

Customer needs when transferring tax credits debt to Universal Credit

HM Revenue and Customs Research Report 391

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Key Findings

This research was conducted by Ipsos MORI on behalf of HM Revenue & Customs (HMRC) to understand what information current and former tax credits customers with overpayments debt need about these debts being transferred to the Universal Credit system. The key findings for each of the research questions were:

How aware were customers' of their overpayment debts and how did they feel about them?

- Participants who were currently claiming tax credits had low awareness of how much they were repaying towards their overpayment and how much they currently owed. Participants who no longer claimed tax credits generally had a much clearer idea of their debts and the arrangements in place to repay them.

How are customers likely to react to the transfer of their debt and what information is needed to make this experience as positive as possible?

- Awareness of Universal Credit was fairly low. Participants expressed a need for more general information about the change and how it would affect them before they could engage with specific aspects of the system such as the transfer of debt.
- While participants were not aware what the change to Universal Credit would mean for them, they did not think the transfer of overpayments was problematic in principle – though it should be remembered that, for many, this was the first time this issue had been considered. All, however, cautioned that this change be communicated to them before it took place, ideally in the form of a letter from HMRC and DWP.
- Those who were no longer claiming tax credits and had set up a debt recovery mechanism thought that the transfer of debt might give them an opportunity to renegotiate the amount that they were repaying. Advice organisations also wanted clear guidance on how the transfer would work and how customers would be able to appeal the overpayment decision.

What did customers think about the splitting of joint tax credits debt and about being asked to repay old debts which they had not previously known about?

- The idea of splitting joint debts equally between two partners where they have since separated was thought to be fair by both participants and advice organisations. Advice organisations thought that this should already be happening but were aware of cases where only one person was pursued for a debt which was only partly theirs. However, both customers and advice organisations highlighted that there should be protection for those who are unaware that their previous partner had been claiming tax credits.
- Customers and advice organisations thought that there should be a limit on HMRC seeking to recover older debts. It was thought that it was only reasonable to recover debts that were five or six years old.

What is the optimum design for the debt summary statement and the notice to pay?

- Both participants and advice organisations thought it was very important for communications from HMRC to clearly state how much a customer needed to repay and what their options for repaying were; issues that were not clear on the draft communications tested. Advice organisations were concerned that, if this was not the case, customers may think they were required to pay the full amount in a one off payment which could provoke a great deal of anxiety. To help with this issue, advice organisations suggested that they could be part of the feedback process on the draft customer letters.
- Participants had mixed feelings about using an online account. Those who were less comfortable using technology or who did not have internet access thought that it would be much more difficult for them. However some thought that having access to an online account would mean they would more easily be able to keep track of all communications from HMRC. Advice organisations were concerned about how an online account would work for them especially in providing advice. They thought that this might result in greater resources needed in terms of time taken to look at a customer's online account with them instead of simply looking at a customer's letter with them.

1. Introduction and Background

The introduction of a streamlined benefits system in the form of Universal Credit is intended to make the process of claiming and managing benefits simpler as claimants will only need to deal with one department and make one claim. As part of this reform, those currently claiming tax credits will gradually move to the Universal Credit system and tax credits will be phased out. This change will also affect how tax credit overpayment debts are collected; customers who make a claim for Universal Credit will repay through deductions from their award while those who do not claim Universal Credit will be sent a notice to pay by HMRC and will repay through an external debt recovery mechanism.

HMRC wants to ensure that it can provide customers with the information and support that they will need about these changes. The research study focused on understanding customer needs during the transfer of their overpayment debt specifically, rather than the finalisation of their claim more widely.

The objectives of the study were therefore to:

- Explore customers' awareness of the overpayment debts they have and how they feel about them;
- Understand how customers are likely to react when they are informed about the transfer of their debt and what information and communications are needed to make this experience as positive as possible;
- Explore reactions to joint tax credits debt being jointly split and are being asked to repay old debts which they had not previously known about; and,
- Highlight the optimum design for the debt summary statement and the notice to pay that provides customers with the level and type of information they need and through the most desirable channel.

2. Sampling and Methodology

In order to answer these research questions, a qualitative approach was deemed most appropriate. Ipsos MORI conducted two stages of fieldwork. The first stage consisted of 30 face-to-face interviews with tax credits customers followed by a second stage of ten interviews with advice organisations which provide information and advice to tax credits customers.

The 30 customer interviews included 19 interviews with current customers and 11 with those no longer claiming tax credits. All customers had at least one outstanding overpayment which they were aware of. The sample included customers who had not been informed by HMRC that they had had an overpayment. These customers were excluded from the research as it would not have been appropriate for them to be notified of their overpayment during a research interview.

The second stage of the research involved ten telephone interviews with frontline and strategic level staff at organisations which provide information and advice to tax credits customers. The interviews were conducted across six organisations which included; Citizen's Advice Bureau, Gingerbread, Money Advice Service, the Child Poverty Action Group and two locally focussed advised services.

Please see Appendix B for further details of sampling and recruitment.

Interpreting qualitative data

Qualitative research is illustrative, detailed and exploratory. It offers insights into the perceptions, feelings and behaviours of people rather than quantifiable conclusions from a statistically representative sample. Owing to the small sample size and the purposive nature with which it was drawn, findings cannot be considered to be representative of the views of tax credits customers as a whole, but instead the research has been designed to explore the breadth of opinions. As such, the word 'participant' has been used throughout the report in reference to an individual who took part in the research.

3. Awareness and attitudes to overpayments and Universal Credit

This section explores participants' awareness of their overpayments, their understanding of how they occurred and their feelings about their overpayments debt. It also includes details of the different arrangements which participants had in place for repaying their debts. Finally, it outlines participants' awareness of Universal Credit and how it may affect them.

Awareness of overpayments

Customers fell into four main camps in relation to their awareness of and response to tax credits overpayments, ranging from those who accepted that they had a debt and were willing to repay it through to those who refused to believe that they owed HMRC any money. As only participants who acknowledged that they had had an overpayment – regardless of whose fault they believed this to be – took part in the research, there is also a potential further subset of customers who do not think that they have ever had an overpayment at all.

Figure 1- Table of four key attitudes to overpayment debt

<p>1. <u>It wasn't my fault</u></p> <ul style="list-style-type: none"> • Felt that they had updated HMRC on any changes in circumstances • Didn't think that they should be asked to repay the money 	<p>2. <u>A debt's a debt</u></p> <ul style="list-style-type: none"> • Accepted that they may not have provided HMRC with all the up to date details • Accepted that they owed the money and needed to repay it
<p>3. <u>I should have known sooner</u></p> <ul style="list-style-type: none"> • They were notified about the overpayment after several years • They tend to think that it is unreasonable to be asked to repay the debt after such a long time 	<p>4. <u>I don't have one</u></p> <ul style="list-style-type: none"> • Thought that the overpayment had been paid off • Disagreed with HMRC's decision that they had received an overpayment

The prevailing view among customers was that they had done everything that they could to provide the correct information to HMRC and ensure that changes were reported and so were annoyed that they had incurred an overpayment ('It wasn't my fault'). These participants tended to blame HMRC for making a miscalculation in their claim and so, while they accepted that they had been overpaid and that they needed to repay, they were unhappy about this.

"I did say obviously my middle daughter will be going to university come September and they just said give us a ring nearer the time to double check that she's going to go...which I did... several weeks down the line I got a letter saying that I'd been overpaid £998 and some pence tax credits and I went 'whoa what do you want me to do about it?' you know?"

Male, former customer, single claim

Another strong viewpoint was held by participants who accepted both that the overpayment had occurred and that they needed to repay it ('A debt's a debt). These participants tended to think that they had provided HMRC with incorrect information, or reported changes late, resulting in a debt which they were responsible for repaying.

There were two further, less common, viewpoints. The first of these was held by participants who were repaying debts which they had been notified of many years after the overpayment had occurred and reported being unhappy about the situation ('I should have known sooner'). While these participants accepted that an overpayment may have occurred in a previous award, they thought that it was unreasonable to be asked to repay so many years after it had happened. These participants were confused about why it had taken HMRC a number of years to tell them about the debt, particularly if they had already repaid overpayments which had occurred in later awards.

"I recently contacted HMRC to say this [overpayment] amount has been paid ... And then they put me onto the relevant department and then they told me I owed amounts from 2004 and 2006...And as far as I'm concerned I've paid my dues ... I said, "Why wasn't this declared to me before? How can you do this just out the blue?"

Female, former customer (recently re-entered system), single claim

Finally, there were a few instances of current customers believing that their overpayment debts had been repaid ('I don't have one'). We cannot be certain of exactly what had happened in these situations but it seemed likely that the participants were currently repaying through deductions from their award but were unaware that this was happening.

Among former customers, some participants refused to accept that an overpayment had occurred. These participants tended to think that they had been eligible for the award that they had received and wanted to see proof that they owed money to HMRC.

"And they haven't shown me any proof of where the overpayments have taken place; they've just said that I owed them two thousand and odd something pound and I don't agree with it...All they've said is you owe this please pay it back."

Male, former customer, single claim

In these cases, participants wanted to see the details of the overpayment (when it had occurred and why), and until they felt satisfied that this information was correct, they were not planning to make any repayments and were ignoring all communications from HMRC about the matter.

Repayment arrangements

The different approaches for debt recovery for current and former customers meant that participants who were current customers tended to be less aware and engaged with their repayments than those who were former customers.

Participants who were current customers tended to be repaying via deductions from their tax credits award. Less commonly customers, in particular those who had been in and out of

the tax credits system had alternative arrangements in place, such as direct debits or standing orders.

