Dear [Redacted],

Thank you for your complaint received 1 November regarding your client [Redacted] and deductions from her Universal Credit (UC) for recovery of a fine.

UC have advised debts should be recovered as quickly and as cost effectively as possible without causing undue financial hardship. Therefore, we are required to make deductions at the maximum amount of 30% of the standard allowance or £108.35. This figure covers all deductions, including fines, advances and overpayments etc. Historically our case managers have made the decision to reduce the fine recovery in some cases. But, it has been confirmed they do not have the discretion to do so and should never have made this decision.

UC have also confirmed that there is no right of appeal regarding the decision to recover at this rate.

A Financial Hardship decision can only be considered if a claimant has deductions being taken from their Universal Credit for:

- benefit overpayment
- a Social Fund loan
- rent arrears of more than 10% of their Universal Credit Standard Allowance

If a claimant is facing financial hardship because of the amount being deducted from their Universal Credit, they can request to have their deduction amounts reduced. Debt Management refers to this as an 'affordability discussion'. In certain circumstances, the overall maximum deduction rate can be reduced.
Debt Management makes the Financial Hardship Decision where benefit debt or a Social Fund loan is being recovered.

Where Debt Management makes an affordability decision to reduce deductions, they inform Universal Credit of the new reduced overall maximum deduction rate.

Usually when we received a request from the courts to make deductions to recover a fine, this is because either no agreement for repayment has been reached between the court and the claimant, or an existing arrangement has broken down. Unfortunately, we are not provided with the reason, so I cannot confirm why the court has asked UC to take over recovery of the fine.

As has been advised previously, she can still contact the courts and discuss with them if they are willing to make an agreement with her to make payments direct to them. If this is agreed, the courts will in turn contact us and ask us to cease recovery of the fine.

However, needs to be aware, as we will always set recovery at the maximum rate to recover all debts, this may not reduce the level of deductions we take. This would be dependent on if there are other debts outstanding that are currently not being recovered, and if so this may simply mean a different debt can be recovered, or the rate of recovery of another debt can simply be increased (if sufficient debt is outstanding).

I appreciate this will be a disappointing response but hope it clarifies our position.

Based on my findings I am unable to uphold your complaint. However please accept my apologies for the confusion our initial incorrect decision to set the fine recovery at 5% and subsequent failure to clearly explain this and her options has caused.

If you wish to discuss any aspect of your complaint, or the contents of this letter, then please do not hesitate to contact me your complaint.resolution manager on the number above or by email at ASG.OPERATIONSCORRESPONDENCE@DWP.GSI.GOV.UK
Alternatively, you can write to us at the address at the top of this letter.

If you remain dissatisfied with the way your complaint has been handled you can write to J P Marks, Director General, Operations at DWP Complaints, Post Handling Site B, Wolverhampton, WV99 2GY or email Correspondence@DWP.GSI.GOV.UK within six months of the date at the top of this letter. The Director General, Operations will then arrange a response from an appropriate officer within the Department.

Yours sincerely

[Signature]

Complaint Resolution Manager.