![Department for Work & Pensions] **Procedures** ▸ Direct Payment - Set Up

Procedures > Pages > Method-of-Payment > Direct-payment-set-up

Direct Payment - Set Up

This procedure will take you through setting a method of payment to (MOPT) for a receiving parent as direct payment. The MOPT is the method where the Child Maintenance Group (CMG) process payments received and pay money out to the receiving party, which is usually the receiving parent. A case cannot be completely set up until there is a MOPT for a receiving parent. Direct payment is where payments are sent directly to a receiving parent's bank or building society account.

Direct payment is not the same as direct pay. Direct pay is the service type formerly known as maintenance direct.

The process can be launched at a client's request, or it can be launched automatically following a change of circumstances (CofC). The receiving parent can ask to change their MOPT at any point in an application or case. It will be carried out by the caseworkers who have case ownership of the case at that point.

Clients can also set up/amend their method of payment to direct payment using the Child Maintenance Service's safe and secure self service website. Clients can also log on any time to check when their next payment is due, view payment history, make a payment or update information about their account. For further information, refer to Client Self Service.
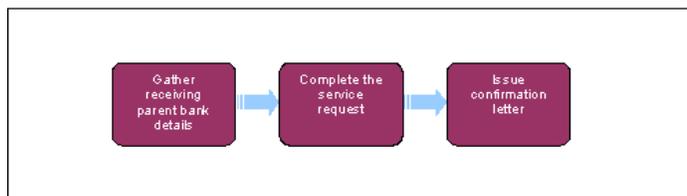
Setting up direct payment will include contacting the receiving parent to gather the direct payment details and updating these on the system. When contacting the receiving parent you should make them aware that direct payment will incur collection fees and that they can avoid these fees by:

- Making their own family based arrangement

- Choosing direct pay rather than the CMG's collect and pay service

For further information on collection fees, refer to Collection Fees - Summary. For further information on direct pay, refer to Direct Pay Summary.

For more information on the details required for different types of accounts, e.g. current account, building society account, select the direct input guide for bank wizard in the following link http://bankval/.

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

ℹ️ When speaking to clients always use the new terminology. For more information refer to the Terminology Changes.

ℹ️ 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.

⚠️ Before setting up a method of payment, you must first verify the existing MOP to ensure that the system or another caseworker has not created/replaced the exact same MOP. To do this select the clients Contact then select the Financial Accounts view. If the same MOP is already in place, take no further action.

Gather Receiving Parent bank details

1. Create a Change Of Circumstances (CofC) service request (SR) to update the method of payment to (MOPT) information.

   From the drop down lists select:

   - **Process = Change Of Circumstances**

   - **Area = Change Method Of Payment**

   - **Sub Area = Change Method Of Payment To**

   - **Source = PWC**

   Update the **Subject Details** section of the applet by completing the **Last Name** field, enter the effective date and then change the **Status** of the SR to **In Progress**. For more information on methods of payment refer to the Policy, Law and Decision Making Guidance ⚖️

   The SR can also be automatically generated by the BaNCS interface due to a failed payment e.g. due to a change in the receiving parent's account details.

At application stage, you do not need to create a change of circumstances SR, the existing SR can simply be amended, or can be closed and an **Amend MOP** SR created.

To do this select the clients **Contact** then select the **Financial Accounts** view. If the same MOP is already in place, take no further action.

Complete the Child Service Request

When the Receiving Parent has more than one case with a Method of Payment to (MOPT), Direct Pay will have to be raised for each case that is, or changing to, Calc and Collect.

2. Generate a child SR using:

- **Process = Payments**

- **Area = Method Of Payment To**

- **Sub Area = Direct Payment**

3. Update the SR with the client's details e.g. client's name and link the relevant case number to the SR.

4. Select Action:

- **Replace MOP** – to amend an existing method of payment

- **Create MOP** – to create a new method of payment

5. Update the **Status** of the SR to **In Progress**, the system will then change the **Sub Status** to **In Progress**.

6. The system will generate an activity plan for you to follow.

Complete the change

7. Update the SR with the client's **Internal Account Number**.

BaNCS numbers are required by the system in order to process payments. Every client will have a BaNCS number generated by the system at the initial application stage.