Deductions through the award was a relatively passive form of repayment, which whilst preferred by participants to making direct debit repayments, had several consequences for their engagement with the overpayment:

- They tended to be unsure of how much was being deducted and for how long this would happen. In some extreme cases, the participant was unaware it was happening at all.
- Participants focussed on the amount they were paid rather than the amount they were entitled to – meaning deductions were not really considered.
- Participants were not always sure which year their overpayment(s) occurred in and for how long deductions would be made.
- Some participants assumed that an overpayment from one award period would have been recovered through deductions in the following award period, meaning that deductions could only last for one year.

In contrast, participants who were former customers tended to be more aware and engaged with their overpayments. This seemed to be because they had actively set up their repayment arrangement and so knew how much they were paying back.

Repayment arrangements for former customers included both one-off lump sum payments and monthly payments. They reported that the Notice to Pay which they had received after leaving the tax credits system asked for repayment of the full amount immediately, which caused anxiety for some participants. Therefore, on receipt of the Notice to Pay, participants called HMRC to negotiate a repayment plan. In most cases, participants were repaying as much as they could afford – with a few paying back more than this – as they wanted to clear their debt as quickly as possible.

“I thought I'll just give them £330 and get it out of the way. It's a lot to come out in a month but another two payments and it's finished.”

Male, former customer, single claim

Awareness of Universal Credit

Participants' awareness of Universal Credit and what it might mean for them was generally fairly low. This reflects wider research in the area, for instance, the Tax Credits Panel Study 2014 found that under half (45%) of tax credits customers are aware of Universal Credit¹. Whilst awareness has nearly doubled since HMRC started tracking it in 2012 (up by 21 percentage points from 24%), this has not necessarily translated into perceived impact; only around a third (36%) of those who were aware of Universal Credit felt that it would have an impact upon them.

¹ The Tax Credits Panel Study is a quantitative longitudinal study conducted by HMRC since 2008. In 2014, a representative sample of 1,020 tax credits customers were interviewed.

Among those we spoke to as part of this study who had heard of Universal Credit, this awareness typically came from the news or via programmes on the television. It is worth noting that none could recall receiving any personalised information on the changes. These participants tended to state that while they knew Universal Credit would result in a new single monthly benefits payment, they were unsure of which benefits Universal Credit would replace, how the system would work or how they were likely to be affected.

Indeed, only those current customers who stated that financial management and planning was important to them had looked into what impact Universal Credit might have on them in any detail. These customers had typically used the Universal Credit calculator on the Department for Work and Pension's (DWP) website to see what they would be likely to receive when they claimed.

"Then you got the Universal thing to see if we could get Universal Credit and when I clicked on that it was £400 more, but you can't get it in this area."

Couple, current customer, Joint Claim

Those who were not claiming tax credits tended to be less concerned with the change to Universal Credit as they believed that they would not be affected by this. However, this may have been an incorrect assumption in those cases where the participant was claiming other benefits (such as housing benefit) but did not know that these would be included in the reforms. These participants had assumed that they would only be affected if they lost their job and needed to claim out-of-work benefits.

Reactions to Universal Credit

When customers were informed that Universal Credit would be replacing tax credits their immediate concerns centred on knowing when and how they would be affected, including whether they would experience a gap in payments, and whether their award would be reduced.

Given this, the issue about the transfer of their debt to Universal Credit was felt to be a secondary concern to these key questions and, as such, they were reluctant to engage with such a specific aspect of the changes when given they knew so little about the wider context. This meant that when discussing information needs about the transfer of debt, many participants instead focussed on the information they needed about the introduction of Universal Credit more broadly.

"So our payments are going to be in one lump sum? Tax credits, benefits, housing? You couldn't really estimate how it would work, not really...You know, I'm surprised I've not heard about it. Has it been on national news?"

Male, current customer, joint claim

This strengthens the findings of previous research conducted on behalf of HMRC into the information needs of customers during transition² in which customers reported needing three distinct phases of information during the transition to Universal Credit. In the research into

² Hall, S, Leary, K & Greevy, H: *Qualitative research to explore the information needs of tax credits customers during their transition out of the tax credit system*, HM Revenue & Customs Revenue and Customs Research Report 189 (Ipsos MORI 2012)

customers' information needs, customers firstly suggested there should be an awareness raising stage, involving a national television and radio campaign. Following this, information should be provided via existing mail outs detailing how tax credits customers will be affected. Finally, they wanted to receive tailored guidance at the point of transition detailing what actions customers need to take. Indeed, while this study did not cover general information needs about transition in detail, this broad process was endorsed by those we engaged with.

This suggests that it may be difficult for participants to fully process what a specific aspect of a policy would mean for them if they have not yet fully understood what impact the policy as a whole will have on them. Therefore, it is fair to assume that while currently the transfer of debt from HMRC to DWP is not considered problematic, as customers learn more about the new system they may begin to identify issues with this element of the reforms.

Conclusion

- Attitudes towards overpayments varied depending on whether participants felt that the overpayment was their fault, or HMRC's.
- Awareness of the overpayment debt varied, and whilst participants generally knew that they had had one, some were unsure of the details. In particular, participants still claiming tax credits and repaying via their award were unsure how much they were repaying and what their outstanding debt was.
- Awareness of UC was generally low and participants were typically concerned about broader issues, such as whether the reforms would mean a reduction in payments, rather than specific aspects such as the transfer of debt. This may mean that participants have further concerns about the transition of their overpayments once they fully understand what the impact of UC itself will mean for them.

4. Reactions to the transfer of tax credits debt to Universal Credit

This section explores participants' reactions to the process of debt transfer and their concerns about this. It also details testing of two draft Individual Debt Statements, including participants' understanding of the statements and what information they think it should include.

Initial reactions to the transfer of debt between HMRC and DWP

In principle, participants did not see the transfer of debt from HMRC to DWP as being problematic; they simply believed the change to be an administrative one, and that they would be repaying the money owed to a different government department – something that they considered would not affect them.

“I don't think it's going to be a problem...it's going to be transferred from one department to another department”

Female, current customer, joint claim

Indeed, participants and those working in advice organisations even identified several advantages of the transfer of overpayments including:

- The change in department might mean that customers could call the Universal Credit helpline for free from a JobCentre Plus³ rather than incurring charges ringing the tax credits helpline.
- Advice organisations thought that this change may be welcomed by some customers who had a negative impression of HMRC after receiving an overpayment. These negative experiences were in cases where customers believed that they had updated HMRC of a change in circumstances but HMRC had not recorded this and as such they had received an overpayment. After this type of situation customers did not trust that similar issues would not occur again. Advisers therefore felt customers might think of DWP as a 'clean slate' and therefore it might be positive for them to deal with a different government department.
- Participants who no longer claimed tax credits and were repaying their debt in instalments preferred the idea of deductions from a Universal Credit award rather than having a separate repayment plan in place as they felt that this would be easier to manage.

“They're going to pay you so they might as well take it before they pay you. At least you'd know then how much money you've got coming in, if you see what I mean, rather than think, oh we've got to pay them another £60 out of that. But if you haven't got it you don't miss it, do you?”

Couple, former customers, joint claim

³ It should be noted here that while participants were informed that Universal Credit would be managed through an online account, this was not discussed in detail and some participants assumed that a helpline, similar to that run in the tax credits system, would be available for Universal Credit.

- Participants who were no longer tax credits customers also thought that the change might provide them with an opportunity to negotiate their payment plan. These customers reported that their financial situation was not necessarily the same as when they had put the repayment plan in place which meant managing this debt had become harder.

However, two main concerns with the transfer were spontaneously identified, and these focused on repayment amounts and appeals. In the first instance, participants who were repaying through deductions from tax credit awards were concerned that their repayments may increase. Advice organisation representatives reported that even the smallest of decreases in income could adversely affect their customers and that current deduction amounts should not be increased unless the customer's income did so proportionately. They felt that DWP should, as far as possible, look at cases where deductions have been negotiated to ensure that customers are not asked to repay too much.

“It seems to me that for them to agree a repayment plan, they would have to know the financial circumstances of this individual household, so it would be a good thing for existing arrangements to be looked at.”

Strategic role, advice organisation

Secondly, there were concerns among advice organisation representatives about how appeals would be handled during the transfer of debt. For instance, they questioned if a customer was seeking to appeal a debt that had been passed to another department, which department they should approach with this. It was also highlighted that there could be overpayments incurred during the finalisation process itself, and if customers had to appeal these with HMRC it might make it difficult if the debt had already been transferred to DWP.

Responses to the pause in repayments

In addition to the two concerns raised spontaneously by participants, we also presented them with a few scenarios in order to gauge their reaction and likely response. One of these was that the transfer of debt from HMRC to DWP may not happen immediately after a customer made a claim for Universal Credit. This may mean that they experience a pause in repayments for a number of months after their Universal Credit payments start.

The possibility of this raised concerns for current customers and advice organisations. One element which worried both groups was the effect that the pause in repayments might have on the customer's ability to budget effectively. Participants who were current customers were concerned that they would come to rely on their Universal Credit payment and so may find it more difficult to manage once their repayments began again and their available income was reduced.

“When you've got a specific figure coming in each month you rely on that and when you get notification that that is going to change within the next two to three weeks the impact that can have on a family is immense.”

Female, current customer, joint claim

This was endorsed by advice organisations who explained how precarious the budgets of those on low incomes can be, with such people often being unable to absorb even the smallest change to their income. They felt that the transition to Universal Credit itself would present a significant challenge to many households as they would need to manage a single monthly payment for the first time. The concern was that customers may put a workable budget in place to manage their Universal Credit award just when their deductions re-started – meaning that they would then have to work within a new budget.

“If you’ve structured a client’s finances around, there’s £10 going here, there’s £10 going there to suddenly stop that...have a couple of months of in effect of overpayment because deductions should be being made. You could create a problem for the clients who are budgeting on a very, very restricted amount.”

