

Benefits and Credits Consultation Group meeting 24 July 2013

Attendees

HM Revenue & Customs (HMRC)

James Armitage	Karen Specos (observer)
Sharn Bowen	Darren Snowball
Andrew Burland	Poli Stuart-Lacey
Kevin O'Hanlon	Derek Tilstone
Tom Smith	

Representatives

John Andrews	Social Security Advisory Committee
Maureen Arthur	National Association of Welfare Rights Advisers
Will Hadwen	Working Families
Jason Piper	Association of Chartered Certified Accountants
Fran Robinson	Local Government Association
Sue Royston	Citizens Advice
Victoria Todd	Low Incomes Tax Reform Group

Apologies

Fran Bennett	Oxford University
Caroline Davey	Gingerbread
Richard Exell	TUC
Joy Flynn	Shelter
Eddy Graham	Child Poverty Action Group
Jenny Hammond	Advice NI
Jane Moore	Institute of Chartered Accountants of England & Wales
Bernie O'Gorman	Local Government Association
Robin Williamson	Low Incomes Tax Reform Group
Mark Willis	Child Poverty Action Group

1. Welcome and introductions

Tom Smith welcomed everyone to the meeting.

2. Representatives' issues

Income checks

Representatives said they were concerned that, as part of the Income check at Renewal, HMRC are only considering customers who are potentially under-declaring their income compared to PAYE information. HMRC confirmed they are taking this approach and explained the reasons for this. Representatives said they have raised concerns about the approach HMRC are taking with the National Audit Office and they will write to HMRC outlining their concerns.

Representatives asked whether the £100 disregard for Statutory Maternity Pay is taken into account for the income checks. HMRC said they would find out and respond to representatives.

Other representatives' issues

Sue Royston said CAB had escalated 17 appeals cases and asked for further information. HMRC said they would provide updates to the authorised representatives on the progress of their cases and details of lessons learned.

3. Debt recovery

Representatives said HMRC Debt Management & Banking (DMB) appears to be taking recovery action which is not in their published guidance. They said it is not clear to representatives what has changed regarding debt recovery and what HMRC are planning to change.

HMRC said

- some staff had applied guidance around charging orders incorrectly. The guidance has been rewritten and reminders about the correct process have been issued to staff. HMRC asked representatives to let them know if they came across instances where staff were applying this guidance incorrectly
- they monitor Debt Collection Agencies to ensure they treat customers in the same way as HMRC. They also ensure there is consistent treatment for vulnerable customers.

Representatives

- asked whether DMB takes a different approach to debts arising in Compliance cases as they had heard these customers would not be allowed any longer than 12 months time to pay. HMRC said where there are no exceptional circumstances this should not be happening.
- said staff need clearer guidance around the definition of deliberate error. HMRC said they would consider the current guidance and respond to representatives.
- said they had been told by DMB that there is provision in HMRC's guidance for HMRC to suggest customers approach their bank for a loan to repay a tax credit debt. Representatives said they intend to write to HMRC about this.
- asked HMRC to keep them informed of changes to their internal guidance as it is important to advisers that they can give correct information to their clients.

4. Update on Needs Enhanced Support Enquiry Centre pilot

HMRC said

- Needs Enhanced Support (NES) project formal consultation began in March 2013
- a pilot began on 3 June in north east England with the introduction of tier 2 telephony and the replacement of the Enquiry Centres in the north east with a Mobile Face to Face service
- a summary from the consultation will be published on 31 July
- HMRC will need to evaluate the pilot taking account of the consultation and wider research and evaluation being undertaken.

Representatives

- said HMRC should do more, at the point the customer contacts them, to prevent overpayments where customers are advising they will be claiming as a single person or will be starting self-employment. HMRC said they would consider this
- said the Identity Authentication Service (IDAS) accounts for a lot of referrals to Enquiry Centres and asked what decisions have been made about IDAS. HMRC said no firm decisions had been made yet and agreed to send a note to representatives before changes are made
- asked where in HMRC Identity Assurance will happen. HMRC said they will find out and let representatives know

HMRC said they would give a further update on the Needs Enhanced Support Project at the Consultation Group meeting in September.

