



Universal Credit

Third Party Payments Creditor/ Supplier Handbook

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The aim of this handbook

The aim of this handbook is to provide an overview of how the Third Party Deductions Scheme works for organisations and individuals (referred to as Creditors or Suppliers) who receive Third Party Payments.

Please circulate to all relevant parties within your organisation.

The payment procedures are complex because of the requirement to manage millions of different transactions each year. The following pages aim to improve understanding of the procedures and help ensure that payments are made on time and are for the correct amount in all cases.

Introduction

Department for Communities (DfC) claimants in receipt of certain benefits or credits may have deductions taken from their benefit and paid direct to a Creditor/Supplier under the Third Party Deduction Scheme. Third party deductions will only be made when it is considered to be in the interest of the customer or the claimant's family. The actual payment of monies owed to you, the Creditor/Supplier, and paid on behalf of the DfC customer is known as a Third Party Payment.

The Third Party Deductions Scheme is operated in accordance with the Social Security (Claims & Payment) Regulations (Northern Ireland) 1987, Regulation 34A(1) and Schedule 8A and the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations (Northern Ireland) 2016, Regulation 55 and Schedule 6.

The Third Party Deduction Scheme should only be used when all other avenues of recovery have been exhausted.

DEDUCTIBLE BENEFITS ARE:

- Pension Credit
- New Style Jobseeker's Allowance / New Style Employment Support Allowance
- Universal Credit



Types of arrears recovered from benefit

ARREARS THAT CAN BE RECOVERED UNDER THE SCHEME INCLUDE:

- Housing costs (for customer's current address)
- Fuel costs (for customer's current provider)
- Rates
- Unpaid fines or compensation orders
- Child Maintenance

Please note that under Universal Credit we will not deduct an amount for current consumption costs of fuel or water where the household does not have arrears.

Third party deductions are made according to a priority order. The amount you receive will depend on whether other deductions we make have a higher priority. Please note that a maximum of three third party deductions are made from each payment of benefit.

The priority order for third party deductions under Universal Credit differs from the priority order under other benefits. The provisions for the priority order under Universal Credit are in the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations (Northern Ireland) 2016, Schedule 5, paragraph 5.

How the scheme operates

ARREARS PAYMENTS

Once payments are set up on the third party payments system, you, the Creditor/Supplier, will normally receive payment every 28 days and will be 28 days in arrears. Creditors will usually expect to receive the first payment for a customer on your next payment schedule within 6 weeks from the date deductions have commenced.

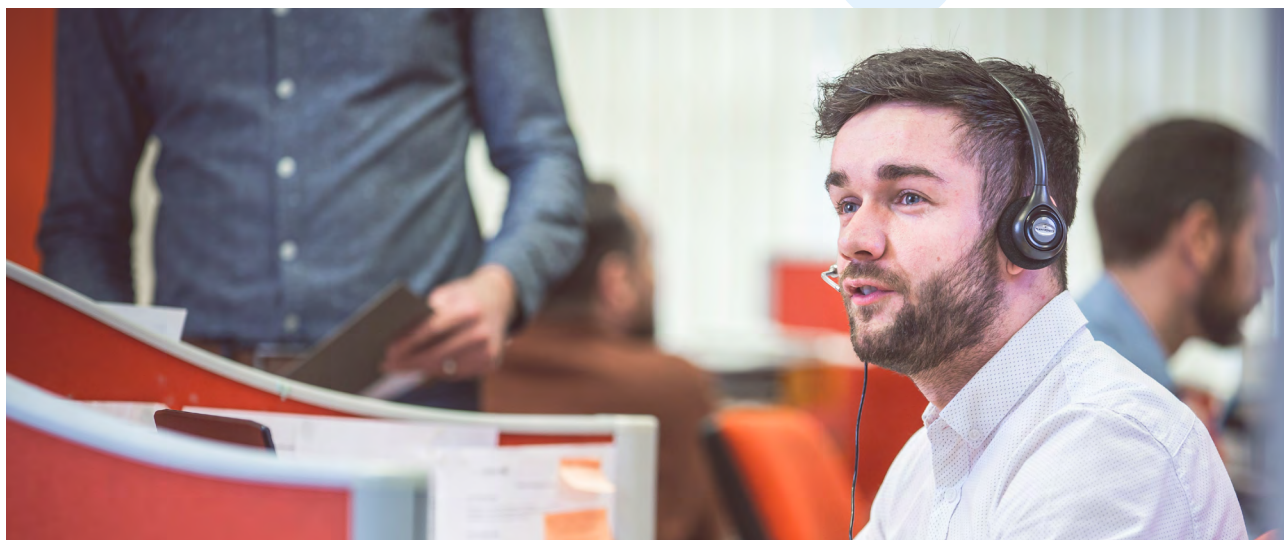
Those Creditors/Suppliers receiving third party deductions from claimants on Universal Credit will receive 12 payments in a calendar year. This is because assessment periods for Universal Credit are calendar monthly – so we assess what deductions can be made from Universal Credit 12 times each year at the end of each assessment period. Consequently there will always be one 28 day payment cycle each year that does not align with the assessment of deductions from Universal Credit. When this

is will depend on the date of the assessment period for a particular customer and the specific dates that apply to the creditor for a particular debt: the date of the assessment period depends on the date of the claim.