Adviser, advice organisation

Because of this, participants expected to have some notice before deductions began. The amount of time they expected ranged from one to six months and was contingent on how tight their household budget was and their expectations about whether the repayment amount would change. Those who were struggling financially, and were worried that the amount they might have to pay back may increase, typically wanted more notice than those with more slack in their budgets, or those who thought the repayment amount would stay the same.

Aside from budgeting, the second concern identified was based on an assumption that if repayments are paused, then customers may be expected to repay the ‘missed’ payments when deductions began. This assumption was made by both current and former customers and representatives of advice organisations; indeed, some participants said they would plan to save the amount they should be repaying during the pause so they would be able to cover a lump sum payment when the debt was transferred.

“The only worry is that if they ask me to pay this amount of money upfront then that will not be possible”

Female, current customer, joint claim

Advice organisations also said that they would recommend this approach to their clients either for the purpose of covering back payments for the debt, or as a way to prevent dependence on that sum so that when deductions re-started, they would be able to manage and also have a small amount in savings.

“Making it clear to people that, even if the repayment programme has stopped, that it is only a temporary stop and they should be encouraged to put the money that they would have been paying aside, anyway, so that when the repayment plan starts again, that they have accounted for that money. Otherwise, they will find themselves in a worse situation. I actually think this will be an opportunity for them to think about putting money aside, for saving something.”

Strategic role, advice organisation

A third, and much less common, concern among current customers was that a pause in repayments may mean that their debt may be forgotten and then rediscovered at a much later date. These participants did not mind having pausing their repayments as long as it was clear that this was planned, and would begin again within a certain amount of time.

Reactions to draft individual statements

In order to understand how best to provide information to customers about debts being transferred, two draft Individual Debt Statements were tested with current and former customers. These statements were not intended as final documents to be tested but were instead used for illustrative purposes to show participants how the transfer process might work and as an aid to help them consider what information they would want during this time.

The statements outlined that a customer’s tax credits award has been finalised and that their debt has been transferred to DWP for deductions from their UC payments. The statement also includes a table showing the overpayments that have been accrued over the last three years. Participants were told that they would receive one of these statements after making a claim for Universal Credit and were then asked if the information in the statements was clear and whether any important details were missing.

How much do I owe?

In both statements tested, the main issue raised was the lack of clarity in the table detailing the customer’s outstanding overpayments. This was felt to be the most important part of the statement and the first part which customers would be likely to pay attention to.

Figure 2 – Overpayment table from Debt Statement 1

Tax Year	Child Tax Credit	Working Tax Credit	Penalties	Interest	Total
05/04/2015	£750.00	£450.00			£1200.00
05/04/2014	£700.00	£400.00			£1100.00
05/04/2013	£600.00	£450.00			£1050.00

Participants felt that it was not clear what the figures in the table represented. The most common assumption was that the table showed the customer’s award amounts for three separate periods rather than the overpayments they had received in each period. This confusion was because customers thought that the table headings “Child Tax Credit” and “Working Tax Credit” could refer to either a customer’s award or their overpayment. Listing overpayments made in child tax credit and working tax credit separately was not felt to make sense and participants felt that the columns showing overpayments should be clearly labelled as such.

“It looks like you've got an overpayment but it doesn't say whether it's an overpayment or whether it's what they claimed...it needs to say you've claimed this much in this year and this year and you've been overpaid this much in this year but it doesn't.”

Female, former customer, joint claim

Further, participants were concerned that if the figures represented the amount they had been overpaid, then it was unclear as to whether this was before or after any repayments they had made towards it. This was particularly worrying for participants who were repaying through deductions from their award as they were unsure of what their outstanding debt was and so could not work out whether the figures presented included repayments or not. They reported that this uncertainty would mean they would be likely to call HMRC straight away to seek clarification.

Many participants, therefore, felt that the table would be more useful if it looked more like a bank statement showing:

- The different overpayments they had received;
- When they had received them;
- The amount they had already repaid towards them; and,
- The outstanding amounts they owed.

A final issue raised about the overpayments table was that although it included a 'Total' column, totals were only provided for each award period and not overall, meaning that customers would need to add the separate amounts up themselves. Although they felt that this was easily done, they did feel that this was an obvious omission.

What is this telling me?

In terms of the clarity of the language used in the two statements, customers preferred Debt Statement 2. The language used in Debt Statement 2 was generally thought to be simpler and more commonplace, making it easier to read and understand. For example "*you have been paid too much in Tax Credits*" is easier to understand than "*our records show that you have tax credits overpayment(s) or other charges outstanding*".

Figure 3 – Language from Debt Statement 1

STATEMENT OF OUTSTANDING TAX CREDITS OVERPAYMENTS OR CHARGES

Section 29(4) Tax Credits Act 2002 (as modified by regulation 12(4) of the Universal Credit (Transitional Provisions) (No2) Regulations 2014

As you are now claiming Universal Credit we have finalised your tax credits award(s) and our records show that you have tax credits overpayment(s) or other charges outstanding. **You do not need to do anything.** We have passed the information to the Department for Work and Pensions (DWP) who will arrange for the amounts to be recovered from your Universal Credit payments.

Figure 4 – Language from Debt Statement 2

Repayment of Tax Credits

As you now get Universal Credit, we notice that you have been paid too much in Tax Credits. This means you will have to repay some of this money.

The table on the next page shows details of any tax credits overpayments you have received. It also shows any other charges that we've told you about. The figures shown include any amounts you've already repaid or any credits.

Whilst Debt Statement 2 was generally easier to understand there were still certain phrases that it used which caused confusion, such as *'As you now get Universal Credit, we notice that you have been paid too much in Tax Credit'*. Some participants interpreted this as telling them that they had received a new overpayment during their transfer to Universal Credit and did not think that the letter was referring to overpayments that they were already aware of and had started repaying.

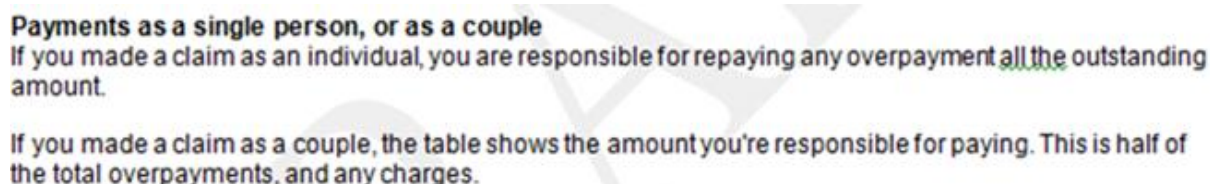
Participants also preferred the layout of the second version of the statement as they thought the headings made it easier to read and that it looked more like a letter rather than a demand.

What do I need to do?

The phrase **"you do not need to do anything"** which was included in Debt Statement 1 was generally liked by participants as it was clear that they did not need to take action and, from this, they felt reassured that the transfer was being handled. However this did result in further questions for some participants who wanted to know what arrangements were being put in place – particularly around how much their repayments would be – and what they should do if they were unhappy with these.

The explanation of how much the customer would owe depending on whether they were claiming as a couple or as an individual was also considered unclear. The statements explained that *'If you made the claim as a couple... This is half of the total overpayments, and any charges.'*

Figure 5 - Explanation of overpayment for couple from Debt Statement 2



Payments as a single person, or as a couple
If you made a claim as an individual, you are responsible for repaying any overpayment all the outstanding amount.

If you made a claim as a couple, the table shows the amount you're responsible for paying. This is half of the total overpayments, and any charges.

In both statements participants felt that there was a lack of clarity over whether the overpayment figure had already been halved or whether they would need to halve it themselves.

"What does it mean? Do I have to halve it, or they should halve it?"

Female, current customer, joint claim

What do they want the statements to include?

Overall, the information shown on the two statements was not felt to be sufficient for participants and would leave them with questions. The following list details the questions which participants wanted the Individual Debt Statements to address:

- How much is the total outstanding debt?
- How much have I already repaid?

- Does this statement show the amount I owe, or half of what I owe?
- How much will DWP deduct from my Universal Credit award?
- How long will it take to clear my debt in Universal Credit?
- Will I get notice before deductions from Universal Credit start?
- What are the options available for repayment - e.g. can I pay a lower amount for a longer time?
- Who should I contact if I do not agree with the overpayment figure or cannot afford the suggested repayment amounts?

Participants felt that if they received a statement which did not address these concerns then they would be likely to contact either HMRC or DWP. Participants did not seem to mind which department handled these queries and tended to say that if a contact number was provided on the statement then they would simply call that. However, if this was missing, then they suggested they would call the tax credits helpline as that is where they are used to directing queries related to their overpayments.

Conclusion

- There were some advantages identified with the transfer of overpayments, namely that it could be an opportunity for customers to renegotiate their repayment plan. However there were some concerns about whether the change would mean an increase in the instalments customers were paying and how customers would be able to appeal an overpayment if it had been transferred.
- Participants were also worried about the impact that a pause in repayments would have on customers' ability to budget effectively. In response, they thought that customers should be given as much notice as possible of any change in repayments.
- The draft statements did not include all the information that participants felt they needed in relation to the transfer of debt. In order to improve clarity, participants wanted to know whether the statement showed their overpayments or not, they wanted a clear figure showing their total debt, what they have repaid, how much is outstanding and, their options for repaying the debt.

5. Reactions to the splitting of joint debt and recovery of old debts

This section explores customers' and advice organisations' views on overpayments made in joint claims being split 50:50 between ex-partners. This includes reactions to a draft Notice to Pay Statement which would be sent to those who were responsible for repaying half of an overpayment from a joint claim but had not made a claim for Universal Credit. Finally, this section discusses views on the collecting of old overpayment debts which customers had not been aware of.

Views on the splitting of joint debt

Responses were generally positive towards the idea of splitting debt; participants suggested that it was fair that both parties who used the money have joint and equal responsibility for repaying it.

