



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 claimant 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:

- Income Support / Pension Credit
- Jobseeker's Allowance / Employment Support Allowance
- Universal Credit

For Northern Ireland Housing Executive (NIHE) and Land and Property Services (LPS), please submit using the electronic referral (see Contact Details on Page 10);

For all other Creditor Bodies please submit your request using the TP1 form found at Appendix 1 (see Contact Details on Page 11).



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

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 claimant on your next payment schedule within 6 weeks from the date deductions have commenced.

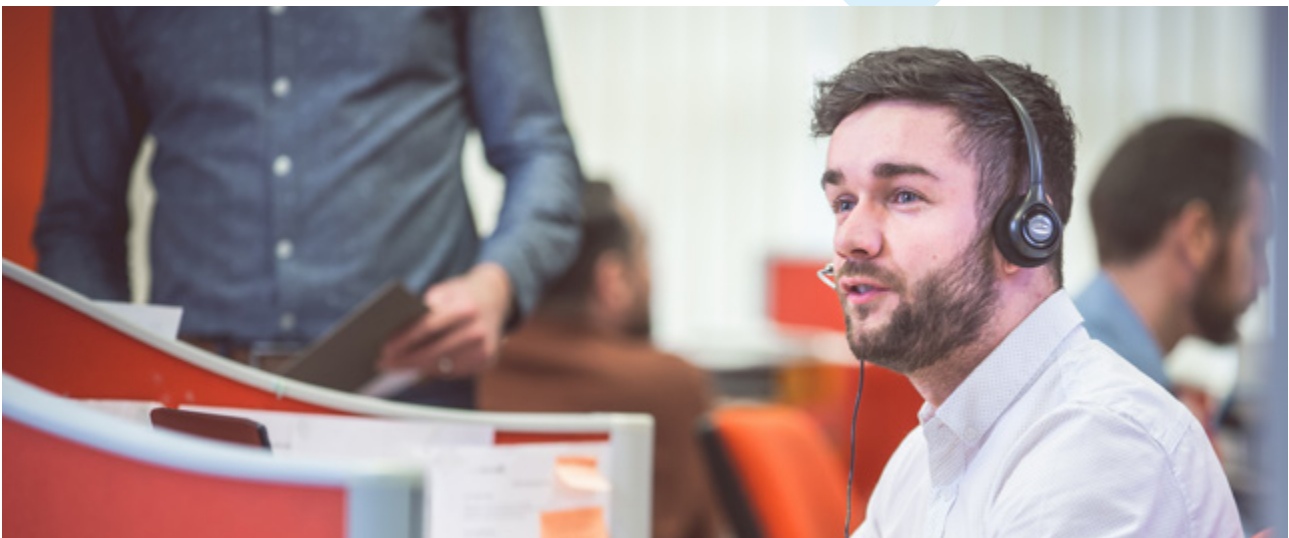
Those Creditors/Suppliers receiving third party deductions from claimants on Universal Credit will receive 12 payments in a calendar year. This is because assessment periods for Universal Credit are calendar monthly – so we assess what deductions can be made from Universal Credit 12 times each year at 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 claimant 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.

For Universal Credit please note that 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.

A small number of claimants are paid quarterly (13 weekly); this will affect the third party payment as this will also be paid quarterly. If this is inconvenient, please discuss this with us when requesting deductions to be set up.

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)
- For Income Support and Jobseekers Allowance you should contact the Third Party Deduction team at the DfC Debt Centre.
- For claimants on Universal Credit you can write to us at :

FREEPOST Universal Credit Northern Ireland

- 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 claimant 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 claimant 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).**

For claimants on Universal Credit you can write to us at:

**FREEPOST Universal Credit
Northern Ireland**

For Income Support and Job Seeker's Allowance you should contact the Third Party Deduction team at the DfC Debt Centre. They will then make the necessary adjustment to both the claimant's and your accounts.

PLEASE DO NOT:

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

It is a **condition of the scheme** that he 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 claimant.

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@dpw.gsi.gov.uk

Alternatively contact the Third Party Payments contact centre on 0345 600 2859.

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.