The payment you receive may change from month to month depending on what other deductions are made according to the priority order.

A BACS (Bank Automated Clearing System) payment will be made into the bank account nominated by you, the Creditor/Supplier.

Once deductions have been set up, you will be sent a notification. Please check the details contained in the notification to ensure they are correct and notify us of any discrepancies or amendments required at the earliest opportunity. The contact details can be found on the top right hand corner of the notification.



Responsibilities

AS A CREDITOR/SUPPLIER, YOU ARE RESPONSIBLE FOR:

- Contacting us to apply to set up deductions from the claimant's Universal Credit. (Please ensure if you already have an account with us that you quote your supplier/creditor reference number on all applications)
- Checking that the details contained in the notification are all correct. Please notify us of any discrepancies or amendments required – contact details will be on the top right hand corner of the notification.
- Informing us of any changes and requesting any amendments to deductions from benefit i.e. to end or change deduction amount required – contact details will be on the top right hand corner of the notification. **Failure to do so could result in unnecessary over deductions from the claimant's benefit.**
- Informing DWP Third Party Payments Team in Blackpool of any amendments required to a Customer Reference Number.
- Allocating all payments to the correct customer account(s) promptly on receipt of your payment schedule and ensuring that any unidentified payments are dealt with as soon as possible; and certainly within 12 months. **It is important to note that we are unable to deal with queries raised relating to anything older.**
- Informing DWP Third Party Payments Team in Blackpool promptly of any changes to your name, address or bank account details. **Failure to do this may result in payments being made into an invalid/closed account.**

THE UNIVERSAL CREDIT SERVICE CENTRE IN DFC WILL:

- Agree to third party deductions with the creditor and customer and obtain relevant details to set up new Creditors/Suppliers on the third party payments scheme.
- Set up, amend, and terminate deductions from benefit on behalf of claimants and Creditors/Suppliers.
- Calculate and pay any underpayment/missing payments of deductions from benefit to the Creditor/Supplier.
- Calculate and recover any overpayment of deductions from benefit made to the Creditor/Supplier.
- Deal with any queries from benefit claimants relating to third party deductions.

THE DWP THIRD PARTY PAYMENTS TEAM AT BLACKPOOL WILL:

- Allocate a Creditor/Supplier Number to all new Creditors/Suppliers set up by the Universal Credit Service Centres.
- Maintain the Creditor/Supplier records with address, contact and bank account details.
- Pay deductions from claimant's benefit to the Creditor/Supplier, on behalf of the Universal Credit Service Centre.
- Deal with queries from Creditors/Suppliers relating to payment schedules.
- Refer Creditor/Suppliers to the relevant Universal Credit Service Centre to resolve queries regarding the setup of deductions.
- Recover any overpayments of deductions from benefit made to Creditor/Suppliers on behalf of Universal Credit Service.

Payment adjustments

An adjustment becomes necessary when we are not notified of a change in deductions until after the relevant payment has been made to you, the Creditor/Supplier.

Occasionally deductions may change depending on other deductions and their respective priorities.

It is your responsibility to notify the relevant section if:

- **a debt has been fully recovered or if there is any change that affects the amount of debt that we were originally asked to recover.**
- **an overpayment is made or monies are paid to you in error (i.e. not one of your claimants).**

Please do so by phoning Universal Credit on **0800 012 1331**

PLEASE DO NOT:

- Repay this money to us by cheque.
- Repay money to us via Bank Transfer.
- Repay any money to your customer.
- Transfer the money to another organisation where you deem the money should have been paid.

It is a **condition of the scheme** that we will recover any monies overpaid or paid in error by adjustment on a future schedule. This is to ensure that the claimant's account is credited with any monies deducted in error.

Changing a customer reference number

The payment schedule you receive will show the customer's reference number. This is the number you have allocated to the customer.

If it is incorrect or needs amending you will need to inform the DWP Third Party Payments Team at Blackpool on the relevant customer reference amendment form (ePRS03) by emailing it to prs.customerreferencetm@dwp.gsi.gov.uk

Please note this form should be used for customer reference amendments only and must include the 'Owning Office Ref' in the Local Office number field which can be found in your bulk schedule.

Changing Creditor/Supplier details

If you change the name or address or bank account you will need to inform DWP Third Party Payments Team at Blackpool on the relevant Creditor/Supplier changes form by emailing it to tpp.creditoramend@dwp.gov.uk

If you take over, or merge with, another company and wish your customers to appear on only one schedule, you must take the following action:

- Contact **Universal Credit**
- Ask them to end deductions under the old Creditor/Supplier Number;
- Ask them to set up the deductions under the chosen Creditor/Supplier's details for each customer affected;
- Once all your customers have been transferred, you must email the DWP Third Party Payments Team at Blackpool at: tpp.creditoramend@dwp.gov.uk and ask them to close the account.