5. Error & Fraud Adding Capacity trial (EFACT)

HMRC

- said the EFACT contract published on the Gov.UK website is the contract that will be used for suppliers. Representatives said that, without seeing the EFACT contract, they cannot assess whether HMRC is getting it right, which is important as they expect there will be further contracts in the future. HMRC said they will write to representatives about the points raised by John Andrews

- said the trial ran for 11 weeks from 29 April to 12 July. They are evaluating the trial and will share the results with representatives when they are known.

Representatives asked

- how cases were chosen for the pilot. HMRC said they were chosen at random using risk rules
- if there would be an impact on the time limit for appealing decisions. HMRC said they would take finalisation into account for these cases
- what is happening to phone calls from customers to Transactis since the cut-off date. HMRC said calls have been routed to HMRC since the cut-off date
- about the reaction of the Trade Unions. HMRC said the Unions had been involved at all stages and will be involved in the evaluation of the trial
- for a response about how HMRC are calculating childcare costs. HMRC said they are still considering their response but will send this to the representatives

6. Operational issues: Appeals & Renewals update

Renewals

HMRC said

- 5.8 million renewal packs had been issued. At 5 July 2.1 million replies had been received
- call handling is higher than in 2012
- the media campaign has escalated

Representatives

- said it can be difficult for customers to get through to the Helpline, but that using 0300 numbers does make a difference for customers
- pointed out that not every customer is renewing; some customers are only finalising their claim and this is not reflected in HMRC advertising. HMRC said they will consider this for next year's Renewals
- asked if HMRC would again offer customers the longer 60 day period to reinstate their claim if they fail to renew by 31 July. HMRC said they would check and let representatives know

Appeals

HMRC said

- in June there were just over 3,000 cases at the 1st stage of the Appeals process. HMRC intend to clear these cases by the end of August
- for cases received after 1 July 2013 they will clear the 1st stage in 42 days
- 1st stage means the case will be either settled or ready to go to the Tribunal
- they will not send written acknowledgment that an Appeal has been received

Representatives

- asked if HMRC would write to customers if it takes longer than 42 days to deal with an appeal. HMRC said this was not planned but, having heard representatives' concerns, they would consider what representatives had said
- pointed out that customers will phone HMRC to confirm their Appeal has been received
- asked whether HMRC will still suspend recovery on Appeals. HMRC said they would find out and let representatives know
- asked if HMRC would let representatives have details of the number of customers settling appeals. HMRC said they would provide this information
- asked whether there have been lessons learned for Appeals following Compliance activity. HMRC said this would be reflected in feedback from Andy McConnell

- whether HMRC would share what improvements have been made following the Undeclared Partner interventions Assurance Review. HMRC said they would check whether this information could be shared with representatives.
- asked if there would be an update on the timescales for handling disputes. HMRC said they would provide an update

7. Topical updates

Action points

Nov1204: HMRC agreed to clarify the current process

Jan1305: HMRC explained they'd had problems obtaining the information to answer this action point

Mar1311: HMRC said they now have the information to answer this and will send it to the representatives

Mar1314: HMRC confirmed that if the information they hold is about the customer, including joint information with a former partner, they can share that, but they cannot share the Experian report. They said they need to consider further where information is about a former partner only

May1301: discussed as part of this meeting

May1304, 1305 & 1306: future agenda items

Sub-groups

HMRC said

- The next meeting of the Universal Credit/Stopping Tax Credits sub-group is on 13 September
- The Low Incomes Tax Reform Group has asked for a telekit around debt. This will be held shortly

Charter update

Representatives

- suggested HMRC tweeted about the adverts on the MSN hub
- asked whether the low error rate (point 3) referred to individuals or a client group. HMRC confirmed it related to an individual

8. Any other business

Representatives

- asked why HMRC seek to recover overpayments which have already been written off. HMRC asked representatives to send example of any cases where this has happened to the Secretariat to establish what has happened
- asked when the Tax Free Child Care consultation will be issued. HMRC said it should be issued soon

HMRC asked representatives if they had any issues they wanted to be included on the next agenda. Representatives suggested a user group to consider the impacts of RTI on tax credits, stopping tax credits and Universal Credit.

The next meeting of the Benefits & Credits Consultation Group will be held on 25 September.