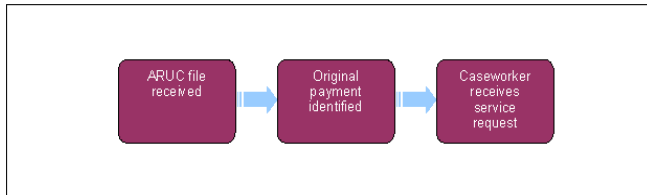




## Payment To - Reversal Exceptions

The majority of this procedure is for information only and will explain the steps the system takes for a failed payment to reversal (i.e. when the Child Maintenance Group (CMG) has made a payment to a client and the payment fails); however, there will be some caseworker intervention on most cases, dependent on the reason for the failure. These actions will be carried out in operational finance.

A failed payment to, can happen when an automated return of unapplied credits (ARUC) file is received in BaNCS, from the Banking Automated Clearing System (BACS). The ARUC file will be sent by the bank when a payment to fails, with the report highlighting the reason for the failure and displaying a code associated with that reason. The system generates a service request based on this code for the caseworker to complete.



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.

### Automated return of unapplied credits (ARUC) file received

1. The file is received by BaNCS and imported onto the system.
2. The system will search for a matching payment.
3. When the original payment to cannot be identified, the system will forward the payment to the online suspense account. For more information refer to [Suspense Account - Clear Online](#).

### Original payment identified

4. When the system finds the original payment, the reason for the failure will be noted under one of the following codes:
  - **Code 0** – Invalid details
  - **Code 2** – Beneficiary deceased
  - **Code 3** – Account transferred
  - **Code 5** – No account
  - **Code B** – Account closed
  - **Code C** – Requested by originator
5. The system will then raise a service request (SR) depending on the circumstances of the payment:
  - If the original payment was made to the receiving parent from the payment from account, i.e. paid out by the Child Maintenance Group (CMG), and fails for any of the above reasons, the system will put the payment on hold and create an SR for a caseworker to complete the change to the method of payment to (MOPT). For more information refer to [Change MOPT - Summary](#).
  - If the original payment was made to the paying parent and the reason is Code 2 (NRP death), the system will create an SR for a caseworker to investigate. For more information refer to [Death - NRP](#).
  - If the original payment was made to a paying parent and the reason is anything other than Code 2 the system will create an SR for the caseworker to complete. Go to **step 7**.
  - If the original payment was made to an employer or third party, the system will create an SR for the caseworker to complete. Go to **step 7**.
6. When the returned payment is identified as being from the payment from account, i.e. paid out by the CMG, the system will put the payment on hold and create an SR for a caseworker to complete the change to the MOPT. For more information refer to [Change MOPT - Summary](#).

### Caseworker receives SR

7. Open the SR and the system will have populated the relevant fields as follows:
  - **Process = Payments**

- **Area = Payment Exceptions**

The Sub Area is populated with one of the following:

- **Review Payment To NRP**
- **Review Payment To Third Party**
- **Review Payment To Employer**

8. Set the **Status** to **In Progress** and an action plan will be created.
9. Review the reason for the payment failure and the client type, e.g. paying parent, third party or employer.
10. Gather new bank details and inform the client of the missed payment. For more information refer to **Payment - Non Standard**.
11. Close the **Review** SR under the relevant **Resolution Code**:
  - **NRP = MOPT Updated**
  - **Third Party = Bank Details Updated**
  - **Employer = Bank Details Updated**

[Change MOPT - Summary](#)

[Death - Paying parent](#)

[Payment From - Investigate/Escalate](#)

[Payment - Non Standard](#)

[Suspense Account - Clear Online](#)

[If a payment fails how will the caseworkers know if any action is required?](#)

An automated return of unapplied credits (ARUC) file will be received, containing a code associated with the reason for failure. The system then generate a service request based on that code for the caseworker to complete.