

Content item name*

Identifying and taking action on an over or underpayment

Alternative names *(enter any other names that staff or public might use to refer to this item)*

Summary*

How to proceed when a potential overpayment or underpayment has been identified after corrective action has been taken on the Universal Credit claim

Content*

Note: To reduce the consequences of under/overpayments when preparing to make a manual payment, agents must check the:

- Central Payment system (CPS)
- Special Payments Portal (SPP)
- Document Repository System (DRS)

to ensure that separate elements of Universal Credit have not already been issued to the claimant.

System generated arrears payments for the Housing Costs element and Child element will be visible on the Payment Management screen on SPP.

When an agent selects 'View' on the screen, it will display an 'Entitlement note' which explains what the arrears payment is for. There will be no need for a manual payment if the period covered by the arrears matches the period of the Housing Costs element or Child element underpayment. See Automated payment of arrears – housing costs and the Child element.

Identifying a potential over or underpayment

An agent (telephony agent or account developer) identifies the reason for a potential overpayment or underpayment (or a combination of both) and determines if more than one assessment period is affected.

The reason for the potential overpayment or underpayment could be:

- verified late notification of change of circumstances
- duplicate payments
- compliance checks
- Universal Credit payment overlapping with a Legacy benefit payment
- suspected fraud

This is not a complete list.

If the agent suspects fraud (guidance will be available to determine whether a fraud referral is appropriate). See [Discovering fraud](#).

If no fraud is suspected the agent considers if the change has resulted in an overpayment or underpayment.

Overpayment identified

If an overpayment is identified, the agent establishes if the overpayment is:

£65.01 and over, or

£65.00 or under

The agent follows the process in [Small overpayments](#) if the overpayment is:

- £65.00 or under
- £25.01 and over and the reason is Direct payment after death (DPAD)

If the overpayment is £65.01 and over, and is for any other reason than DPAD, the agent creates the following [CAMLite](#) task:

- Task Type: Generic Clerical
- Sub Type: Overpayment Action
- Start task from: today's date
- SLA: 30 Days
- Notes: 'Potential overpayment identified (enter date of change, period of overpayment, reason, date) evidence held in DRS'
- Assigned to: UC – Overpayments

See [CAMLite and Work Services Platform notes](#).

The agent updates CAMLite Contact history with: 'Potential overpayment identified (enter date of change, period of overpayment, reason, date) evidence held in DRS'.

Reason for the overpayment is Direct Payment after Death

A DPAD occurs when a benefit payment covering a period after a claimant's date of death is paid into their bank account. It will only occur in the case of a single claimant and Universal Credit will not make a recoverable overpayment decision where there is a single claimant on a DPAD.

See guidance for DPAD - Operational guidance >> Overpayments for DWP >> 01 Generic Overpayment Decision Making Guidance >> 02 - Overpayment decision making process.

See also [Overpayments Referral Tool actions](#).

Reason for the overpayment isn't Direct Payment after Death

If the reason for the overpayment isn't DPAD, the account developer (AD) determines from the task notes if it is a small overpayment of £65.00 or under. See Small overpayments.

If small overpayment exceptions don't apply the AD:

1. Completes the Clerical Referral Tool (CRT). The AD also completes the 'Clerical overpayments' tab and the 'Universal Credit schedule' tab within the tool.
2. Saves a copy to 'My documents'.
3. Prints a copy and closes CRT.
4. Passes the decision, notification and CRT to the checking agent.

If small overpayment exceptions do apply the Agent creates the following CAMLite task:

- Task Type: Generic Clerical
- Sub Type: Overpayment Action
- Start task from: today's date
- SLA: 30 Days
- Notes: 'Potential overpayment identified (enter date of change, period of overpayment, reason, date) evidence held in DRS'
- Assigned to: UC – Overpayments

See CAMLite and Work Services Platform notes.

The agent completes CAMLite Contact history with 'Potential overpayment identified (enter date of change, period of overpayment, reason, date) evidence held in DRS'.

If there has been a nil award of Universal Credit for a past period, the agent checks the Customer Information System (CIS) to see if there is a Social Fund interest on the case.

An interest will appear if a Social Fund payment such as a Community Care Grant or Sure Start Maternity Grant has been awarded. If there is an interest registered on CIS see 'Notifying the National Social Fund Overpayment Team of a period of Universal Credit nil entitlement section' below.

If there is no interest within CIS or the interest has an end date that is before the start date of the period of nil entitlement making it not relevant, the agent identifies if a Cold Weather Payment (CWP) has been made during the period of the nil entitlement. To do this the agent:

1. Selects 'Payments: Special payments' on the Universal Credit homepage.
2. Checks if a CWP has already been issued to claimant for that trigger period.

Notifying the National Social Fund Overpayment Team of a period of Universal Credit nil entitlement

If there is a Social Fund interest showing on CIS or where a CWP has been made during the period of nil entitlement, the agent must notify the National Social Fund Overpayment Team (NSFOT).

The agent completes a [LT54/SF Interactive \(Social Fund use only\)](#) to notify NSFOT that there has been a past period of nil entitlement.

Underpayment Identified

The system will automatically pay arrears of the Housing Costs element and/or Child element in certain circumstances. See Automated payment of arrears – housing costs and the Child element.

For Universal Credit, every potential underpayment case is not automatically referred for a good cause decision. Arrears for a past period are not considered unless the claimant specifically contacts Universal Credit to request that the arrears for the late notified change of circumstances are paid.