This change was most strongly welcomed by those participants who had a joint debt with an ex-partner. They were pleased about this element of the policy as they felt that it was fair that they should only be responsible for half of the amount owed. Indeed, some of these participants had been repaying a debt that they had accrued with an ex-partner but did not think that their partner had been repaying towards it and were concerned they would have to pay it all back themselves.

"I said, 'I bet my ex-partner's not paid anything,' ... they said, "We can't disclose that information." I said, "I'm not paying his debts, so please make sure what you're telling me is owed."

Female, former customer (re-entered system), single claim

Advice organisations were also happy with this change. They said that, technically, this should have been happening for a number of years but that it had been implemented inconsistently meaning, in some cases, only one party made the repayments. Typically, this was the person who remained within the tax credits system which, in turn, meant that the burden disproportionately fell on the parent who cared for the children as they were more likely to claim tax credits.

"Our experience was that HMRC would go after the easiest party to get hold of ... in my experience they would go after the woman because she was still claiming tax credits and they had all her details."

Adviser, advice organisation

Whilst participants generally thought that it would be fair to split joint debts in this way, there were some who were currently claiming tax credits jointly with their partner who were less positive. This was because, in cases where the participant was responsible for claiming and using tax credits money within the household, they felt that the splitting of debt in the future may not be fair on their partner. In their view, they received and used the money from tax credits for the family and did not think that their partner should be liable for it, even if the money was being spent on their children.

There were also some concerns on how the splitting of the debt would work in practice. These included:

- Questions over who would be liable for the outstanding debt if one partner did not make their repayments. Some participants assumed that, in such a situation, they would then be responsible for repaying the whole amount.

"What happens when the couple separates if one person can fulfil their half of the deal but the other person can't?"

Female, current customer, single claim

- How, exactly, a joint debt would be defined by HMRC. This issue was raised by participants who believed their overpayments occurred when they notified HMRC that they had separated from their partner. They reported that the overpayment related to the end of their joint claim but after their partner had moved out which left them uncertain as to whether they would or should be wholly or jointly responsible for the debt.
- What might happen in those situations were a joint claim is made without the partner's knowledge, meaning that they may be responsible for overpayments in an award which they knew little or nothing about.

"I would think mums claim it because they normally have the childcare and everything...the man may not realise that anything is going in"

Female, current customer, joint claim

This concern was shared by some representatives of advice organisations who reported that, currently, there is protection for partners who were not involved in claiming or spending tax credits money and that this should be maintained.

- The implications for receiving payments with their current partner. Participants assumed that if an overpayments debt was split between partners then this would apply to any UC payments as well. This raised questions about how Universal Credit payments would work. Participants thought that this might mean they may need to make individual claims within the household rather than one joint claim - something that would make financial management difficult for them.

Reactions to draft 'notice to pay' notification

In order to understand how best to notify and explain the splitting of debts between ex-partners, two draft Notice to Pay letters were tested with participants who were currently or previously in a joint claim. The Notice to Pay letters outlined that the customer's tax credits award has been finalised and then set out the details for repayment including the helpline number that they can call to make the payment and the information they will need when making this call. Both documents also showed a table of the overpayments received, similar to the table on the draft statements highlighted in Figure 2, broken down by working tax credits and child tax credits and split by the years that the overpayments occurred in. The Notice to Pay letters were intended to inform customers who did not make a claim for Universal Credit of their individual overpayment debt and to ask for repayment of this.

The primary concern that participants had on reviewing the two notifications was that neither made it clear whether there were repayment arrangement options or if they were expected to pay the amount in full.

"Are you going to pay this amount, or you are going to pay instalments? ...But here, it doesn't say anything and if you have to pay the full amount - how? if you are not working?... how can you manage?"

Female, current customer, joint claim

Participants felt it would be unlikely that they would have to make a full, immediate repayment but they thought that this seemed to be what this letter was telling them that they had to do. The perceived ambiguity of phrasing such as "You can pay this amount now" meant that participants were unsure whether this was an option or simply a demand.

Another key area of confusion was about whether the overpayment amount shown was the full amount owed by both ex-partners or for an individual. They did not feel that the information provided for the splitting of debts was clear enough which meant that they were unsure as to whether they would be responsible for paying the full amount shown or only half of it.

Figure 6 - splitting of debt, Notice to Pay 2

If you aren't with your partner any more, you must pay half the amount shown on the page. We will send a separate notification to your ex-partner.

The language used in the notices was also thought to have too many conditional phrases, making them difficult for participants to understand. The number of sentences beginning with 'If' meant that they were confused about what applied to them. Instead, they wanted a more personalised notice which took their circumstances into consideration.

"It goes into hypotheticals, why does it need to tell me about that? If I'm no longer a couple we'll let them know, we have to update them. It's making me overthink it."

Male, current customer, joint claim

Of the two notices, participants generally tended to prefer the layout of the second version (Notice to Pay 2) rather than the first version (Notice to Pay 1). This was due to the usage of shorter sentences with bullet points which customers found easier to read.

Figure 7 - Notice to Pay 1

NOTICE TO PAY Section 29 (3) of Tax Credits Act 2002

One or more of your claims for tax credits have been finalised and our records show you have been paid too much. We have shown details of any overpayment(s) overleaf.

You may previously have been notified of the overpayment(s) when you received the following period's award notice. Deductions which were then subsequently made from your ongoing payments will contribute to the differences you may notice between the amounts recorded on the award notice(s) and this notice.

Additionally, if you claimed tax credits as a couple, and you are still together, the amount shown is the full household overpayment for each period. If you are no longer a couple, the amount shown will be half of the total amount overpaid. A similar notice, in respect of the other half, will have been issued to your partner.

HOW TO PAY

You should pay this amount now by calling our Payment Helpline on **0845 302 1429**.

Please have your and any partner's National Insurance number and bank details, (including sort code and account number) ready when you phone us.

You can find further details on how to pay at <http://www.hmrc.gov.uk/payinghmro/taxcredits.htm>

You have three months from the date you received the award notice to tell us if you want to dispute recovery of this overpayment.

If you do not contact us to arrange for payment to be made, your debt may be passed to a Debt Collection Agency for recovery.

Furthermore, if at any point in the future you become entitled to Universal Credit, we will pass all outstanding amounts to the Department for Work and Pensions in order that recoveries can be made from your Universal Credit payments.

Figure 8 - Notice to Pay 2

Repayment of Tax Credits

We have now calculated your Tax Credits. As your circumstances have changed, you have been paid too much.

You now need to pay back the amount shown on the next page.

How to pay

You can pay this amount now by calling our payment helpline on **0845 302 1429**.

Please have these details to hand when you call us:

- your and any partner's National Insurance number
- your bank details, (including sort code and account number)

You can find further details on how to pay at <http://www.hmrc.gov.uk/payinghmro/taxcredits.htm>

If you claimed tax credits as a couple, and you are still together, you must pay the full amount(s) shown on the page.

If you aren't with your partner any more, you must pay half the amount shown on the page. We will send a separate notification to your ex-partner.

Participants liked the details given on both versions of the Notice to Pay documents on what they would need to do to repay. They were particularly happy about the inclusion of a helpline number and what details they would need to have to hand when making the call.

“It says that you need...what details you need when you’re calling them so you’re not scrambling round to find your National Insurance numbers.”

Female, joint claim, former customer.

Participants felt that, given the questions they would be likely to have upon receiving such a notice, they would need to make a call in order to find out exactly how much they would be responsible for repaying and options for doing this.

Responses to the recovery of older tax credits debt

As part of the move to Universal Credit, HMRC may also look back through records to identify any other outstanding overpayments from previous awards which they had yet not attempted to recover, and transfer these debts to Universal Credit. There were a range of views on this policy.

Generally, participants and advice organisations accepted that HMRC should be able to recover old debts but views diverged on the issue of how far back this should go. Some participants believed that if a customer owed a debt then they could be asked to repay it regardless of how long ago it occurred.

“[They should recover debts] as far back as they like... it’s still a debt to be repaid.”

Female, current customer, single claim

However, most felt there should be a time limit imposed on this. Participants in favour of this tended to suggest that HMRC should only be able to go back for five or six years when looking for debts and that going back farther than this would be unfair to customers.

“I think there’s got to be a limit as to how far they can go back, [I’ve been claiming since] 2004 and you’re like really, this is 10 years ago... all of a sudden out of the blue you’ve just dug up something from 10 years ago. ... I know it’s going to cost them a lot, but they’re going to have to swallow some of this responsibility for the loss.”

Female, former customer (re-entered system), single claim

Representatives of advice organisations also believed that HMRC should be limited in how far back they could go to recover debts. They felt that it was unfair to pursue customers for debts that they not tried to pursue other than an initial notification. It was accepted that HMRC may not be bound by The Limitations Act (1980), but thought they should be acting within these principles.

“They can’t start fishing for more than 5 years ago...but they can say ‘you were notified 6 years ago’...but if it hasn’t been pursued before it seems unreasonable.”

Adviser, advice organisation

Similarly, there were some customers who did not think that HMRC would be in practice able to discover old debts. Participants who were no longer claiming tax credits were unsure

about how HMRC would be able to enforce the repayment of old debts if they were not able to simply make deductions from a tax credits or Universal Credit award.

“If you’re out of tax credits, how do they look back? There’s nothing they can do... no longer in their net”.

Female, current customer, single claim

Conclusion

- Participants most likely to be personally affected by the joint and equal splitting of debt (i.e. those who had overpayments with ex-partners) were most positive about this change. It seemed fair to them that both parties who accrued the debt should repay it. However there were concerns on how the splitting of the debt would work in practice; about those situations where someone does not know that their partner is receiving money from tax credits and participants wanted protection in place for such cases.
- Participants were unclear on exactly what the Notice to Pay was telling them and wanted more personalised information. They were unsure whether they were being asked to repay the amount in full or if they had other options available. This lack of clarity would potentially lead to calls to the tax credits helpline,
- Both participants and advice organisation representatives thought that it was unfair for HMRC to pursue debts that were older than five or six years old.

