Third Party Payments
Creditor Handbook

Third Party Payments

Aim
The aim of the handbook is to assist organisations (referred to as Creditors) that receive Third Party Payments (TPP) by providing an overview of how the TPP scheme works.

The payment procedures are complex because of the requirement to cope with millions of different transactions each year. The following pages aim to help everyone fully understand the procedures and help us to ensure that payments are made on time and are for the correct amount in all cases.

We are always happy to receive any suggestions or comments that will help us to improve the service we provide.

November 2005
Introduction

DWP customers in receipt of certain benefits or credits may have deductions taken from their benefit and paid to a creditor under what is known as the Third Party Deduction Scheme. Third Party Deductions will only be made when it is considered (and agreed) to be in the interest of the customer or the customer’s family. The actual payment of monies owed to the Creditor and paid on behalf of the DWP customer is known as a Third Party Payment (TPP).

*The Third Party Payments scheme is operated in accordance with the Social Security (Claims & Payment) Regulations 1987, Regulation 35(1) and Schedule 9.*

The areas in which arrears can be managed by use of the scheme are for include:

- Housing costs excluding mortgage interest
- Rent arrears and service charges for fuel or water which includes arrears of:
  - miscellaneous accommodation costs
  - hostel service charges
  - gas, electricity and water
- fuel costs
- water and sewerage charges
- Community Charge (CC) or Council Tax (CT) arrears
- unpaid fines or compensation orders
- Child Support (certain elements)
- Housing Benefit recoveries on behalf of Debt Management Service

Third Party Deductions (TPD) teams are located in Local DWP Offices. They are responsible for:

- Agreeing to Third Party Deductions with the creditor and customer
- Implementing deductions from the customers benefit
- Notifying the Financial Services Division of such arrangements including any subsequent amendments or terminations to the deductions from benefit
- Dealing with queries from customers receiving benefit

TPD teams are responsible for requesting details from the Creditor and maintaining details on the Benefit Computer Systems for both Great Britain and Northern Ireland.

The Third Party Deduction Scheme should only be used when all other avenues of recovery have been exhausted. It can be used to:

a) pay any outstanding debts and maintain the supply
b) prevent any further debt accruing
Responsibilities

<table>
<thead>
<tr>
<th>Duty</th>
<th>Responsibility Of</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set up and maintain the Creditors payment account</td>
<td>TPP Masterfile Team Room 514, Norcross</td>
</tr>
<tr>
<td>4 weekly payments to a Creditor</td>
<td>All TPP teams at Norcross</td>
</tr>
<tr>
<td>All payment queries including overpayments underpayments, payment to the wrong Creditor or wrong account, the reconciliation of incorrect payments and all Clerical payments</td>
<td>TPP Call Centre who will either: (a) deal with the query themselves (b) pass the caller to a specialist team member</td>
</tr>
<tr>
<td>Making all changes to the Benefit Systems</td>
<td>Local Office staff</td>
</tr>
</tbody>
</table>

Payments

Once details of the payments to be made are set up on the Third Party Payments System a Creditor will normally receive payment every 4 weeks and will be 4 weeks in arrears. Payment will be made by Automated Credit Transfer into the bank account nominated by the Creditor.

Payment Adjustments

An adjustment becomes necessary when the Third Party Payments teams are not notified of a change in deductions until after the relevant payment has been made to you, the Creditor. It is your responsibility to notify the Third Party Deductions Teams at the Local Office if the debt has been recovered or if there is any change that affects the amount of Debt that they were originally asked to recover. If either an overpayment or monies are made to you in error (not one of your customers/clients), you are required to inform Third Party Payments who will then recover this money automatically.

PLEASE DO NOT: -

- Repay this money to us by cheque
- Repay any money to your Customer/Client
- Transfer to another organization where you deem the money should have been paid.
It is a **CONDITION OF THE SCHEME** that we recover any monies overpaid or paid in error by adjustment. This is to ensure that the Customer’s account is credited with any monies we have deducted.

**Changing A Customer Reference Number**
The schedule (remittance advice) you receive will show the customer’s reference number. This is the account number you have allocated to the customer. **If it is incorrect or needs amending please notify the Third Party Payments Team at Norcross as soon as possible.** We will then amend the Benefit system and our accounting system with the correct information so that it is correct for future schedules.