Relevant forms for amendment to creditor details can be found at: www.gov.uk/government/publications/how-the-deductions-from-benefit-scheme-works-a-handbook-for-creditors

Changing Creditor/Supplier details

If you change 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 prs.tppsuppliers@dpw.gsi.gov.uk

Alternatively contact the Third Party Payments Contact Centre on 0345 600 2859.

If you take over, or merge with, another company and wish your claimants 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 claimant affected;

- Once all your claimants have been transferred, you must email the DWP Third Party Payments Team at Blackpool at prs.tppsuppliers@dpw.gsi.gov.uk and ask them to close the account.

For claimants on Universal Credit you can write to us at

FREEPOST Universal Credit Northern Ireland

For claimants on Income Support and Jobseeker's Allowance, you should contact the Third Party Deduction team at the DfC Debt Centre.

Relevant forms for amendment to creditor details can be found at: www.gov.uk/government/publications/how-the-deductions-from-benefit-scheme-works-a-handbook-for-creditors



Payment schedules

Payment schedules are produced and issued by post or electronically (if setup 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 Contact Centre on 0345 600 2859 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.

INFORMATION FOUND ON THE PAYMENT SCHEDULE INCLUDES:

- **Owning Office Ref:** The DFC Identification Number
- **Our Ref:** National Insurance number of claimant
- **Customer Ref:** This is the number allocated by you, the Creditor/Supplier, and can be a maximum of 18 alpha numeric characters.

- **Period:** The dates the deduction relates to.
- **Amount (£): For IS/JSA** – The total payment due; i.e. number of weeks × the weekly payment (£)
For Universal Credit – The total payment due; i.e. number of Assessment Periods × 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.

ELECTRONIC PAYMENT SCHEDULES

The facility to send payment schedules securely electronically is available. This service is generally for creditors who have more than 30 claimants and a monthly schedule value greater than £2000. Please contact our Third Party Payments Contact Centre on 0345 600 2859 for further information if you would like to be considered.

Data Protection

- Data Protection restrictions prevent us from providing you with certain claimant information.
- We are only able to confirm but not provide claimant address details, National Insurance Numbers, dates of birth. We are unable to provide or confirm if the claimant 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 claimant information it contains, it should not be shown to the benefit recipient or any other outside party

Contact Details

All applications to begin, amend or to stop third party deductions should be sent to the Third Party Payments Team at the following address:

**Freepost Universal Credit
Northern Ireland**

Our phone number is **0800 012 1331**

If you use a **Text phone** you can call us on **0800 012 1441**

Our opening hours are 8.00am to 6.00pm Monday to Friday.

Relevant forms for amendment to creditor details can be found at: **www.gov.uk/government/publications/how-the-deductions-from-benefit-scheme-works-a-handbook-for-creditors**

Web address applies for both GB & NI

Appendix 1

Third Party Deduction Request Form

To:

Third Party Deductions
Freepost Universal Credit
Northern Ireland

From:

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Section 1 – Customer Details

Customer's Reference Number

Debtor

Partner/Spouse

Surname

Surname

Other Names

Other Names

Address

Address

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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

District Heating

.....

Total arrears outstanding

.....

Service Charges

.....

Are arrears in respect of at least 6 weeks

.....

Section 4 – Details of deduction request (Electricity)

Total arrears outstanding

.....

Surname

Other Names

Current weekly consumption

.....

Address

.....

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

Yes No

.....

.....

Is liability in joint names with another
party?*

Yes No

Date of birth

NINO

**If yes, please details opposite.

Section 5 – Details of deduction request (Hostels)

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

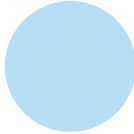
*Please note that all outstanding arrears must relate to the customer's current address

Total arrears outstanding

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Ongoing liability

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Any other relevant information

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Signature

Position

Date

Sections 1 and 2 must be fully completed in all cases.

For rent deductions all fields in section 3 should be fully completed. Sections 4 and 5 should be ignored.

For electricity deductions all fields in section 4 should be fully completed. Sections 3 and 5 should be ignored.

For hostels all fields in section 5 should be fully completed. Sections 3 and 4 should be ignored.

Further Information

There is information on all aspects of Welfare Changes and Universal Credit available at www.nidirect.gov.uk/welfarechanges



Northern Ireland
Executive

www.northernireland.gov.uk

