

Customer scenario	Responsible	Adviser Lines to Take
Customer asks why they have been sent a TC1131.	DWP	<p><i>Explain to the customer that this is because they have claimed UC and their TC debt has been transferred to DWP (or the Department for Communities (DfC) if they live in Northern Ireland) for recovery.</i></p> <p><i>They do not need to take any action and DWP will contact them to arrange recovery. To discuss the debt recovery including rates, outstanding balance, hardship or payment dates, they need to contact DWP.</i></p>
Customer asks why they have not been told about this debt before	HMRC	<p><i>Please advise the customer that they have been notified about this debt before. If the customer needs more detail on this there are several places where you can find the relevant information.</i></p> <ul style="list-style-type: none"> <i>The customers finalised award notice</i> <i>The customers IYF notice</i> <i>There may be detail of additional correspondence in Contact History or on CMA</i>
Customer understands why debt has occurred and is paying or will pay	DWP	<p><i>Advise that they do not need to take any action and DWP will contact them to arrange recovery. To discuss the debt recovery including rates, outstanding balance, hardship or payment dates, they need to contact DWP Debt Management on 0800 916 0647.</i></p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
Customer doesn't understand why there is a debt and wants an explanation.	HMRC	<p><i>Use the Ocelot overpayment explanation process to explain reason for overpayment.</i></p>
Customer doesn't understand debt but is happy to pay/will pay.	DWP	<p><i>Advise that they do not need to take any action and DWP will contact them to arrange recovery. To discuss the debt recovery including rates, outstanding balance, hardship or payment dates, they need to contact DWP Debt Management on 0800 916 0647.</i></p> <p>[REDACTED]</p> <p>[REDACTED]</p>

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Customer disagrees with the overpayment decision/amount because they feel HMRC has made an error in the award that led to extra payments or HMRC delayed dealing with a change or the customer may agree with the award but feel they should not have to repay, this would be a disputed overpayment.	HMRC	<p><i>If the customer wants to dispute their overpayment, they must do so within 93 days of the final decision notice for the relevant tax year.</i></p> <p><i>If that time has elapsed, the customer may have reasons for being late so please consider these as normal.</i></p> <p><i>The Ocelot overpayment explanation process will ask you to consider the above factors. If the customer is not happy with the explanation for the cause of the OP you give them, follow the DOP process that will be presented in the explanation process. Please remind the customer that the overpayment is recoverable even whilst disputing the overpayment.</i></p>
Customer disagrees with the overpayment as the information recorded on their award of the tax year is incorrect, this would be an MR.	HMRC	<p><i>Follow the RBS process Customer is unhappy with a decision they have received. Explain that the customer has the right to a Mandatory Reconsideration and support them in making one via their chosen route, if they need to make one.</i></p> <p><i>Please note that Its worth noting that if the customer asks for an MR, appeals or complains, once the relevant markers are added to NTC, the debt becomes 'unstable' the following will happen dependant on if the TC1131 has been issued to the customer:</i></p> <ul style="list-style-type: none"> <i>• TC1131 issued and debt transferred to UC: NTC will automatically notify UC to stop recovery. Once the appeal/MR/complaint action has been completed and the markers have been removed, an automated notice is issued to the customer showing the amended debt total. HMRC will notify UC of the outcome and then any applicable recovery will recommence.</i> <i>• TC1131 has not been issued and customer and debt has not yet transferred to UC: Once the appeal/MR/complaint action has been completed and the markers have been removed the debt becomes stable and NTC will issue the TC1131 and the debt will transfer to UC seven days later.</i>

<p>If a TC debt has migrated over and customer is happy to pay but wants the monthly amount to reduce (repayment too high – causing hardship) .</p>	<p>DWP</p>	<p><i>HMRC do not set nor have ability to alter recovery rates for debt that has transferred to DWP. To discuss the debt recovery including rates, outstanding balance, hardship or payment dates, they need to contact DWP Debt Management on 0800 916 0647.</i></p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p><i>If the customer is calling in relation to financial difficulties not caused by the recovery of TC debt, please signpost them to normal support routes such as Citizens Advice or the information held on gov.uk.</i></p>
<p>Customer wants a breakdown of their overpayment schedule/amount AFTER migrating to UC.</p>	<p>DWP</p>	<p><i>HMRC do not have access to this information, we can only tell the amount that was transferred over to DWP. To discuss the debt recovery including rates, outstanding balance, hardship or payment dates, they need to contact DWP Debt Management on 0800 916 0647.</i></p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>Customer wants to know how much the debt was when we transferred it DWP.</p>	<p>HMRC</p>	<p><i>The customer should have this information on their TC1131, if they do not have this, we can give the amount through using the Individual Debt Screen.</i></p> <p><i>Please note you can also issue a copy of the customers award notice(s) from the previous 5 tax years if the customer requires a written break down and no longer has a copy of their TC1131.</i></p>
<p>For customers that had existing payments plans with Tax Credits but have now transferred to DWP.</p>	<p>HMRC and Customer</p>	<p><i>If the customer has a repayment plan for tax credits debt (also known as a ‘Time to Pay’ arrangement), it will end after they receive their TC1131. This applies whether the plan is with HMRC or an independent debt collector.</i></p> <p><i>The Customer must cancel any standing orders they’ve set up to repay the debt. HMRC will cancel any Direct Debits.</i></p>