Payment schedules

PAPER PAYMENT SCHEDULES

Payment schedules are produced and issued by post or electronically (if set up for electronic schedules). Schedules provide the total direct payment that will be made and contain a full breakdown of each claimant's account due for payment. **If you currently receive your monthly schedule by post, you should allow 5 working days from receipt of payment into your bank account for your schedule to arrive.**

(We are unable to request a re-print of the schedule until after this period of time).

After that period, if the schedule has still not arrived, you should contact the Third Party Payments Team to report non-receipt of the schedule. We will then arrange for a duplicate schedule to be issued to you.

In line with security procedures, we are not able to fax or email duplicate payment schedules and can only post them out to the address details currently held on our system.

ELECTRONIC PAYMENT SCHEDULES

The facility to send payment schedules securely electronically is available. This service is generally for creditors who have multiple but any creditor/supplier may apply to be considered. For an information pack, please email: tpp.edisetaup@dwp.gov.uk

Once you have read and chosen to change your delivery method then complete the form within the pack and send it to: tpp.edisetaup@dwp.gov.uk

If you already receive your monthly schedule electronically, you should allow 24 hours from receipt of payment into your bank account for your schedule to arrive.

After that period, if the schedule has still not arrived, you should email: customerpayments.edi@dwp.gov.uk

We will then arrange for a duplicate schedule to be sent.

When requesting a duplicate schedule, please include:

- your relevant creditor or supplier number
- your BACS reference number
- the amount and date of the missing schedule

INFORMATION FOUND ON THE PAYMENT SCHEDULE INCLUDES:

- **Owning Office Reference:** customer's Universal Credit Service Centre identification
- **Our Reference:** customer's national insurance number
- **Customer Reference:** This is the number allocated by you, the creditor/supplier, and can be a maximum of 18 alpha numeric characters. Universal Credit customers having rent deductions taken will have RA (rent arrears) or MP (managed payment) as a suffix of their customer reference and this cannot be removed
- **Period:** Dates the deduction relates to
- **Amount:** The total amount due, the number of assessment periods X the monthly payment (£)

At the end of the schedule the following paragraph may appear if any recoveries have been made:

"The following amounts have been incorrectly credited to your organisation. As a result they are being deducted from our latest payment to you"

Specific details, similar to those provided for the original payment, are given for each transaction being recovered. Therefore the amount of the payment due, less any recovery being made, will equate to the payment credited to your bank account.

Your Creditor/ Supplier Number will be quoted on the first page of your schedule.

Data Protection (GDPR)

- Data Protection restrictions prevent us from providing you with certain customer information.
- We are only able to confirm but not provide customer address details, National Insurance Numbers, dates of birth. We are unable to provide or confirm if the customer is in receipt of benefit or what benefits.
- We are able to provide you with a claimant's full name and contact telephone numbers for their Universal Credit address.
- Also please be aware that Data Protection restrictions and security procedures prevent us from providing you with the bank account



details or address we currently hold for your organisation. It is your responsibility to ensure that you hold a full record of all the bank account details that you have provided us with. This procedure is to protect and safeguard against any bank account details being given out to an inappropriate person or organisation.

- The payment schedule that we issue is for your company use only and due to the customer information it contains, it should not be shown to the benefit recipient or any other outside party.

Useful Contacts

BEFORE CONTACTING UNIVERSAL CREDIT OR THIRD PARTY PAYMENTS, PLEASE CHECK:

- If your query is answered in this Guidance
- Any payment queries with your own finance team

Private Landlord payment queries

Private Landlords receiving housing costs for Universal Credit claimants should contact **Universal Credit**.

Other creditor and supplier payment queries

If you have a query about arrears payments you should email Third Party Payments using the **Third Party Payments enquiry form**. The email address is in the form.

Appendix 1

Third Party Deduction Request Form

To:

Third Party Deductions
Freepost Universal Credit
Northern Ireland

From:

.....
.....
.....
.....

Section 1 – Customer Details

Customer's Reference Number

Debtor

Partner/Spouse

Surname

Surname

Other Names

Other Names

Address

Address

.....

.....

.....

.....

.....

.....

Date of birth

Date of birth

NINO

NINO

Section 2 – Type of Request

Start Deduction

Stop Deduction

Amended Deduction

Reason (if stop):

Arrears Cleared

Application Withdrawn

Change of Address

Death of Customer

Other

Section 3 – Details of deduction request (Rent)

Do these requested deductions relate to the customer's current address?* Yes No

*Please note that all outstanding arrears must relate to the customer's current address

Deduction Request Specifics

Rent

.....

Total arrears outstanding

.....

Service Charges

.....

Are arrears in respect of at least 2 months

.....

Section 4 – Details of deduction request (Electricity)

Total arrears outstanding

.....

Current weekly consumption

.....

Is liability in joint names with Partner/
Spouse detailed in Section 1?

Yes No

Is liability in joint names with another
party?*

Yes No

*If yes, please details opposite.

Surname

Other Names

Address

.....

.....

.....

Date of birth

NINO

Further Information

There is information on all aspects of Universal Credit available at:
www.nidirect.gov.uk/campaigns/universal-credit



Department for

Communities

www.communities-ni.gov.uk