6. Information and support needs

Participants believed that they should receive information about any changes to the benefits system that would affect them before these were implemented. Primarily, participants wanted to know about how Universal Credit would affect them more broadly as well as the specific information on how the transfer of overpayments would apply to them. Advice organisations felt that the transfer of debt to be a new issue to them and so wanted to know as much as possible about how the process would work so they could ensure they were prepared and knew how to advise customers when the transfer took place.

Communications content

Participants wanted to know how, if at all, the transfer to the Universal Credit would affect their claim and overpayment.

They wanted clear, direct and personalised information on:

- The date when the transfer to Universal Credit would be finalised;
- The date when the changes would come into effect for them;
- The amount that they would receive and the frequency of their payments under Universal Credit; and,
- Their debt repayment plan (how much money, how frequently and for how long they would need to make repayments to clear the debt).

It was also felt that it was important for the information to include contact details in case of queries or problems. They suggested that if the information provided was clear then they would be less likely to use this number, but they thought that it was necessary to include one for customers who did have issues or questions. However, while a telephone number was generally felt to be the best option for this, some participants reported that they would prefer details to be given for relevant websites that they could access for additional information in their own time.

Participants generally wanted as much notice as possible before transferring to Universal Credit and before repayments of debts restarted so that they could plan their finances accordingly. One month in advance would suffice for most, but no later than that. However, two to three months in advance would be preferred.

"What they're entitled to might change so they may be receiving £100 a month at the moment and that may change to £80 a month so that's one more bill they've got to find the extra money for. So if you give them 3 months it gives them enough time to adjust their outgoings, just a month is too hard"

Female, former customer, joint claim

Advice organisations thought that it was essential to provide options for repayment plans so customers would not be asked to repay more than they could afford. They also thought that customers should be given information on how to challenge the overpayment itself so that they knew how to do this if it was an option. Advice organisations understood that, in some cases, the time frame in which they could do this would have elapsed, but still thought it should be made clear for those instances where it was possible.

Communications to customers

The expectation among participants was that information would be sent to them by post and for many customers this was their preferred method of communication. A key reason for this was that post was the method which they were used to when receiving information about their tax credits claim. However, participants also reported a number of concerns with alternative, online communication methods. These included the potential difficulty of showing an online communication to someone else to seek support, lack of access to computers or the internet and concerns with the security of receiving sensitive information online,

Ensuring that communications were in a format which did not create barriers to those who may need to seek third party support was an important issue for some customers and the advice organisations. Letters were seen by participants and advice organisation representatives as advantageous in that they can easily be taken to someone else to ask for their support. Customers who did not have English as a first language stated a strong preference for receiving information by post, so that they would have something that they could easily take to a friend, family member or advice organisation to seek support.

“As long as it is written down so if I don't understand I can ask my son or daughter”

Female, current customer, single claim

Advice organisations were concerned about customers' receiving important information via digital channels as it would present a challenge to them in how they provide support to their clients. The primary concern here was resources; being able to have the equipment and staff required to support clients with online accounts. They thought that logging into each customer's online account with them would take much more staff time than looking at a letter for a client.

There were also participants who were not comfortable with using computers or did not have easy access to the internet who felt that receiving information either by email or through an online account would be difficult for them to manage.

“They should write, not email. [I] wasn't born with this technology”

Female, current customer, single claim

Even those who were used to receiving information online had concerns about how the technology would work in this scenario. To illustrate, they questioned how they would know when they received an online notification and assumed that they may need to log-in regularly to check.

“If they just send it online, how will you know that it's there, you're not going to just go online and check for this are you?”

Female, former customer, joint claim

There were also concerns raised about security of personal data and liability. Some participants – including those who managed their finances online - reported some reluctance to manage an online account with a government department. The main concern here was that an online account system may not be secure enough to prevent it being hacked and that their experiences of receiving spam emails from people claiming to work for HMRC would make them uncertain about what was genuine and what was a scam.

Another identified issue was one of liability, raised by advice organisations. Advisers were concerned about what it would mean for them if they made a mistake on a customer's online account.

"I think it gives us too much liability for us to say 'oh well you sit with me and I'll log onto your account,' because if we change something wrong, like you do tax returns these days. We don't do those because potentially there's a liability for putting the wrong information in place."

Adviser, advice organisation

Despite these concerns there were some advantages identified with email or online accounts. Some participants liked that emails would be received instantly and saved automatically in their inbox. They also felt that an online account would be empowering; they would have greater control over their accounts enabling them to make instant changes and to check all was in order and, further, they assumed that they would have access to all the same information as HMRC. They felt that unlike if they had lost a letter an online account would mean that they would be able to check any past information and be able to.

"It would be good because you'd have access to it but HMRC would also have access to it so copies of everything that they've got that correlates back as well which is a big plus"

Female, current customer, single claim

An online account or email system would allow customers to receive information straight away rather than important information being delayed in the post. Some advice organisations also thought that it might allow for a more personalised approach, enabling customers to access information immediately this helping to prevent queries.

Potentially, through the online account, you're going to at least have a better overview of that person's situation and potentially...you can provide information directly or signpost people to information that can help them

Adviser, advice organisation

Generally, there was not a strong preference for the communications of the changes to be by either HMRC or DWP. Whilst participants were used to receiving communications from HMRC, they would be open to dealing with DWP. Participants expected to initially receive communications from HMRC leading up to the transfer so that they would be aware of what was happening and for DWP to take over communications at the point of transition so that customers would know what would be happening next. When asked to describe the best

way for this to work participants said that they would like HMRC to say that their debt had been moved and DWP to confirm this so that they would be confident that all figures tally, for their own piece of mind and records.

“I would expect the tax credit people to notify me that it is going over, and the universal credit people to tell me that it has.”

Female, former customer, single claim

Advice organisations also thought that it was important that customers received notifications from both HMRC and DWP so that they understood that first HMRC had consolidated the debt and passed it to DWP and then DWP had started making deductions as part of Universal Credit. Some participants said that if they suddenly began to receive communications from DWP, this might cause confusion for some customers. The key part was ensuring that they had been sent this information prior to any changes coming into effect.

Support needs of advice organisations

The representatives from advice organisations that we spoke to had a range of information needs. In the first instance, they wanted to know practical details about how the transfer process would work. Further, they wanted to know how it would differ depending on the different customer groups and expected that HMRC would provide clear guidance on this – it was mentioned that journey maps would be a useful means of doing this.

Beyond this though, and given the fact that these organisations tended to deal with people in difficult situation, they wanted more information on what customers’ options were in terms of negotiating repayment options and challenging the debt. To illustrate, they wanted to clarify on who customers should contact about challenging the debt – HMRC or DWP – and at what point this should be done; before or after the transfer to UC. With older debts they wondered whether customers would still have any chance to challenge the debt as they suspected that these would largely all be out of time.

“Everyone will be out of time to challenge, even if they did have a valid challenge in the first place”

Adviser, advice organisation

In short, advisers wanted to have the equivalent level of information on how to dispute overpayments that they currently have for the tax credits system; documents such as the Code of Practice 26, which provided clarity about how an overpayment query can be handled.

Advice organisation suggested a number of ways in which they would like to work with HMRC and DWP to ensure that customers are informed and supported through transition of their debts. These are listed below:

1. Provide advice organisations with as much information about the process of debt transfer so that they can make suggestions and prepare to support their clients.

2. Organisations were happy to receive information as early as possible, even if it could not be externally shared, so that they were up to date and could plan resources effectively.
3. Create a working group with representatives from HMRC, DWP and advice organisations in order to discuss the details of transition, from which point it would be possible to create consistent information on this. Organisations felt it important to stress, however, that such working groups are only effective when HMRC heeds the feedback provided and that the consultation with the advice organisations is genuine.
4. Ensure that working groups are accessible for stakeholders who are not based in London, but instead take place across the U.K.
5. Allow advice organisations to review and comment on draft communications for customers to help ensure that they are as clear as possible. Advice organisations did note that providing feedback required a significant amount of time for them and they would prefer if there was sufficient time given for them to do this, and for HMRC to incorporate this into the final communications.
6. To ensure that any communications relating to the changes which are provided to organisations for circulation are politically neutral so that they do not conflict with advice organisations' obligations to provide impartial advice.
7. Include signposting to independent information and advice on communications to customers so that they have access to third party support.
8. For HMRC and/ or DWP to provide outreach services within local communities, for instance in a local Jobcentre Plus so that customers and advice organisations can seek face-to-face support with issues related to transition.

7. Conclusion

Awareness of Universal Credit is, on the whole, low. While some had heard of it, few understood what it would mean for them and how it might impact their income. From this research it is clear that customers were very keen to learn more about how Universal Credit would affect them. Providing information on UC is therefore a vital first step in order that customers understand how the reforms to the welfare system would affect them. Only after this point will it be possible to communicate meaningfully about the transfer of overpayment debt.

Within this context, while participants did not view the transfer of their debt between government departments as problematic in principle – a debt is a debt regardless of who it is paid to – they were concerned about what exactly this would mean for them in practice. In particular, former claimants hoped this represented an opportunity for them to renegotiate their payments and so communications may need to be carefully managed around this. Further, those who were repaying via a current award expected that the amount they would be required to pay back would stay the same and called for as much notice as possible if this was not to be the case. Therefore, again, this will need to be considered in HMRC's communications plan.