Underpayment identified and the claimant has not requested payment to be made from the date the change of circumstances occurred

If the claimant has not asked for change to be taken into account from a past assessment period, the agent processes the change of circumstance following normal rules. This means the change is effective from the first day of the assessment period in which the change was reported and the process ends.

Underpayment identified and the claimant requests payment to be made from the date the change of circumstances occurred

If the claimant requests arrears to be paid from the date the change of circumstances occurred, the agent accesses the Document Repository System (DRS) and views all notifications on this change of circumstances. They confirm whether the claimant has specifically asked for their Universal Credit to be increased from the date of change.

If the claimant has asked for the change to be taken into account from a previous assessment period, the agent makes an outbound call to gather information about why the change of circumstances was reported late. See [Handling calls](#).

The agent:

1. Completes a [UC6](#) with the claimant's name, [National Insurance number](#) (NINO), date of birth and also records the following:
 - the date of change

- the date the change was notified
 - the type of change (for example, child joined household)
 - the reason for the delay in reporting the change (if known)
 - the assessment periods applicable (start and end dates)
2. Annotates the UC6 'Determination required for the change reported, confirm if criteria for late reporting of a change of circumstances is met or not?' The Agent then uploads a copy of the UC6 to DRS and deletes the saved copy.
 3. Creates a CAMLite task with the following details:
 - Task Type: Decision Maker Complex
 - Sub Type: Entitlement Decision
 - Start task from: Today's Date
 - SLA: 3 Days
 - Notes: 'Underpayment(s) identified, see UC6 in DRS for details dated (dd/mm/yyyy)'
 - Assigned to: UC - DM Complex
 4. Updates CAMLite Contact history notes with actions taken and closes all claimant records.

Decision maker determination for a late reported change of circumstances received by the account developer

When the decision has been made, the agent receives a CAMLite task with the following details:

- Task Type: Decision Outcome
- Sub Type: Entitlement
- SLA: 3 Days
- Notes: 'DM determination now available on late reported change of circumstances dated (dd/mm/yyyy)'

The Agent accesses DRS, locates the LT54 and views the decision.

Underpayment disallowed

An underpayment which has been disallowed can also be known as 'good cause not accepted'.

The agent:

1. Accesses and completes the manual notification form UC172.
2. Populates with the claimant's address.

3. Saves the document.
4. Prints and sends a copy to the claimant by second class post.
5. Uploads a copy to DRS.
6. Updates CAMLite Contact history with details of the action taken.

Underpayment allowed

An underpayment which has been allowed can also be known as 'good cause accepted'.

The agent follows standard guidance and procedures for identifying the next steps to take following the identification of a potential under/overpayment:

1. Accesses DRS.
2. Retrieves the Universal Credit decision that was effective immediately prior to the date of change.
3. Retrieves any subsequent Universal Credit decisions from DRS.
4. Retrieves from DRS all manual notifications made since the Universal Credit decision immediately prior to earliest date of change.
5. Accesses a UC6 and records the claimant's name, NINO date of birth and for each change:
 - the date of change
 - the date the change was notified
 - the date the change was processed
 - the type of change (for example, LCW awarded following revision, LCW not awarded following revision)
 - the reason for the delay in reporting the change (if known)
 - the assessment periods applicable (start and end dates)
 - the amount of Universal Credit due for each assessment period that the notified change affects (from either the relevant Universal Credit decision or the manual notification)
 - the amount of each element that makes up the maximum Universal Credit amount

Underpayment calculated

The agent accesses the Agent Portal and opens the 'Evidence summary screen to check if the Universal Credit claim holds details for a partner:

- if there is a partner the agent records their name and NINO on a UC6
- if there isn't a partner the agent records on a UC6 'UC Claim admin checked on (enter date), no partner details exist'

The agent then accesses CIS and selects 'Interest history' to check any Debt Management interest for claimant.

If a partner exists on the Universal Credit claim the agent will also need to check CIS 'Interest history' for any Debt Management interest for the partner.

If no partner exists on the Universal Credit claim, or there is no Debt Management interest for either the claimant or partner, the agent:

1. Accesses form UC172.
2. Populates with the claimant's details.
3. Saves the document.
4. Uploads to DRS.
5. Deletes the saved copy of the UC172.

If Debt Management interest exists for the claimant or partner the agent:

1. Accesses form UC310 Offset of Universal Credit arrears.
2. Completes with the information recorded on the UC6 and saves.
3. Sends a copy of the UC310 to Debt Management by secure email. See Secure and Auditable Matrix.
4. Uploads to DRS.
5. Deletes the saved copy of the UC310.
6. Deletes the copy of the email from 'Sent items' and 'Deleted items'.
7. Records on the UC6: 'UC310 sent to Debt Management on (enter date), (enter officer's name)'.

The agent determines if the underpayment has been caused by any change that would add the Limited Capability for Work (LCW), Limited Capability for Work and Work Related Activity (LCWRA) or Carer elements to the claimant's Universal Credit.

If this is not the case, and the agent has identified that arrears are due, the arrears can be paid. See [Special Payments Portal](#).

The Agent then updates the UC6, uploads to DRS and completes the [UCPI](#).

Considering updating the electronic National Insurance Recording System 2

If a partner has been added to the Universal Credit claim from a previous assessment period and the DM has made the decision to allow the arrears payment, the agent updates the electronic National Insurance Recording System 2 (eNIRS2) so that the partner's National Insurance record is complete.

See [Updating the electronic National Insurance Recording System 2](#).