

## Benefits and Credits Consultation Group meeting 27 November 2013

### Attendees

#### HM Revenue & Customs (HMRC)

Manjeet Assi	Reshma Prajapat
Andrew Burland	Bil Rasool
Jeanne Dobson	Mike Reader
Kevin O'Hanlon	Tom Smith
Bob Penman	Karen Specos

#### Representatives

Matthew Cooper	Citizens Advice
Bernie O'Gorman	Local Government Association
Sue Royston	Citizens Advice
Victoria Todd	Low Incomes Tax Reform Group

#### Apologies

John Andrews	Social Security Advisory Committee
Maureen Arthur	National Association of Welfare Rights Advisers
Fran Bennett	Oxford University
Will Hadwen	Working Families
Jenny Hammond	Advice NI
Jane Hayball	Local Government Association
Julie Kemmy	Equal Lives

### 1. Welcome and introductions

Tom Smith welcomed everyone to the meeting

### 2. Representatives' issues

#### Debt collection practices during appeals and disputes

Representatives asked for clarification around recovery of tax credits debt when a customer appeals a decision. They said

- they are aware of examples where HMRC have attempted to recover a debt when a customer had appealed
- they had seen a letter from a Debt Collection Agency stating a customer had to continue repaying but any money recovered would be repaid if the appeal was successful
- leaflet WTC AP does not tell customers that HMRC will suspend an overpayment when a customer appeals. HMRC said they would look into this.

HMRC said

- there is a difference between recovering a debt when a customer disputes a decision to recover an overpayment and when a customer appeals
- where someone has appealed the debt should not be recovered
- they will provide a clear statement about when recovery of a debt should happen

HMRC asked representatives to provide a copy of the letter from the Debt Collection agency so they could investigate why customers have been given this information.

### 3. B&C guidance 'deep dive'

HMRC said

- they will work with Consultation Group members to consider where improvements can be made to current guidance for customers and HMRC staff, initially looking at the area around Undeclared Partners
- they were planning a meeting with organisations with an interest in improving guidance on 13 December, but would write to members to confirm the date
- they would ensure appropriate HMRC staff are present at the meeting

- they will send representatives a list of issues which had already been identified.

Representatives asked whether HMRC would consider differences between their guidance and guidance produced by other agencies. HMRC confirmed that this is within scope for the review. HMRC said that changes to operational practice were not in scope for the review.

#### **4. Autumn statement update**

HMRC provided an update on the implementation of measures included in the 2012 Autumn Statement.

##### Introduction of Full Time Non-Advanced Education (FTNAE) annual checks for tax credits

- Replicate existing FTNAE or Approved Training (AT) continuation process where a child is age 16 to ages 17 to 19
- Reduce the incidence of continuing payments where child is no longer in FTNAE or AT
- Changes to be made to Communications products

Representatives

- asked if tax credits customers could be sent a form to report FTNAE. HMRC said Child Benefit do send a form and the information from this is shared with tax credits. They said it could be considered in the future
- pointed out customers may react to a form but might not always necessarily read information. HMRC said they would bear this in mind
- asked for an update to be provided for use by intermediary advisers. HMRC agreed to provide an update
- pointed out that customers could be confused if the Child Benefit and tax credits processes are different. HMRC confirmed they will look at this.

##### Recovering old debts from ongoing claims (cross award recovery)

HMRC outlined when cross award recovery can happen and said this will be introduced from October 2014. They said that changes will be made to communications products.

Representatives

- highlighted issues concerning older debts. HMRC said they would consider these concerns
- asked for an update to be provided for use by intermediary advisers. HMRC agreed to provide an update

##### Manage and assure Childcare

HMRC said they started pilot activity in October 2013 to

- understand factors underlying customers' ability to comply with their obligations
- understand the root cause of error and fraud
- test an approach for customers most at risk to reduce likelihood of incurring overpayments

The pilot is due to end 13 December 2013, following which there will be an evaluation period.

#### **5. Tax Credits error & fraud work**

HMRC said that, following a pilot with a private sector company, it had started discussions with the commercial sector about how it could help to reduce tax credits error and fraud.

Representatives asked

- how HMRC will pay a commercial sector company. HMRC said this was yet to be decided but that payment should be more about covering costs than bonuses or incentives.
- whether HMRC will publish the results of the pilot. HMRC said they would consider this but pointed out the pilot was to establish in principle that the private sector could assist HMRC in driving down error & fraud, which it had done.

Representatives said they are aware of some instances where Compliance staff will not engage with intermediaries and asked if this was a change in operating policy. HMRC said they would look into the points raised and respond to representatives.

## **6. Smoothing the renewals peak**

HMRC

- said they are planning to improve the tax credits renewals experience
- are looking to change ingrained behaviours to persuade customers to renew before the end of July
- outlined how they propose to take forward smoothing the peak
- said they wanted to work with representatives to get to some of the customers who are harder to reach
- asked representatives for suggestions on how to achieve improvements
- said they would provide further information to representatives as work progressed on this.

## **7. Topical updates**

Action points

Representatives asked if there will be a follow up reply to the response they had received to action point Sep1316. HMRC said that they will send a full response.

Sub groups

HMRC provided an update from the Stopping Tax Credits sub group. They said the next meeting of the subgroup will be in January.

Assurance update

Representatives had no comments on the Assurance update.

Representatives said that, in reviewing a range of products, they were noticing some inconsistencies in terminology and lists of information and asked HMRC to consider using standardised related information across the range of products. HMRC said they are beginning a review of written products and will ensure that Operational staff and the Process Owner team are aware of representatives' comments.

## **8. Any other business**

Representatives said that the information on the HMRC website about waiting times for claims appeared to be wrong. HMRC said they would look into this.

Representatives also said that the website said the award notice would be sent 2 weeks after the first payment and this seemed odd. HMRC said they would look into this also.

The next meeting of the Benefits & Credits Consultation Group will be held on 31 January 2014