

Direct Debit Indemnity Claim (DDIC)

When a paying parent pays their child maintenance by direct debit (DD) there may be times when the paying parent makes a direct debit indemnity Claim (DDIC).

A DDIC may be made if the CMG takes a payment which the paying parent disagrees with. This could happen if the paying parent does not agree with a payment that is taken from their bank. The paying parent must contact their bank to make the claim, CMG can't do this on their behalf.

When a paying parent makes a DDIC, their respective bank will refund the paying parent with the funds taken before making a direct claim with the CMG for repayment.

This procedure will explain the steps taken by the banking and accounting team to record the DDIC and repay the bank by drawing down funds from the admin account and creating a cost on the paying parent's case.



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.

BaNCS transfer



Errors made within BaNCS have severe implications. BaNCS is Child Maintenance Services' core banking engine and controls all company and client internal accounts, being responsible for the movement of money between these accounts. All tasks carried out on this system should be double checked for accuracy before completion.



When completing actions in BaNCS you need to complete the assurance actions outlines in [BaNCS - Control and Assurance](#).

1. When you receive the report that the paying parent has made a direct debit indemnity Claim (DDIC), you will need to transfer the amount claimed from the paying parent's account into the bank mirror account within BaNCS.
2. Enter BaNCS to make the transfer. From the right hand navigation in the BaNCS menu select **Payments & Collection, Back Office Transactions** and then **Reassignment – Wrong Credit Reversal**.
3. In **Transfer from** complete the fields:
 - **From Deposit Account – this is the paying parent's BaNCS number**
 - **Amount – the sum of the funds to be moved**
4. In **Transfer to** complete the fields:
 - **To G/L Account – enter the bank mirror account number**
 - **Amount – the sum of the funds to be moved**
 - **MRN - leave this blank**
 - **Promo No – R1:Return**
 - **MOP Type - DDR**
 - **Tran Type – DDIC**
 - **Ref no. – this is the payment reference number on the bank statement**
5. To post the journal select **Transmit**. In the bottom left hand corner of the screen you will be presented with a green dot to indicate the transaction has been posted.

Drawdown funds and create a cost



During the following processes you must ensure that you leave notes on any respective SRs explaining that this is being completed due to a DDIC.

If any funds have been allocated to residual Secretary of State arrears, the arrears will need to be adjusted on the paying parents case, for more information refer to [Arrears \(1993/2003 Scheme\) - Add/Correct Balance](#). If no funds have allocated to SoS arrears, continue to **step 6**.

6. You will now need to draw down the funds from the admin account to cover the overdraft on the paying parent's account.



Draw downs are completed by contacting the Client Funds Account Team (CFAT).

7. You will now create a cost on the paying parent's account. For more information refer to [Create Cost](#). This will complete the process.

Related Items

[BaNCS - Control and Assurance](#)

[Create Cost](#)