**Merger of Creditors or Change of Bank Details**
In order to prevent delays in payment it is important that you notify the Third Party Payments Team at Norcross of any change that may affect the payment or result in monies being paid to an incorrect bank account or Creditor. If the name/address of your company changes or if there is a change to your bank details please inform the Masterfile Team, Room 514, Norcross immediately in writing on your organisations headed notepaper.

**Emergency Procedures**
Where FSD is unable to operate under its normal procedures interim procedures will be communicated via telephone or by press announcements.

**Payment Schedules**
Since July 2005 the time from payments being issued and clearing in your accounts has reduced from 7 working days down to 3 working days. Payment schedules are produced and issued (2\(^{nd}\) class) the day after payment is issued. Schedules give the total Automatic Credit Transfer that will be made and contains a full breakdown of each customer account due for payment.

**The Payment Schedules contain the following information:**

- **Owning Office Ref:** The DWP Office Identification Number
- **Our Ref:** National Insurance Number – **PLEASE NOTE** – the final suffix letter is omitted on the schedule
- **Customer Ref:** This is the number allocated by the Creditor and can be a maximum of 18 characters in free format. **NB our system can only accept alphabetic and numerical characters and is unable to accept symbols.**
- **Period:** The actual period of payment
- **Amount (£):** The total payment due; i.e. number of weeks x the weekly payment (£)
At the end of the schedule the following paragraph may appear if adjustments have been made to the payment due.

“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. This will therefore show the amount of the payment due as well as the amount of the recovery being made on a particular schedule and the net total will equate to the payment credited to your bank account.

Electronic Format Schedules
The facility to send payment schedules electronically is now in place and has successfully been initiated by a select number of Creditors.

We would be happy to hear from anyone wishing to take advantage of this facility and will provide information to enable the receipt of electronic schedules. For further information please contact Sarah Drayton on 01253 338710 or email Sarah.Drayton@dwp.gsi.gov.uk

Customer Service
Our aim is to provide a service that is focused on your needs and our staff aim to ensure that they provide accurate information and advice at all times. We welcome new ideas to support and improve our service.

When you contact us via post we will:

• Ensure that you will be contacted within 7 working days of receipt. If we are unable to provide you with an answer within this timescale we will contact you explaining: -
  • Why we cannot give a full reply
  • What action we are taking
  • If we require you to provide us with further information
  • When you can expect a full reply

When you deal with us by telephone we will:
• Deal with your query in a professional, helpful and courteous manner and will endeavor to provide you with clear and accurate information.
• If we are unable to deal with your query over the phone we will log it as a case, providing you with the log number. It will then be passed to our Investigations Team who will conduct a thorough investigation to provide you with an answer or resolve the query.

• Cases referred to the Investigations team are dealt with in date order. Our aim is to resolve cases within 28 working days, however this may increase during busy periods.

• We endeavor to answer as many calls as possible during our opening times but if an officer is not available you are able to leave a message on our voice mail system.

• We will return calls for all messages left on the voicemail within the same working day or the following working day when left after 3.30pm.

Contact Points

All initial enquiries about the service should be made to the Call Centre.

<table>
<thead>
<tr>
<th>TPP Call Centre</th>
<th>Opening Hours</th>
<th>Tel Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mon – Thurs</td>
<td>Tel - 01253 332105</td>
</tr>
<tr>
<td></td>
<td>8.30am – 4.30pm</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Friday</td>
<td>Fax – 01253 338514</td>
</tr>
<tr>
<td></td>
<td>8.30am – 4.00pm</td>
<td></td>
</tr>
</tbody>
</table>

E-mail enquiries - [TPP-Call-Centre@dwp.gsi.gov.uk](mailto:TPP-Call-Centre@dwp.gsi.gov.uk)

All notifications regarding a Creditors name or address change or change of Bank details, should be made to Masterfile Team who can also be contacted through the number above.

Mailing Details
Department for Work and Pensions
Financial Services Division
Payment Control Group
Room 510
FY5 3TA
Your comments
We hope that the services we provide meet with your expectations. Your feedback is an essential part of our business development process and we would be grateful for your comments.

If you have any comments with regards to our service you are invited to contact our Accounts Payable Manager Colin Hartley at the address shown above.