Indeed, participants offered detailed feedback on the information they needed as part of the transfer to UC. This included: a clear explanation of what they owed; the amount of their repayments; and, the frequency with which these would be repaid. Participants and advice organisations also wanted to have clear information on the options available to them for repayment and what customers could do if the repayment figures suggested were not affordable. It should be noted that views on this were relatively uniform suggesting customers have clear expectations about what should be communicated to them.

The assumption that customers would receive information about repayment arrangements with DWP at this stage of the transfer raises questions about how HMRC and DWP can work together to do this. While participants did not have a strong preference about who provided information to them, they were clear about the need to understand what the next steps would be and what this would mean for their UC claim. If they feel that they are not provided with enough information about these issues and there is no indication of when they will find out, then this may mean that they contact HMRC or DWP to discuss this. This issue will be important for HMRC and DWP to both understand and manage accordingly.

Advice organisations were, however, keen to be involved to ensure that the transfer of overpayments is as smooth as possible, and that customers have the information they need and receive it in a timely manner. They suggested working groups would be an effective means of doing this, though cautioned that these would need considerable planning to ensure that they both had time to comment and that HMRC were able to incorporate their feedback.

Appendix A: Methodology

Ipsos MORI conducted 30 depth interviews with customers who had a tax credits overpayment. There were two main groups interviewed; former tax credits customers who were no longer receiving tax credits but who still had a tax credits overpayment, and current tax credits customers who had an overpayment. Ipsos MORI also conducted 10 interviews with third party organisations who provide advice to tax credits customers.

In-depth interviews were deemed to be most appropriate for a research area that covered potentially sensitive issues relating to household finances and debt. Depth interviews allowed interviewers to build rapport with customers and to explore their management of overpayments and their likely responses to the upcoming changes.

Interviews with tax credits customers took place in February and March 2015. All customer interviews took place face-to-face in participants' homes or in a suitable nearby location such as a nearby café. Interviews took between 45 minutes and one hour. As is common practice in qualitative research, all participants taking part as an individual received £30 from Ipsos MORI as a gesture of appreciation, and those taking part as a couple or with a friend or family member received £50.

Interviews with advice organisations took place over the telephone and took approximately 45 minutes.

Analysis of the findings was conducted throughout the fieldwork period using a framework approach to analysis alongside regular analysis sessions with the interview team. The three research groups; former tax credits customers, current tax credits customers and stakeholders were analysed separately, and within these groups analysis was conducted on a thematic basis. Analysis was then conducted across the three groups in order to explore the similarities and differences between the them.

Appendix B: Sampling and recruitment

A sample of customers was provided by HMRC from tax credits records. Participants were recruited by Ipsos MORI's specialist in-house interview telephone team following a mailed letter that introduced the research and allowed participants an opportunity to opt out of the work.

The sample provided by HMRC was drawn from tax credits customers who had received a tax credits overpayment. This included both customers who had been informed by HMRC that they had received an overpayment and customers who had not been informed by HMRC that they had received an overpayment. Customers who had not been informed that they had received an overpayment were excluded from the research as it would not have been appropriate for them to be told that they had a debt with HMRC during a research interview. Only customers who indicated at the recruitment stage that they had received a tax credits overpayment were recruited to the research.

The number of customer interviews had to be reduced from 40 to 30 interviews during the fieldwork period, as the sample had been exhausted. This was due to a high number of customers who at the recruitment stage said that they were not aware that they had received an overpayment. Additionally, former customers felt little engagement with the tax credits system and so were less willing to take part. Both these issues tally with previous research we have conducted with customers who have a tax credits overpayment⁴.

The sampling approach was purposive in that customers were chosen to take part based on certain characteristics that may influence their opinions on the transfer of debt. These characteristics included the amount of the total overpayment, the year the overpayment occurred (before 2012 or since 2012), and whether a customer was also receiving other relevant benefits, such as housing benefit, which would also be affected by the introduction of Universal Credit. Ipsos MORI also set minimum quotas on whether the customer had a single or joint claim, if they claimed working tax credit or child tax credit, if they had a debt plan in place, their employment status, household income, disability and if they have English as a Second Language.

The number of customer interviews was reduced from 40 to 30 because the sample was exhausted. There were two main reasons for this. Firstly, because the sample included customers who may be unaware that they have overpayments, during recruitment we could not tell customers that they had had an overpayment so customers may not have been clear on how the research related to them, and as a result made it less likely that they wished to take part.

Secondly, former customers were also a difficult group to recruit. This was because firstly their contact details were more likely to be out of date and they were also less likely to be engaged with the tax credits system and so less keen to take part in research on this subject.

⁴ Hall, S et al *Customer experiences of tax credits overpayments: exploring customers' understanding and experiences of overpayments and debt relating to the tax credits system*, Research report for HMRC, December 2010

Despite this there were still a range of both current and former customers recruited, and the final quotas achieved are shown below.

30 x in-depth interviews Primary criteria – Quotas achieved					
	Total interviews		Debt level		
			Up to £750	£750- £1,499	£1,500+
Current tax credits customers	19		10	1	8
Former tax credits customers	11		3	4	4

Secondary criteria - minimum quotas		
Claim type	Single claim	15
	Joint claim	15
Former tax credits customers repayment plan status	Plan in place	10
	No plan in place	1
Employment status	Employed full or part-time	20
	Self employed	5
	Unemployed	5
Household Income	Under £10k	14
	£10 - £20k	9
	Over £20k	7
Type of Tax Credits claimed	Working tax credit	4
	Child tax credit	8
	Both WTC and CTC	7
Claim year	Before 2012	18
	Since 2012	12
English as a Second Language		7
Disability		5
Paired depth with partner		5
Paired depth with someone who helps them		0

Appendix C: Research materials

Discussion guide for interviews with tax credits customers

Timings 20 mins	1. Introduction and Background	Notes and Prompts
(5 mins)	<p><u>Welcome and introduction</u></p> <ul style="list-style-type: none"> - Thank participant for taking part. - Introduce self, Ipsos MORI. - Explain that we will be talking about their current or former tax credits claim/and upcoming changes that may affect them. - Confidentiality: reassure that all responses are anonymous and that information that can be linked back to individuals will not be passed on to anyone, including back to HMRC or any other Government Department. - Explain outline of the research. - Role of Ipsos MORI – independent research organisation (i.e. independent of GOVERNMENT), gather all opinions: all opinions valid. Remind that there are no right or wrong answers. Commissioned by HMRC to conduct the research. - Reassure that a claim for any current or future tax credits claim or other benefits claim will not be affected in any way. - Get permission to digitally record – transcribe for quotes, no detailed attribution. 	<p>Welcome: orientates participant, gets them prepared to take part in the interview.</p> <p>Outlines the ‘rules’ of the interview (including those we are required to tell them about under MRS and Data Protection Act guidelines).</p>
(5mins)	<p><u>Personal Background</u></p> <p>I’d like to start by learning a little about you.</p> <ul style="list-style-type: none"> - Can you just tell me a bit about you and your household? <p>PROBE: How long have you lived here? Who do you live with? Do you have children? How old are they?</p> <ul style="list-style-type: none"> - Are you working at the moment? (Including self-employment.) What kind of work do you do? <p>PROBE: number of hours, sector, skills level, stability of employment</p> <ul style="list-style-type: none"> - IF APPLICABLE: What about your partner – what kind 	<p>If a paired depth, ask these questions to both participants.</p>

<p>(10mins)</p>	<p>of work do they do? Do they work full time/ part time? Number of hours?</p> <p><u>Tax credits awards and overpayments</u></p> <p>Are you currently claiming tax credits?</p> <ul style="list-style-type: none"> - IF YES: Please can you tell me a bit more about your claim? How long have you been claiming for? Is it for working tax credits or child tax credits? (If applicable) is it a single or a joint claim? Apart from this claim, have you had any other tax credits claims in the past? - IF NO: Did you receive tax credits in the past? When was it that you were claiming for? Was it for working tax credits or child tax credits? Was it a single or a joint claim? <p>Do you claim any other welfare benefits?</p> <ul style="list-style-type: none"> - Prompt for work related benefits: Housing Benefit, Income Support, Jobseekers Allowance and Employment and Support Allowance <p>I understand that you have had a tax credit overpayment, is that correct?</p> <p>HMRC are interested in how people with tax credits overpayments are currently managing this.</p> <p>Can you tell me about how many overpayments you have?</p> <ul style="list-style-type: none"> - When this/these overpayment(s) happened? - How did HMRC notify you of the overpayment(s)? When was this? - Do you know why the overpayments happened? - IF APPLICABLE: Do you have any overpayments on any of the other benefits I mentioned (HB, IS, JSA/ ESA)? <p>Did you/ do you have a plan/ arrangement in place to repay the overpayment(s)?</p> <p>IF YES:</p> <ul style="list-style-type: none"> - What arrangements did or do you have to repay them? - Prompt – deducted from current payment? Or another 	<p>N.B. it is important to check if they are receiving any of the benefits listed opposite as if they are claiming other benefits and apply for UC then these will all be affected.</p> <p>Customers who aren't claiming tax credits or any of these benefits will not be transferred to the UC system automatically; it would only be if they decide to start claiming UC. Their repayment plan should not be affected unless they</p>
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	<p>arrangement? How was this arranged? How much are you repaying? How did you feel when you'd arranged it (Prompt – feelings of relief, other feelings)</p> <ul style="list-style-type: none"> - Do you know when you will have finished paying the overpayment(s) back? How do you feel about these arrangements? -What impact do they have on you? <p>IF NO ARRANGEMENTS:</p> <ul style="list-style-type: none"> - What are you planning to do about the overpayment? - Have you spoken/written to HMRC about the overpayment? - How do you feel about having this unresolved? (prompt – any stress, other feelings regarding it?) - Was there a reason why you did not make an arrangement when you found out about the overpayment? 	<p>apply for UC.</p>
Timings 30 mins	2. Moving to Universal Credit	Notes and Prompts
<p>(10 mins)</p>	<p>Now I'd like to discuss some changes which are being made to the benefits system.</p> <p>As you may already be aware, the government is making changes to the benefits system in order to make it simpler. They are going to do this by bringing together all the different kinds of in-work and out of work benefits, including tax credits, into one single benefit called Universal Credit.</p> <p>Universal Credit will be managed by the government department the Department for Work and Pensions (DWP). This means that people who currently claim tax credits or certain other benefits will eventually move to Universal Credit and their tax credits awards or other benefits will stop.</p> <ul style="list-style-type: none"> • Have you heard about this change before? Where? • How do you think it will affect you? • If you made a claim for Universal Credit, what would you expect to happen about your tax credits overpayment? <p>At some point in time, any tax credits overpayments which have not been fully paid off will be passed as a debt to a customer's Universal Credit account. There may be a delay in between the time when someone claims Universal Credit</p>	<p>Other benefits affected:</p> <ul style="list-style-type: none"> - Housing Benefit - Jobseekers Allowance - Income Support - Employment Support Allowance

and when their overpayment is passed to their Universal Credit account.

