

Withdrawn

This publication is withdrawn.
The publication is no longer current.

Managing your payments with Direct Pay

The Child Maintenance Service offers two different types of child maintenance arrangement:

- **Direct Pay** – where you manage payments directly with the other parent (once we've worked out a child maintenance amount)
- **Collect & Pay** – where we set up and manage your payments for you.

This factsheet tells you about our Direct Pay service.

How does Direct Pay work?

If you use Direct Pay, you are free to make an agreement with the other parent about exactly how and when child maintenance is paid - and you won't have to pay collection fees.

We will still:

- try to find the other parent and help sort out parentage disputes if you need us to
- work out how much child maintenance should be paid
- give you information on how to set up and manage payments yourselves
- check your child maintenance amount every year in an Annual Review
- look at payments again if you tell us your circumstances have changed
- take action if you tell us payments are missed.

Either parent can choose Direct Pay. If a receiving parent⁺ asks us to change their service to Direct Pay we will always change it. If a paying parent asks us to change their service to Direct Pay we will change it unless:

- the receiving parent has said they would prefer the case to be on Collect & Pay, and
- we do not believe it would be in the child's best interests for the arrangement to be by Direct Pay because of the paying parent's payment history.

When we change the service, we will do it as soon as we can and neither parent will pay collection fees from the date we were asked to change it.

When should I make or receive payments?

When your arrangement moves to Direct Pay we will send you either a Payment Plan (if you are a paying parent) or an Expected Payments Plan (if you are a receiving parent). These show the dates when you should make payments, or can expect to receive

them. If your case is new, the dates will be the 9th of each month. If you are moving to Direct Pay from a Collect & Pay arrangement we will use your previous payment dates when we draw up your new plan.

Your Payment Plan or Expected Payment Plan will say when payments should be made, but you are free to change the payments to happen a bit earlier or later if that works for both of you.

If you do agree a different payment arrangement it's important that you write it down. This will help if there is a dispute about payments in the future. It's also your responsibility to keep a record of every payment that is made.

Why do I need to keep a record of payments?

If you choose to use Direct Pay, it's really important that both parents keep a record of all child maintenance payments made. This is in case there are any disagreements over payments in the future.

If the receiving parent says that payments are missed, we will ask the paying parent for proof of payment. If there is no proof, we will assume that payments were not made – and we can change the service to Collect & Pay and look into what enforcement action we can take.

What is the best way to pay child maintenance using Direct Pay?

We recommend two ways to pay child maintenance if you use Direct Pay:

Standing orders

With a standing order, money is sent directly from the paying parent's bank account to the receiving parent's bank account.

Many paying parents who use Direct Pay set up a regular standing order that is paid when they get their wages. For example, if their employer pays them monthly, they pay child maintenance every month too. A standing order is also the best way of keeping a record of payments.



Money transfer services

If you don't want to share your bank or building society details with the other parent, you could use a money transfer service, such as PayPal (www.paypal.co.uk) or MoneyGram (www.moneygram.com).

PayPal offers an online or 'e-money' transfer service. This means payments can be made using the internet without giving your sensitive financial information to the other parent.

With MoneyGram you can transfer money through the Post Office, or you can do it online.

Important – some of these services may charge a fee. Check with the service provider to make sure you understand if any charges will apply.

The websites mentioned above are entirely independent of the Child Maintenance Service. We have no control over the content of these sites or the services offered by the site owners. We accept no responsibility for these sites or for any loss or damage that may arise from your using them. We have given you the web addresses to show you the types of organisation that are able to offer a money transfer service.

If you have been a victim of domestic violence, we can give you details of how to set up a free 'non-geographic' bank account and we will pass the details to the paying parent to make payments into this account. 'Non-geographic' means that the bank details don't give any clue about where you are living.

What happens if a payment is missed?

If you have a Direct Pay arrangement and payments are not made in full or on time, we can step in to help. It's really important to tell us about missed payments straight away.

If a receiving parent tells us that the paying parent has missed a payment, or that they have not made a payment in full, we can change the payment service to Collect & Pay and take immediate enforcement action. The paying parent may have to pay enforcement charges, and we will charge both parents collection fees. We will still try to collect any payments owing from the Direct Pay arrangement.

If a paying parent doesn't pay the full amount at the agreed times this could also affect whether they can choose Direct Pay in the future.

For more information about what action we can take to enforce child maintenance payments, please see our leaflet [What happens if a paying parent doesn't pay child maintenance?](#)

Is Direct Pay the right choice for me?

This type of arrangement may be right for you if:

- you can sort out payments with the other parent
- you want more flexibility about how and when payments are made
- you don't want to pay the Collect & Pay collection fees (20 per cent for the paying parent and 4 per cent for the receiving parent).

Can I change to a different type of arrangement in the future?

You can ask to change to a Collect & Pay arrangement at any time if you decide that Direct Pay isn't working for you. However, changing to Collect & Pay will mean your child's other parent having to pay collection fees (as well as you). Because of this, we will only change a case from a Direct Pay arrangement to a Collect & Pay arrangement if either:

- both parents want to use Collect & Pay, or
- the receiving parent wants to use Collect & Pay, and the paying parent cannot prove that they have made all their payments in full.

Making a 'family-based arrangement'

Direct Pay can sometimes be confused with a family-based arrangement. Many parents choose to work together to make family-based arrangements, which they agree between themselves without the Child Maintenance Service getting involved.

Making a Direct Pay arrangement could be the first step for parents who might be able to make a family-based arrangement in the future. Family-based arrangements are:

- quick and easy to set up, although the parent who applied to the Child Maintenance Service will need to get your existing case closed, and
- easy to change to suit your child's changing needs.

Child Maintenance Options service can give you impartial support and guidance about family-based arrangements. Call **0800 988 0988***, or go to www.cmoptions.org to find out more.

Where can I get more information?

Visit www.gov.uk/child-maintenance for more information, or call us on **0845 266 8792*** if you have any questions.

Important information about this factsheet

This factsheet is only a guide and does not cover every circumstance. It only refers to the statutory child maintenance scheme provided by the Child Maintenance Service. It does not refer to any child maintenance schemes provided by the Child Support Agency.

We have done our best to make sure the factsheet is correct as of 1 October 2013, but it may not reflect changes to the law or our procedures after this date. You may want to get independent advice before making financial decisions based on the content of this factsheet.

*Call charges

Calls to 0845 numbers from BT land lines should cost no more than 4p a minute with a 15p call set-up charge. You may have to pay more if you use another phone company or a mobile phone, or if you are calling from abroad.

Calls from mobile phones can cost up to 40p a minute, so check the cost of calls with your service provider.

Charges were correct as of the date of this factsheet.

*You may have heard different terms used to describe the parents in a child maintenance case.

In child support law:

- the parent who receives child maintenance is known as the 'parent with care' - we call them the 'receiving parent'
- the parent who pays child maintenance is known as the 'non-resident parent' - we call them the 'paying parent'.