

Benefits and Credits Consultation Group meeting 31 January

Attendees

HM Revenue & Customs (HMRC)

James Armitage	Gita Patel (observer)
Karen Austwick	Mike Reader
Paul Becker	Cliff Sale
Sharn Bowen	Tom Smith (chair)
Steven Edwards	Darren Snowball
Denis Fitzgerald	Karen Specos
Chris Howarth	Poli Stuart-Lacey
Kevin O'Hanlon	Tony Sudworth

Representatives

Maureen Arthur	National Association of Welfare Rights Advisers
Matthew Cooper	Citizens Advice
Jennie Hammond	Advice NI
Bernie O'Gorman	Local Government Association
Jason Piper	Association of Certified Chartered Accountants
Victoria Todd	Low Incomes Tax Reform Group

Apologies

John Andrews	Social Security Advisory Committee
Fran Bennett	Oxford University
Joy Flynn	Shelter
Eddy Graham	Child Poverty Action Group
Will Hadwen	Working Families
Jane Hayball	Local Government Association
Karen Holmes	Turn2Us
Julie Kemmy	Equal Lives
Jane Moore	Institute of Chartered Accountants of England & Wales
Neera Sharma	Barnardos
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

Suspension of recovery following appeal

Representatives said there are still cases where recovery of tax credit debt is not suspended following an appeal. HMRC reiterated information given at the meeting on 27 November that recovery should be suspended for the year(s) under appeal. HMRC asked representatives to send examples of cases where this did not happen. They confirmed recovery would be suspended under Mandatory Reconsideration when it is introduced.

Representatives said

- customers are being told not to mention the word overpayment when they appeal. HMRC said this should not be the case and asked representatives to send examples of letters from HMRC containing this advice.
- the suspension policy is not defined in COP26 or leaflet WTC/AP. HMRC said they would consider clearer guidance.
- HMRC had said they will reconsider suspension of recovery if there are lengthy delays in handling disputes. HMRC said they would check the current position.

Tax credits claims from Irish citizens living in the UK

Representatives said they had seen instances where tax credits have been refused where the customer was from the Common Travel Area and are concerned that HMRC guidance was incorrect. HMRC asked representatives to forward any other cases they came across where guidance was not being applied correctly. They said staff had been reminded of the correct guidance to follow.

Other issues

Representatives

- asked about payment in hardship cases where income and expenditure evidence is not available, for example because it is with another Government Department. HMRC said they will check and respond to representatives.
- said customers are waiting several weeks to receive claim packs and this can cause problems with backdating. HMRC said they will check the position, but asked for any specific examples
- asked for an update on Tribunals not having jurisdiction for late appeals. HMRC said they will provide an update.
- said they are having problems obtaining information from the tax credits Helpline when complex cases are dealt with manually. HMRC said they are already looking into this and will provide a written response.
- said they had seen a case where the customer had been overpaid and the debt had been coded out. HMRC said customers are notified of the intention to code out a debt but need to inform HMRC if they do not want this to happen. They confirmed a debt should not be coded out while a case is under appeal.

3. Digital interface

HMRC

- outlined the Tax Credits digital programme
- said it is about customer choice and not about withdrawing current paper and telephony services
- said it will start for a small segment of existing customers for Renewals 2014

Representatives

- asked which customers the digital programme is aimed at this year. HMRC confirmed it will be aimed at 400,000 Reply Required customers
- asked if the service will be secure. HMRC said it will use the Identity Assurance Programme, but they will need to make customers aware of the need for security
- if a renewal is submitted but not received by HMRC can a dispute be submitted. HMRC said this would be treated in the same way as any other transaction.

HMRC said they will provide updates about the programme.

4. Use of GOV.UK

Government Digital Services (GDS) explained about the move of information from the HMRC website to GOV.UK. They said

- this is being done to meet user needs. More user needs will be met than currently and no user needs will be lost in the transition to GOV.UK
- all pages will display when they are accessed
- there will be links to new information or copies of original information in the National Archives
- errors will occur but these can be reported
- existing manuals and guidance will not be edited in the transition by GDS
- the transition will happen over the summer in 2014
- following publication on GOV.UK there will be constant iterations
- decisions on whether documents will be visible as PDFs will be made on a case by case basis as PDFs do not display on smart phones.