As part of moving to Universal Credit, all overpayments that you had from any tax credits award (including any previous awards that may be some years old) will be transferred to DWP for deductions from your Universal Credit payments.

- How do you feel about this?
- How do you think HMRC can help you with this?
- How would you expect to find out about this?
Prompt: letter/ email
- Who would you expect to tell you this?
- When would you expect to be told?
- PROMPT: Immediately/ after a couple of weeks/ after a month/ after a few months?
- Do you think you will need to make new repayment arrangements?
- What do you think HMRC could do to help you with this process?
- Probe: What would be the easiest and simplest way of dealing with this?

It may be several months before all your tax credits overpayments are transferred to DWP for deductions from your Universal Credit payments.

- How long do you think would be a reasonable length of time for it to take for your tax credits overpayment to be transferred to your Universal Credit account?
- And how long do you think would be an unreasonable length of time?
- Who would you expect to receive information from about the amount you owe? HMRC? DWP? Both?

NOTE TO INTERVIEWERS:

SCENARIO 1 SHOULD BE ASKED ONLY OF CURRENT TAX CREDIT CUSTOMERS.

SCENARIO 2 SHOULD BE ASKED ONLY OF FORMER TAX CREDIT CUSTOMERS

I'd now like to spend some time discussing how someone might experience this change. This is just one possible

<p>(15 mins)</p>	<p>scenario and may not happen to everyone but it will help HMRC to understand how the changes might affect people like you and the best way they can provide support.</p> <p>SCENARIO 1: CURRENT TAX CREDITS CUSTOMERS</p> <p>A current tax credits customer has a few overpayments which they are repaying through deductions from their current award. At the moment, HMRC takes £20 off their tax credits award each month.</p> <p>Due to a change in circumstances, the customer may make a claim for Universal Credit. When this happens, their tax credits payments are stopped and their current award is finalised.</p> <p>At that point, the customer will be sent the following information</p> <p>SHOWCARD</p> <p>Please show either (INDIVIDUAL DEBT STATEMENT (IDS) 1 OR Debt Transfer statement 2)</p> <p>(Two versions of the draft statement)</p> <p>Can you tell me what this/these document(s) is/are for?</p> <ul style="list-style-type: none"> • Can you explain it in your own words? • Are there any parts you find unclear? Which ones? Why? • Is there any more information that you would need to understand it? What would you need? • Is the amount you owe clear? • Is it clear which years the overpayments were generated in? • How do you feel about this? • Would you know how to respond to this in order to repay your overpayment? • How would you expect to receive this information? Post / email / online • <p>SHOWCARD: Please now show second version of draft statement</p> <ul style="list-style-type: none"> • Which document do you find easier to understand? • Can you tell me why you find that one easier to understand? • Is there anything on the first one that you think could be improved now that you have seen the second version? 	<p><i>Please show one version of the draft statement to begin with.</i></p> <p><i>Please rotate in each interview which one you start with and make a note in your notes so we have this</i></p>
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	<p>How do you think this will affect you?</p> <ul style="list-style-type: none"> • PROBE: Can you tell me why you think this? • Would you attempt to pay off the whole (or part) of the amount to HMRC up front? • If you disagree with the amounts shown, what would you do? Would you try to see if you could negotiate the overpayment figure itself? Would you try to negotiate the amounts that you would need to repay? • When would you expect to receive this statement? • How would you expect to receive this information? Post/ email/ online? How would you want to receive it? • What would you do after receiving this? • PROMPT: would you seek any advice? If so where from? <p>How do you think this money will be recovered by DWP/Universal Credit?</p> <p>If the amount that you had to repay each month via Universal Credit was different to the amount you were paying HMRC, how would you feel about that?</p> <ul style="list-style-type: none"> • How might that affect you? • PROBE FOR IF REPAYMENTS INCREASED AND DECREASED. <p>END OF SCENARIO 1</p> <p>SCENARIO 2: FORMER CUSTOMER WHO MOVES TO UNIVERSAL CREDIT</p> <p>Someone who used to claim tax credits a few years ago has recently started to claim Universal Credit. They still have an outstanding tax credits overpayment, and are making payments towards this debt to HMRC of £20 a month.</p> <p>HMRC stops taking the monthly payments from the customer and transfers the remaining debt to Universal Credit. The customer is then sent this information</p>	<p><i>info.</i></p> <p><i>Test this with them fully to understand their understanding. Then please show them the second version at the end and ask them if the second version is clearer or not and why.</i></p> <p><i>Interviewer note: The individual debt statement shows the amount that the claimant still owes HMRC, and informs him that the outstanding amount will be transferred to Universal Credit for recovery. It will not explicitly state that the direct debit arrangement has been stopped, but the customer notices that payments have stopped going out of his bank account.</i></p>
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(15 mins)

SHOWCARD

Please show either (INDIVIDUAL DEBT STATEMENT (IDS) 1 OR Debt Transfer statement 2)

(Two versions of the draft statement)

Can you tell me what this/these document(s) is/are for?

- Can you explain it in your own words?
- Are there any parts you find unclear? Which ones? Why?
- Is there any more information that you would need to understand it? What would you need?
- Is the amount you owe clear?
- Is it clear which years the overpayments were generated in?
- How do you feel about this?
- Would you know exactly how to respond to this in order to repay your overpayment?
- How would you expect to receive this information? Post / email / online

SHOWCARD: Please now show second version of draft statement

- Which document do you find easier to understand?
- Can you tell me why you find that one easier to understand?
- Is there anything on the first one that you think could be improved now that you have seen the second version?

DISCUSS EXISTING ARRANGEMENTS BEING STOPPED

How do you feel about any existing arrangements being stopped?

Do you have any queries about this?

Is there anything that you would help you in this regard?

How do you think this will affect you?

- PROBE: Can you tell me why you think this?
- If you disagreed with the amounts shown, what would you do?
- Would you try to see if you could negotiate the overpayment figure itself? Would you try to

Please show one version of the draft statement to begin with.

Please rotate in each interview which one you start with and make a note in your notes so we have this

help you?

- **If your repayments to HMRC were stopped and there was a pause before Universal Credit began, how would you feel about this?** Would this be a good thing or a bad thing for you? Why do you think this? Would you consider setting aside the money that you would have paid back towards the overpayment?

How long do you think would be reasonable to have a pause in repayments? Why do you think this?

How much notice would you want to have before the repayments began again?

END OF SCENARIO 2

WHERE THE OVERPAYMENT WAS GENERATED FROM A JOINT CLAIM:

The tax credits overpayment will be allocated 50:50 to each of the individuals involved in the Tax Credits claim. They will then be responsible for paying back their half of the overpayment. This will be shown on their Individual Debt Statement and collected from their Universal Credit payments (if they both go on to claim Universal Credit).

- Does this make sense?
- What do you think about this?
- What would you do about this?
- Is there anything that HMRC need to do in explaining this to you?
- What would you do regarding this information?
- Would you look for support from anyone?
- Would you contact anyone? Who?

If one of the individuals does not move to Universal Credit, they will be notified and asked to repay half of any overpayments directly to HMRC

They will also be sent a new notification (consolidated demand to pay - TC610) which will show their overpayments for all finalised tax years.

SHOWCARD

(5 mins)	<p>Please show either (TC610U Residual Notice to pay (Notice to pay 1) OR TC610 Notice to Pay (Notice to pay 2) (Two versions of the notice to pay)</p> <p>Can you tell me what this/these document(s) is/are for?</p> <ul style="list-style-type: none"> • Can you explain it in your own words? • Are there any parts you find unclear? Which ones? Why? • Is there any more information that you would need to understand it? What would you need? • Is the amount you owe clear? • How do you feel about this? • Would you know exactly how to respond to this in order to repay your overpayment? • How would you expect to receive this information? Post / email / online <p>SHOWCARD: Please now show second version of the notice to pay</p> <ul style="list-style-type: none"> • Which document do you find easier to understand? • Can you tell me why you find that one easier to understand? • Is there anything on the first one that you think could be improved now that you have seen the second version? <p>OLDER DEBTS</p> <p>As part of the future move to Universal Credit, HMRC will also look back through records to identify any other outstanding overpayments. Any outstanding overpayments will be consolidated into one total amount for the transfer to Universal Credit.</p> <p>This will be the case for any debts that are outstanding from a joint claim with a previous partner. These would then be shown on a customer’s Individual Debt Statement.</p> <ul style="list-style-type: none"> • How far back do you think HMRC should go in looking to recover older debts? • What do you think about HMRC looking to recover overpayments from previous relationships? 	<p><i>Please show one version of the notice to pay to begin with.</i></p> <p><i>Please rotate in each interview which one you start with and make a note in your notes so we have this info.</i></p> <p><i>Test this with them fully to understand their understanding. Then please show them the second version at the end and ask them if the second version is clearer or not and why.</i></p>
Timings	3. Information Receipt	