8. Call the receiving parent to request the correct details. If the receiving parent cannot provide any other bank details but has a POCA, cancel this SR and open a new SR for setting the MOPT as POCA. It is the receiving parent's responsibility to provide the CMG with MOPT details, if they fail to do this the CMG will hold on to any collections made for maintenance until they provide us with valid MOPT details.

Where the receiving parent has provided details, but is not contactable by phone, issue letter CMSL3002 and form FT2004 using the Payments SR where validation has failed, or CMSL4425 and form FT2004 using the Change of Circumstances SR where a payment has failed because the details are invalid. **Close** and **Cancel** the SR as a new SR will be generated when the receiving parent contacts the CMG.

Where it has not been possible to contact the receiving parent to obtain bank details issue CMSL3102 and FT2004.

9. Enter the client's bank details:

- **Account holder name**

- **Account type**

- **Account number**

- **Sort Code**

Select the **Bank Validation** button and bank wizard will validate these details. Bank wizard may return an error code, please refer to Bank Wizard Error Codes in the **Procedural Exceptions** tab.

Clients should be actively encouraged to open a new bank account, building society or credit union account from the outset. Clients' applications cannot be progressed if they are unable to obtain a bank account or building society.For more information on the details required for different types of accounts, e.g. current account, building society account, select the direct input guide for bank wizard in the following link http://bankval/.

10. Update the **Resolution Code** of the SR to **Direct Payment Accepted** then **Save** the SR.

11. Select the **Send MOP** button. This will send a message to BaNCS to accept the chosen MOPT type. The BaNCS success message should be displayed. Send letter CMSL3004 if the type of MOP has changed or CMSL3010 if just the details of the MOPT, but not the MOPT itself have changed, e.g. CMSL3004 where the MOPT was POCA and is now direct payment, or CMSL3010 where the MOPT remains direct payment but to a different bank account.

12. Close the child SR by changing the **Status** to **Closed** and the **Sub Status** to **Complete**

When BaNCS returns a **Success** message, the correct **Resolution Code** must be selected and not set to **Transaction Rejected**.

13. Return to the **CofC** SR and update the **Outcome** field with either **Verified New MOP** or **Failed Verification**, then update the SR **Sub Status** and **Resolution Code** to **COC Accepted** or **COC Declined**.

14. Close the CofC SR by changing the SR **Status** to **Closed** and the Sub Status to **Complete**.

Bank Wizard Error Codes

When using bank validation, warning messages may be displayed. Most of these warning messages are only relevant to the banking industry and can be ignored, however there are some messages that do require you to take action.

Method of Payment To (MOPT)

The following codes may generate when checking a MOPT

- 007 - W - Account does not support Direct Credit transactions
- 008 - W - Sort code does not support Direct Credit transactions
- 100 - W - This bank branch does not accept FPS payments
- 101 - W - This account does not accept FPS payments
- 065 - W - Collection account requires a reference or roll account number

If you receive any one of these, confirm the details entered with the client or obtain alternative details or a different MOPT.

Modulus check failure

If a modulus check failure is received, ask the client if the bank account is new. If the account is new it may not be verifiable by Bank Wizard yet, obtain alternative details or a different MOPT.

If the account is an older account check the bank details supplied in Bank Wizard manually. Bank Wizard will confirm if the account number matches the sort code and if the account supports the proposed MOPT. If a manual Bank Wizard check suggests that the details are correct, the account is not new and the proposed MOPT is supported raise an incident, alternatively obtain alternative details or a different MOPT.

CMSL3002 We need some information from you

To ask the receiving parent for bank/ building society 'account' details – we could not verify the details supplied.

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

CMSL3004 Confirmation of your bank or building society account details

Inform the receiving parent that Direct Payment has been set up. Thank the receiving parent for providing their bank/building society account details. Includes that CMG can only pass on payments received from the paying parent.

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

Change MOPT - Summary

Collection Fees Summary

Direct Payment - Cancel

Direct Pay Summary

MOPT - Set Up Initial

POCA - Set Up

Terminology Changes