



HM Revenue & Customs

Mr Owen Stevens

By email: ostevens@cpag.org.uk

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Dear Mr Stevens

Freedom of Information Act 2000 (FOIA)

Thank you for your request, which was received on 26 May, for the following information:

“Please provide guidance issued to HMRC staff (and/or other relevant documents) on what they should do when a Universal Credit claimant who has been notified of a tax credit overpayment, due to be deducted from their award asks HMRC how the debt arose or asks HMRC for other information regarding the debt. If there is a pro forma response, then please provide a copy.”

We can confirm that we hold the information requested. The Department for Work and Pensions (DWP) and HMRC have worked closely together to ease the transition for tax credit (TC) customers migrating to Universal Credit.

We look to keep our customers as informed as possible throughout the process and where they may need to speak with HMRC regarding an overpayment. In collaboration with DWP, we agreed versions of the attached guidance for both DWP and HMRC advisors, ensuring that we were providing consistent advice and identifying each department's responsibility.

Attachments 1 & 2

This is guidance given to HMRC and DWP staff, particularly around the scenario in your request. Within the document you will notice links, where possible we have provided additional documents however, some links take the advisor to an online rules-based system. We are unable to provide access however, fundamentally the guidance within the system is based upon the [Tax Credit Manual](#) which all HMRC staff have access to and is published on GOV.UK along with our [Debt Management & Banking guidance](#).

Attachment 1 – ‘TC Debt & Lines to take’

Links:

‘Ocelot overpayment explanation process’ - directs the advisor for example: [how to check for the years the customer has an outstanding overpayment](#) and to determine initially if this is due to a change in income (the most common reason), it then directs the advisor to check the customers award and review any changes made which might have changed the customers award amount, resulting in an overpayment.

‘Customer is unhappy with a decision they have received’ - directs to advise the customer of their rights regarding a Mandatory Reconsideration of the decision or change that generated their overpayment. This is a standard process for which we would provide similar advice whether the customer was moving to UC or not. The [Code of Practise 26](#) is a leaflet published on GOV.UK to support customers who find they have been paid too much tax credits.

‘SPOC’ - Single Point of Contact, to direct advisors to a colleague who will provide specialist support where the customer has an Individual Voluntary Arrangement (IVA).

The additional information in attachment 1 has been redacted, as we are obliged to withhold this information on the basis that it entails processes/guidance which is not owned by HMRC but by DWP. However, there is published guidance on [how to contact Universal Credit](#) available on GOV.UK.

Attachment 2 – Apportionment & Universal Credit (UC)

Links:

‘Debt transferred to DWP’ HMRC [guidance is available on GOV.UK](#).

For what was a difficult time for many, and to reduce the burden on our customers through the pandemic, we paused transfers of tax credit customer to DWP and our debt collection activity for a duration of time.

If you are not satisfied with this reply you may request a review within two months by emailing foi.review@hmrc.gov.uk, or by writing to the address at the top right-hand side of this letter.

If you are not content with the outcome of an internal review you can [complain to the Information Commissioner’s Office](#).

Yours sincerely,

HM Revenue and Customs