this amount by recording the appropriate **Arrears Start Date** within the change service type SR.

To do this you will calculate the total amounts over the period then look at the payments auto-satisfied so far, then enter the appropriate arrears start date and complete the DP adjustment process to reflect the balance.

Partial payments

Example: The monthly payment is £100 and the paying parent has paid £90 per month for the first 4 months, therefore the paying parent has made £360 of payments (£90 x 4) instead of £400. This means £40 underpayment needs to be recorded.

To complete this, check the P2P schedule (or online statement) to review the payments e.g.

01/06/15 £100.00

01/07/15 £100.00

01/08/15 £100.00

01/09/15 £100.00

In this example the **arrears start date** to record in the **Change Service Type SR** should be 31/08/15 (the day before the 01/09/15 payment). This will reverse the 01/09/15 payment and show as if the paying parent has paid £300 (£60 more than the paying parent has underpaid). This is because only full payments can be reversed.

Then complete a DP adjustment to add another £60 payment to the case in order to equal the correct unpaid amount of £40. For details on how to complete the DP adjustment process refer to the below: **DP Direct Non Scheme Payment** exception.

Partial and missed payments

Example: The monthly payment is £170, the following combination of partial and full missed payments have been paid:

Date Expected	Amount Expected	Amount Received	Difference between amount due and amount received	Total amount unpaid
01/06/15	£170	£0.00	-£170	£170
01/07/15	£170	£0.00	-£170	£340
01/08/15	£170	£200	+£30	£310
01/09/15	£170	£100	-£70	£380
01/10/15	£170	£170	£0.00	£380
01/11/15	£170	£170	£0.00	£380
01/12/15	£170	£0.00	-£170	£550
01/01/16	£170	£90	-£80	£630
Total:	£1360	£730		

The paying parent has paid a total of £730 of the £1360 due for the period leaving an underpayment of £630.

To reflect this, full payments need to be reversed out to cover the underpayment of £630. This is because only full payments can be reversed. Therefore an arrears start date of 30/09/15 will be selected to reverse out 4 payments dated 01/10/15, 01/11/15, 01/12/15 and 01/01/16 of £170 as $4 \times £170 = £680$ (£50 more than the paying parent has underpaid).

Then complete a DP adjustment to record an overpayment of £50 in order to equal the correct unpaid amount of £630. For details on how to complete the DP adjustment process refer to the above: **DP Direct Non Scheme Payment** in procedural exceptions.



Ensure that you update the DP adjustment SR with notes explaining the reasons for the payment, you must also suppress any letters that are normally issued during the direct non scheme process.

DP Direct Non Scheme Payment

1. Within the paying parent contact record create an SR with the following values:
 - **Process = Payments**
 - **Area = Manage Payments**
 - **Sub Area = DP Direct Non Scheme**
2. The SR may open in the **More Info** tab, if this happens, select the **More Tabs** arrow at the right of the tabs and select **Payments** and then **Payment Allocation**. Update the **Status** of the SR to **In Progress**.
3. Select **New**, the **BaNCs** Account Numbers should automatically populate, if they do not, select **NRP** and the relevant **PWC BaNCs** Account Number.
4. Input the amount previously accepted as paid in the **Amount Paid** field and update the **Reason** code with **Overpayment**.
5. Select **Get Payment Allocation Details** to view the active liabilities the paying parent has on BaNCs for the receiving parent account. Tick the **Select** box next to the liabilities you want to assign the overpayment to and select **Update Siebel**.

If no active liabilities are available to assign the overpayment continue to **step 7**. The payment is in excess and will be scheduled with future liabilities.
6. Assign the payment amount in the **Amt Allocated** field next to each selected liability until the total payment is cleared or covers all of the liabilities. Any excess is stored on the system for future liabilities.

Do not attempt to allocate payments to satisfied liabilities.
7. Update the **Notes** tab to fully document your decision, this includes making a Welfare of the Child Decision, for more information on discretionary decisions including a verbatim statement to record refer to Policy, Law and Decision Making Guidance .
8. From the **Payments/Payment Allocation** tab set the SR **Resolution Code** to **DP non standard payment accepted** and save the record. The **Status** and **Sub Status** of the SR are automatically updated and an approval work item will be sent to the team leader (TL) for authorisation.

Team Leader Action

9. Review the SR from the caseworker and make a decision on accepting the overpayment. After viewing all of the information if you do not agree that the overpayment should be accepted:
 - In the inbox, set the action to **rejected**
 - Complete the **comments** field with the rejection reason
 - Return to the caseworker
10. If you agree with processing the payment:
 - In the inbox, set the action to **Approved**
 - Complete the comments field with the reasons for approval (optional)
 - Return to the caseworker

Caseworker Action

11. If the payment has been rejected due to error the SR is to be closed, update the resolution code to **DP Non Standard Payment Rejected**. Update the SR **Status** to **Closed**, and **Sub Status** to **Complete**. If the payment is still required, return to Step 1 create an SR to correct any errors and follow steps to resubmit for Team Leader approval.
12. If the payment has been accepted, update the **Resolution Code** to **DP non standard payment accepted**. Select the **Submit Payment Allocation Details** and BaNCs is updated with the payment.
13. Update the status of the SR to **Closed**, the **Sub Status** to **Complete**.
14. Return to the Details tab of the procedure to complete the change to service type.

NI Exceptions

The Charging Warm-Up lines to take for NICMS can be accessed by selecting the following link: [NICMS Charging Warm-Up Lines to Take](#).

