

Direct Pay Summary

This procedure is provided as background educational guidance not as a step-by-step guide and complements available training material.

Direct pay is the Child Maintenance Group (CMG)'s preferred service type and clients should be encouraged to use this method.

The procedure explains what direct pay is and the benefits of using it. A fundamental, "My Role In Direct Pay", is available on the enhanced support model site: [Fundamentals](#).

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



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.

Direct pay is when the paying parent pays the child maintenance assessment directly to the receiving parent, following a schedule issued by the system, and has advantages for both clients and CMG.

Direct pay can be implemented regardless of the paying parent's source of income i.e. employed, benefit etc.

Direct pay can be set up as the initial service type or at any other time in the lifecycle of the case. Cases with outstanding arrears can have the payment method changed to direct pay - the receiving parent can choose whether to write off the arrears or have them scheduled for collection via direct pay. Clients may also request to change back from direct pay to collect and pay at any time, although this change would only be accepted if both parties wanted collect and pay or if the paying parent had missed payments while on direct pay.

Advantages for the CMG:


- Less correspondence, post, telephone calls or service requests (SRs) to action
- No voluntary payments to calculate

Advantages for clients:

- Collection fees avoided - paying parents pay 20% of their ongoing maintenance liabilities in collection fees, receiving parents pay 4% of their maintenance when using the CMG's collect and pay service.
- Direct pay provides clients with more flexibility - ability to determine how and when payments are made
- Convenience for clients
- Payments become independent of CMG, however CMG is there to help if problems occur
- Once the maintenance calculation is worked out, clients do not have to be contacted again until the annual review (AR) date or following a request for a new calculation or default on payment
- Direct pay is a quicker payment method than the CMG as the paying parent pays child maintenance straight to the receiving parent
- Could lead to improved relationships between parents
- Where there is no current contact between parties, we can arrange to transfer information such as bank details to either party. For more information on completing this refer to [Transfer Data Between Clients](#)

Direct pay can be set up as the initial service type, or at any time during the lifecycle of the case. Cases with outstanding arrears can also have their service type changed to direct pay. Clients can also request to change from direct pay to the CMG's collect and pay service at any time. For further information on changing the service type refer to the procedures for [Change - Service Type - To Collect and Pay](#) and [Change - Service Type - To Direct Pay](#).


Where direct pay is requested as the initial service type, the applicant should be asked whether they'd like CMG to transfer bank details from themselves to the other party. For more info on this refer to [Transfer Data Between Clients](#).

Either parent can request to change to direct pay. When the paying parent has requested a change to service type and the receiving parent's preferred service type is collect and pay, an unlikely to pay check must be carried out. This check must be completed before the change is accepted. The unlikely to pay check is a discretionary caseworker decision. If the receiving parent requests direct pay at the application stage and the paying parent can't be contacted then the system sets direct pay as the service type. For more information refer to [Unlikely To Pay Check](#) and to the Policy, Law and Decision Making Guidance 

Clients on direct pay are issued with payment schedules detailing the maintenance and arrears due to be paid/received, and the collection fee amounts avoided by opting to use direct pay. The paying parent may apply for a change to direct pay and providing they have been compliant throughout the case they may switch without the receiving parent's permission.

The paying parent and receiving parent can agree on how payments are made, whether by cash, standing order or an e-money transfer service. Whichever method is chosen it is important that they keep a record of the payments made in case of any future problems.

There are money transfer services which allow parents to transfer child maintenance payments directly between themselves without involving the CMG or revealing any personal information. These include PayPal, MoneyGram and non-geographic bank accounts. A non-geographic bank account is an account where the sort code can't be used to trace the client. When a receiving parent asks for further information send CMSL9660 and refer them to their bank to discuss non-geographic sort code accounts. The Options website contains further details on money transfer services.



 For further information regarding the use of non geographical bank accounts, please refer to the guidance for [Managing Your Payments With Direct Pay](#).

There are a number of letters which can be sent relating to non geographic bank accounts:

- CMSL9660 - Issued to the receiving parent for information regarding non-geographic bank accounts
- CMSL9661 - Issued to the paying parent once the account is set up to advise of the new payment details
- CMSL9662 - Issued to the receiving parent to confirm the details have been passed on to the paying parent

For more information on money transfer options while on direct pay refer to the Policy, Law and Decision Making Guidance 

Where the paying parent contacts the CMG to advise that direct pay has failed, the CMG has discretion to collect some, all, or none of the maintenance payable. However, it is the responsibility of the receiving parent and paying parent to prove what has, or has not been paid.

The decision is discretionary and includes making a Welfare of the Child Decision, for more information on discretionary decisions including a verbatim statement to record in **Notes** refer to Policy, Law and Decision Making Guidance . The CMG must consider the circumstances of each individual case. However, some form of consistency must be applied when deciding on these types of cases. For more information on evidence and decision making refer to the Policy, Law and Decision Making Guidance 

When direct pay is offered as a method of payment it must be made clear to the receiving parent and paying parent, where appropriate, that the CMG will only collect and enforce payment once the receiving parent asks them to collect on their behalf and only from the date the request is made.

The CMG can recover a reasonable amount of arrears accrued from missed payments over a retrospective period. The policy intention is that the receiving parent should come to us as soon as possible and preferably after one missed payment. Due to circumstances, this may not happen e.g. the paying parent misses a month due to illness and promises to pay double next month and fails to pay the following month. It is understandable the receiving parent waits before informing the CMG of the missed payments.

When the receiving parent and paying parent reach an agreement to pay/accept less than the full assessed/calculated amount, the CMG may not adhere to this agreement and any collection and enforcement action taken in respect of the full maintenance assessment/calculation is at the discretion of the CMG. Likewise, if the paying parent was paying more than the calculated amount, only the assessed/calculated amount is taken into account.

NICMS to replace Child Maintenance Group (CMG) in Northern Ireland

[CMSL9660 We Need Some Information From You](#)

When setting up non-geo bank account during change of service type to Direct Pay or in separate SR - request to receiving parent for their non-geographic bank account details.

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

[CMSL9661 New Child Maintenance Payment Details](#)

When service type changed to direct pay/new geographic bank account details - pass on non geographic bank account details to the paying parent.

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

[CMSL9662 We've Passed On Your Bank Account Details](#)

When payment method changed/service type changed to direct pay - to confirm we've passed on non geographic bank account details.

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

[Application - Child in Scotland](#)

[Application - Paying Parent](#)

[Application - Receiving Parent](#)

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

[Change - Service Type - To Collect and Pay](#)

[MOPF - Set Up initial](#)

[MOPT - Set Up initial](#)

[Transfer Data Between Clients](#)

[Unlikely To Pay Check](#)

Can a paying parent on direct pay choose to buy items for the child/ren or pay household bills to the value of the maintenance amount?

Yes, but only if the receiving parent agrees to accept this in lieu of child maintenance before any items are bought or bills are paid. If the receiving parent agrees to this then the paying parent should obtain a receipt that makes clear the amount being accepted in lieu of maintenance. If this is reported, suggest that a family based arrangement may be more appropriate.

Is a method of payment from/to (MOPF/MOPT) required if direct pay is requested?

Yes although not required at the application stage initially.