GDS said representatives can help by

- identifying user needs
- attending workshops
- being part of user research
- assisting in fact checking, and
- providing feedback and comments

Representatives

- asked if NI Direct are merging as information had been removed from that site. HMRC said they would check

5. Renewals 2014

Copies of revised TC603R notes and a Renewals reminder letter were given to representatives to consider. HMRC said

- research showed a significant number of customers did not refer to existing notes
- they have improved the TC603R notes to clarify what customers need to do
- the reminder letter is intended to help reduce the peak in the renewal period

Representatives said

- commented positively on the general design of the notes
- the quick guide on the reverse of the notes is technically wrong. HMRC said that the version representatives saw at the meeting is not the final version
- customers will act on the information in the notes so it is important that the information is accurate and complete. HMRC said they will need to find a balance while making sure customers will look at the notes
- the notes directed customers to the HMRC website. Not all customers have online access
- asked whether customers would be penalised if they did not report a change which was not mentioned in the notes. HMRC said the general principle applies that customers will not be held responsible if HMRC are culpable

HMRC asked representatives for any further comments by 5 February 2014

6. Autumn statement 2013

Stopping payments in-year

HMRC said they will stop payments of tax credits to customers during the year where, due to a change in circumstance, they have already received their full annual entitlement. This measure is designed to prevent overpayment and reduce debt and will start from April 2015.

Representatives asked

- if hardship payments will be available. HMRC said they are considering the hardship process. Further information will be available later
- if HMRC will change messages about reporting income changes. HMRC said they will consider this.

Error & Fraud Adding Capacity

HMRC said

- they will be working with the private sector to check the accuracy of tax credits claims and reduce the level of debt from error and fraud, following the trial carried out in 2013.
- an Invitation to Tender will soon be issued to identify the private sector company that will work with HMRC
- it is expected that the private sector company will start in autumn 2014
- the private sector company will be paid by results

Representatives

- asked if the customer journey will still be the same when they are dealing with the private sector company. HMRC confirmed it will be
- said they were concerned about payment by results. HMRC said the private sector company will follow due process, with a metric approach and quality targets, and there will be no difference to the behaviours HMRC drives now
- asked whether IT issues have been resolved. HMRC confirmed they are
- asked whether there are any Data Protection issues. HMRC said there are none
- asked whether all error and fraud work will be handled by the private sector company. HMRC said they will maintain the work they do now. Disputes and appeals will be handled by HMRC
- asked what headings will appear on letters. HMRC said that letters were dual branded during the Adding Capacity trial

Extending tax credits debt collection

HMRC said

- they are seeking to extend capacity by using a private sector provider to undertake the early stage of debt pursuit for all tax credit debt dealt with by Debt Management & Banking (DMB), including sending letters and texts, and following up with collection phone calls
- they are expecting a private sector supplier to contact more customers
- the private sector supplier will be paid by results

Representatives

- asked what payment by results means. HMRC said it will be measured by the amount of debt being collected, but this may be modified. They said they will monitor private sector provider behaviour and would welcome feedback from representatives
- asked what timescales will apply. HMRC outlined the expected timescale and said they would expect this to be in place by the end of the year
- asked whether a private sector company would be able to make time to pay arrangements. HMRC confirmed they would be able to handle these.

7. Operational update

A quarterly operational update was sent to representatives on 13 January 2014.

Representatives asked

- how many appeals were settled in the customers favour. HMRC said 84% of cases were answered in the customers favour
- why some complex cases had been delayed for more than 12 months. HMRC said there are 220 cases which have been delayed for more than 12 months. The circumstances of each case varies but normally these are cases where HMRC are awaiting responses from other member states

8. Use of pre-paid business reply envelopes

HMRC said

- they are looking to remove all pre-paid envelopes from B&C products from April 2014. Addressed envelopes, but without postage paid, will be supplied instead
- this is necessary to manage the budget allocation and will bring Benefits & Credits in line with the rest of HMRC
- no pre-paid envelope will be provided for 2014 Renewals, although an addressed unstamped envelope will be included for customers to use.

Representatives asked

- what will be affected by this. HMRC said pre-paid envelopes will not be included with claim packs, Renewals, Child Benefit Full-Time Non-Advanced Education forms (CH297B) and Compliance related correspondence
- whether existing pre-paid envelopes obtained before withdrawal will be valid at a later date. HMRC said the scheme would remain open for a period
- whether there is a way of testing the impact. HMRC said testing is currently taking place
- if HMRC will be charged if a customer sends an envelope without a stamp. HMRC said they will be charged

9. Topical updates

Action points

Representatives had no comments on the action points

Sub-groups

Guidance 'deep dive' – 7 January. The 'deep dive' covered 4 broad areas. The meeting produced a list of recommendations, queries to answer and some concerns to address. The next steps are to consider how to best to take forward suggestions and there will be a future meeting.

UC/STC - 23 January 2014. Topics included

- update on Live Services expansion (formerly referred to as Pathfinder) and DWP announcements
- STC impacts following on from Live Services expansion
- update on the customer journey including in year finalisation for self employed
- impact of dual provision – ongoing analysis to understand causes

Next meeting is planned for March/April 2014

Assurance update

Representatives had no comments on the Assurance update

10. Any other business

Representatives said they had seen appeals papers for an undeclared partner case and were concerned the partner's credit details appeared in the papers. HMRC said they would confirm the correct process.

The next meeting of the Benefits & Credits Consultation Group will be held on 26 March 2014