[CMSL3102 Please Tell Us How You'd Like To Receive payments](#)

Where client does not have "method of payment to" details, send a letter client to gather details and set up MOPT.
All fields in this letter are system generated, no manual intervention is required

[CMSL6163 We need some information from you](#)

Letter sent to paying parent when receiving parent has requested switch to collect and pay with no alleged missed payments.

All fields in this letter are system-generated, no manual intervention is required.

[CMSL6164 We cannot change your child maintenance arrangements at this time](#)

Letter sent to receiving parent when requested change to collect and pay has been declined due to paying parent not agreeing to the change.

All fields in this letter are system-generated, no manual intervention is required.

[CMSL6166 We need some information from you](#)

Letter sent to paying parent and receiving parent during a change to collect and pay to correct partial or additional direct non scheme payments while the case was on direct pay.

All fields in this letter are system-generated, no manual intervention is required.

[CMSL6167 Please tell us how you'd like to receive payments](#)

Letter sent to receiving parent asking for a new Method Of Payment To (MOPT) when the service type changes to collect and pay.

All fields in this letter are system-generated, no manual intervention is required.

[CMSL6168 Please tell us how you'd like to make payments](#)

Letter sent to paying parent asking for new Method Of Payment From (MOPF) when their service type changes to collect and pay.

All fields in this letter are system-generated, no manual intervention is required.

[CMSL6320 We cannot change your child maintenance arrangements at this time](#)

Letter to the paying parent to inform them that we cannot change the service type currently as the receiving parent wants to stay on direct pay.

[CMSL9514 to receiving parent Your Child Maintenance Arrangement Has Changed](#)

Change service type from Direct Pay to Collect and Pay, a letter to the receiving parent to advise the change has been updated (see old code letters 4404-4407)

- If we are collecting all of the missed payments, use the paragraph 'We can confirm that XXXX owes you outstanding payments for this case and we will attempt to collect them all'

- If we are collecting some of the missed payments, use the paragraph 'We can confirm that XXXX owes you outstanding payments for this case and we will attempt to collect the following payments' use the free text field to enter details of which payments are to be collected.
- If we are not collecting the payments, use the paragraph 'You told us there were missed payments for this case. However we cannot collect these payments because'

Once completed review the letter to ensure the correct information is provided

[CMSL9515 to paying parent Your Child Maintenance Arrangement Has Changed](#)

When changing service type from direct pay to collect and pay, issue letter to paying parent to advise the change has been updated

- **TM_09153** -'We were told you missed a payment for this case (insert case number)'
- **TM_09151** -'You have missed payments for this case (insert case number)'
- **TM_09152** -'You have missed payments on this case (insert case number)'

Once completed review the letter to ensure the correct information is provided

[CMSL9516 We Need Some Information From You](#)

When change service type from Calculation only to Calculation and Collection, and receiving parent says there were missed payments, letter to NRP to ask for evidence.

- Paragraph **TM_10087_E** is a freetext field that must be completed with the appropriate missed payments and dates. Check the letter to ensure that, once populated, this extra information is set out correctly in the paragraph

[CMSL9619 We Need Some Information From You](#)

When change service type from Direct Pay to Collect and Pay, a letter to receiving parent to ask about missed payments.

All fields in this letter are system generated, no manual intervention is required

[FT2004 Your bank or building society details](#)

Form the client uses to complete their bank details

[Arrears - Write off](#)

[Calculation - Post Initial](#)

[Change MOPT - Summary](#)

[Change - Service Type - To Direct Pay](#)

[Collection Fees Summary](#)

[DEO - Enforced](#)

[DEO - Self Selected - Set Up](#)

[DER - Self Selected - Set Up](#)

[DFB - set up](#)

[Direct Debit - set up](#)

[Direct Non Scheme Payment](#)

[Direct Pay - Overpayment/Underpayment](#)

[Direct Payment - Set Up](#)

[Method Of Payment From - Set Up Initial](#)

[POCA - Set Up](#)

[Service Type Guide](#)

[Suspend/Unsuspend Liabilities](#)

[Terminology Changes](#)

[Transfer Data Between Clients](#)

[Voluntary Standing Order - Set Up](#)

[Default Standing Order - Set Up](#)

[What if further payments are reported after change is completed?](#)

Any payments which cover the period between the arrears start and end date, reported after the Change to Service Type has been completed, can still be recorded. Go to **DP Direct Non Scheme Payment** within the **Procedural Exceptions** tab.

At what stage in the case journey do I follow this process?

Follow the process in the Details tab if the case is post initial.

If case is pre initial, this process should not be followed and instead the service type can be recorded by selecting the appropriate drop down against **PWC Service Type** and **NRP Service Type** fields at case level.

How far back can missed payments on Direct Pay be collected?

The receiving parent will indicate to us when the arrangement broke down.

We can go back either:

- as far as the last annual review; assuming the client received a client statement (check whether client statement was sent), or
- where there is an overriding reason why the receiving parent did not tell us of the breakdown at annual review then we can go back to the last effective date of the case being put onto Direct Pay.

It is the responsibility of the paying parent to provide evidence of payments made for the period that the receiving parent has claimed as unpaid.

Can verbal evidence of missed payments be accepted?

Where both clients confirm that payments have been missed, this verbal evidence can be accepted and there is no need for written evidence.

Can a client request changes to the collection date on their direct pay schedule?

Yes, refer to the procedure [Change Payment frequency/collection date](#) for details