The customer is no longer receiving UC, but they still received a TC1131.	DWP	<p><i>As we have now transferred the debt to DWP/DfC, they are now responsible for recovering the debt. The customer should therefore contact DWP/DfC. They can find out how to do this online. Customers should go to gov.uk and search for 'UC debt' and select the link 'Tax Credit Overpayments - If you get Universal Credit'.</i></p> <p><i>HMRC do not have access to this information, we can only tell the amount that was transferred over to DWP. they need to contact DWP Debt Management on 0800 916 0647.</i></p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
What does it mean on cases where a HHN 'TP79 – TC claim reinstated,' is present	HMRC	<i>As the customers TC claim is in the process of being re-instated, we will not transfer the debt to DWP/DfC. These are Tax Credit customers and HMRC are responsible for handling for all queries.</i>
HMRC have reduced the customers debt either due to a successful MR, a change in their TC entitlement or a successful overpayment dispute but the customer now claims UC.	HMRC or DWP dependant on customer scenario.	<p><i>If DWP/DfC have not started recovering that overpayment, then the balance of it will be amended and DWP will attempt to recover the updated balance. If this change means the customer is now due TC entitlement, HMRC will pay this out to the customer.</i></p> <p><i>If, however, DWP/DfC have started to recover the overpayment, then any reduction in the debt balance will remain with DWP/DfC and may be used to recover against any other debt that customer may have.</i></p> <p><i>If the customer has no other overpayment with DWP/DfC, then DWP/DfC will repay that amount to the customer.</i></p>
Customer has moved to UC and is querying the increase in their overpayment for Tax years 18/19 and 19/20	HMRC	<i>The customer will receive a new TC1131 and the debt will flow to DWP to collect- If this additional debt is queried, we should remind the customer that it relates to hardship payments sent to them during the period 18/19 and/or 19/20 which we advised they would need to pay back.</i>
Within a joint TC award, customer 1 received their	DWP	<p><i>Assuming the customer is no longer RLS, the TC1131 could be the first time they were notified about the debt.</i></p> <p><i>Explain to the customer that they have received this notification because they have claimed UC and their TC debt</i></p>

NTP but customer 2 is RLS so the TC1131 is their first notification of debt		<p><i>has been transferred to DWP (or the Department for Communities (DfC) if they live in Northern Ireland) for recovery.</i></p> <p><i>They do not need to take any action and DWP will contact them to arrange recovery. To discuss the debt recovery including rates, outstanding balance, hardship or payment dates, they need to contact DWP. Please remind the customer to keep their address details up to date with the relevant government departments to prevent future instances of them not receiving important correspondence.</i></p>
Joint TC award – Cust 1 paid off the 50% they were liable for. However, the transfer of debt to DWP has triggered the remaining debt balance to be split between both customers from the joint award. This has resulted in cust 1 being informed they have outstanding debt when they have already paid the 50%, they were liable for.	HMRC	<p><i>Advise the customer that we will look to re-apportion the debt accordingly.</i> [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
Customer calls to advise they have an IVA.	HMRC/Customer or DWP dependant on scenario.	<p><i>If you have established that the debt has been transferred to DWP, advise the customer that we aren't currently taking any recovery action. Advise them to contact their Insolvency Practitioner who will provide them with advice about any action they may need to take.</i></p> <p><i>If the debt still sits with HMRC or you have any further complex queries relating to a customer with an IVA, please escalate this case to your SPOC for us to investigate further.</i></p>
Customer wants to know how long it will take UC to respond to their journal entry once they have submitted an entry to	DWP	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

advise that they are struggling to get through to DWP Debt Management		
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Please note there may be some circumstances where less than 100% of the customers outstanding TC debt has been transferred to DWP, please see lines to take for these below.

<p>Joint TC awards - Customers had joint TC debt and same joint household claiming UC.</p> <p>Earlier year debt(s) have been split 50/50 for transfer but Cust 1 has TC1131 and Cust 2 a TC610.</p>	HMRC/DWP	<p>A high level process flow that provides additional support and explains how debt is apportioned in these scenarios is now available here.</p> <p>For customers who have gone to UC we will only send debts over for customers who have met the basic criteria and where HMRC have had a stop notice. Sometimes claimants may make a joint claim to UC however HMRC may not have received a stop notice for both applicants. In these instances, we cannot send the debts to DWP for the person who has not successfully claimed UC.</p> <p>Example 1 - applicant 1 met the basic eligibility criteria but apt 2 fails the habitual residence test.</p> <p>Example 2 - Joint claim for UC made Apt 2 did not verify their ID therefore the Secretary of State could not be satisfied they met the basic conditions and HMRC did not receive a stop notice.</p> <p>Example 3 – Joint claim made, stop notice received for apt 1, UC claim withdrawn before apt 2 details could be confirmed, no trace of applicant 2 making the UC claim.</p> <p>For these examples the individual debts have been split on IDMS this means half was sent to DWP and the other half stayed on HMRC records for collection through DM.</p> <p>This is correct. Although not an ideal journey for the customers this is the correct action as we may never receive a stop notice for the other claimant.</p>
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Single TC award - not all award periods debt has transferred over and customer has received a TC1131 and TC610.	HMRC/DWP	<p>A high level process flow that provides additional support and explains how debt is apportioned in these scenarios is now available here.</p> <p>Once the claimant has made a claim to UC the 12AV process should commence. Once the UC marker is on the award all debts are earmarked for transfer to DWP. This means for claimants we have received a stop notice for then there should be a “suspended pending transfer to DWP” marker added to the award almost immediately. Again, this could have been delayed due to the transfer of debt pause. We should not have any cases for single customers where the customer has collections been made from both HMRC and DWP/DFC. If we get this scenario a TAL referral should be sent so this can be investigated.</p>