5 mins		Notes and Prompts
(5mins)	<p>As we've discussed, when you claim Universal Credit your tax credits overpayments will be transferred Universal Credit for recovery.</p> <p>Thinking about the information that you might receive about moving any overpayments to Universal Credit.</p> <p>How would you prefer to receive this information –</p> <p>PROMPT: by post/ through an online account/ on an email?</p> <ul style="list-style-type: none"> - Why would this be the best way for you to receive it? - Would you be happy to access this information online? If NO - what are the things that you would be worried about? - What do you think that you would do after receiving this? - Would you want to get any additional information or advice? What would you want advice on? Where would you go to get this? - IF THEY WOULD CALL THE HELPLINE: Why would you call the helpline first? Is there any help or advice that HMRC could provide online that would mean you would not need to call the helpline? <p>What would you do regarding this information?</p> <p>Would you look for support from anyone?</p>	Identifies the key findings and any other issues.
Timings 5 mins	4. Conclusions	Notes and Prompts
(5mins)	<p>If your tax credits overpayment is transferred to Universal Credit, what do you think would be the most useful thing that HMRC could do to help you?</p> <ul style="list-style-type: none"> - Is there anything else you think is relevant and wish to discuss? <p>Thank participant; explain the next steps (e.g. what HMRC will do with the findings).</p> <p>THANK AND CLOSE. Reassure about confidentiality</p>	Identifies the key findings and any other issues.

Discussion guide for interviews with third party organisations

Key questions:

- How can HMRC help the organisation to design and deliver support for people with overpayments being transferred to Universal Credit?
- What information does your organisation need about the transfer of tax credit overpayments debts to Universal Credit?
- What are the possible implications for HMRC or DWP sending information about the transfer of debts to customers via digital channels (email or online accounts?) – how may this affect customers who are seeking third party support?

Welcome and introduction

- Thank participant for taking part.
- Introduce self, Ipsos MORI.
- Explain that we will be talking about their views on the needs of current and former tax credits customers in relation to their overpayment being transferred to Universal Credit.
- Confidentiality: reassure that all responses are anonymous and that information that can be linked back to individuals will not be passed on to anyone, including back to HMRC or any other Government Department. However, as we are conducting a small number of interviews with support organisations which have been arranged in partnership with HMRC, it may be possible that their responses could identify the organisation they work for.
- Explain outline of the research.
- Role of Ipsos MORI – independent research organisation (i.e. independent of GOVERNMENT), gather all opinions: all opinions valid. Remind that there are no right or wrong answers. Commissioned by HMRC to conduct the research.
- Get permission to digitally record – transcribe for quotes, no detailed attribution.

Professional Background

I'd like to start by learning a little about you and the work you do.

- Confirm job title
- Can you tell me a bit about what you do and the company you work for? How long have you worked there?
- What does an average day look like for you?
- What do you enjoy most about your job? And what kind of things do you find more challenging?
- What is your organisation's relationship with HMRC? What kind of work do you do with its customers?

- PROBE: What kind of customers tend to contact you for advice? What issues do they have?

As mentioned, this study aims to understand the likely behaviours of current and former tax credits customers, who have tax credits overpayments, with regard to how they may respond to changes to the methods whereby these overpayments are recovered.

I'd like to start by discussing tax credits overpayments more generally.

- To what extent does your organisation/you help people with tax credits overpayments? Do you get support or help from HMRC in doing this?
- What kind of issues do they approach you/your organisation with? Are they overpayment/money-related issues? Are they issues related to customers' understanding of HMRC's letters or what HMRC wanted them to do? Can you give me some examples? How typical are these of the kinds of issues people present?
- - If they are overpayment/money related issues, what kind of help do you provide them with?
- What kind of arrangements do these people tend to have in place with HMRC? How appropriate are these? Why do you say this?
- If they are issues related to the understanding of HMRC's letters or what HMRC asked them to do, do customers often bring the letters to you and ask you to explain them? How easy do you find this to deal with?
- What language/wording that HMRC use do your customers most difficult to understand? How do you explain it to them?
- What other information do you think HMRC should be providing its tax credits customers? Why do you say this? What difference would this make?

Now I'd like to discuss the introduction of Universal Credit and the stopping of Tax Credits

As you will know, the government is making changes to the benefits system in order to make it simpler. They are going to do this by bringing together all the different kinds of in-work and out of work benefits, including tax credits, into one single benefit called Universal Credit.

Universal Credit will be managed by the government department the Department for Work and Pensions (DWP). This means that people who currently claim tax credits or certain other benefits will eventually move to Universal Credit and their tax credits awards or other benefits will stop.

NB: keep this section brief.

NOTE TO INTERVIEWER TO KEEP DISCUSSION ABOUT UC POLICY TO A MINIMUM

- How much do you feel you know about the transition from Tax Credits to Universal Credit?
- Where have you got your information from?
- How are you/your organisation preparing for the transition from Tax Credits?

- What do you think the key issues you / your organisation will face? Why do you say this?
- How prepared do you feel for these?

At some point in time, any tax credits overpayments which have not been fully paid off will be passed as a debt to a customer's Universal Credit account. There may be a delay in between the time when someone claims Universal Credit and when their overpayment is passed to their Universal Credit account.

As part of moving to Universal Credit, all overpayments that customers had from any tax credits award (including any previous awards that may be some years old) will be transferred to DWP for deductions from their Universal Credit payments.

This change will affect both customers who are currently repaying their overpayments through award deductions and those repaying through external debt collection channels such as direct debits.

- How do you feel about this? What impact will this have on your customers? Why do you say this?
- How should customers be told? Prompt: letter/ email. What should this say? How could this be most simply communicated? Have you seen any communications that HMRC could use as a model of best practice?
- Who should tell them?
- When should they be told? Why is this?
- What could HMRC do to help people in this situation? Probe: What would be the easiest and simplest way of dealing with this?
- Is there particular information / support that you would find helpful from HMRC?

So that HMRC can pass the details of someone's overpayment to Universal Credit, they would stop taking payments from the customer and calculate how much the customer still owed. This would mean that the customer would stop making payments towards their debt until Universal Credit had been told about their overpayment and started to make deductions.

- What do you think the impact of this will be to your customers?
- What do you think about debt repayment arrangements such as direct debts being stopped by HMRC? How do you think customers may respond to this?
- And what impact will this have on you / the work you do?
- How long do you think would be a reasonable length of time for it to take for peoples' tax credits overpayments to be transferred to their Universal Credit account?
- Who should customers receive information from about the amount they owe? HMRC? DWP? Both? Why? And what should this say?

- How do you think customers can be supported as part of this? – What does HMRC have to do?

Under this new system, the amount the customer has to pay back to Universal Credit may change...

- What do you think is an acceptable increase / decrease in repayments?
- How much notice do you think customers might need of any change in their repayments?
- And how should they be told about this? Who should inform them?
- In the event their repayments were increased, what do you think would be the impact on your customers?
- And what impact might this have on your organisation? What help and support would you need from HMRC to deal with this?

As part of the transition, HMRC will also communicate these changes with customers via digital means, i.e. online, email, etc.

- What do you think about this?
- What are the advantages and disadvantages that you can see?
- What issues do you think customers may face? What groups of customers in particular might find this more difficult? Why is this?
- What help do they need? How can you help them?
- Is there specific support that you will need from HMRC for helping customers with this?

In cases where the overpayment was generated from a joint claim, the overpayment will be allocated 50:50 to each of the individuals involved in the Tax Credits claim. They will then be responsible for paying back their half of the overpayment. This will be shown on an Individual Debt Statement (produced for each individual customer) and collected from their Universal Credit payments (if they both go on to claim Universal Credit).

- What do you think about this?
- What issues do you think this will cause your customers?
- And what impact will this have on the work you / your organisation does?
- Is there anything that HMRC need to do in helping you deal with this situation? If so, what? Why do you say this?

As part of the future move to Universal Credit, HMRC will also look back through records to identify any other outstanding overpayments. Any outstanding overpayments will be consolidated into one total amount for the transfer to Universal Credit.

This will be the case for any debts that are outstanding from a joint claim with a previous partner. These would then be shown on a customer's Individual Debt Statement.

- What issues do you think this will cause customers? Probe: issue of past relationships, difficulty over responsibility. Is there anything that HMRC could help with this?
- And what impact will this have on you / the work you do?
- What help / support might you need to deal with this?
- Who should provide this? And when should it be provided?

Thinking about all these issues related to transferring tax credits overpayments to UC....

- What information will customers need so they understand what is happening?
- What is essential for them to know? Why do you say this?
- How should this be communicated to them?
- Who should communicate it?
- And how much notice do they need of these changes? Why is this?
- Do you think reminders would be needed? Why do you say this? When should they be issued?
- If customers have any issues with these changes what do you think they will do? Where will they go for help and support?

I'd now like to discuss the impact of these changes – transferring tax credits overpayments to UC – on your organisation...

- What kind of a role will your organisation play?
- What do you think will be expected of you?
- How will you be able to help customers affected by these changes?
- How easy will it be for you to do this?
- What impact will it have on...time? Cost? Other services provided?
- How can you best prepare for this? How long do you think this will take? What kind of information will you need? Where will you get this from? How should it be provided? What should it cover? When do you need it?
- And what else will you need to prepare? Probe for courses, funding, additional support etc.
- How can HMRC help you in preparing? In the short term? And more long term?
- What else do you need?

Thinking about everything we have discussed can you summarise for me....

- Your reactions to these changes?
- How they will affect tax credits customers?
- How they will affect your organisation?

Is there anything else you would like me to pass on to HMRC?

Thanks, explain next steps, close interview.