



Department  
for Work &  
Pensions



Government  
Social Research

# Direct Pay research 2017-2019

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Rachel Ormston, Ipsos MORI

July 2022

DWP research report no. 1017.

A report of research carried out by Ipsos Mori on behalf of the Department for Work and Pensions.

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First published July 2022.

ISBN 978-1-78659-401-3

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## About this report

This report outlines the main findings from research on parents' experiences of the Direct Pay child maintenance scheme. It draws primarily on a two-wave longitudinal survey of receiving parents, conducted between 2017 and 2019, supplemented by qualitative interviews with a small number of paying parents.

# Glossary and abbreviations

## Glossary

**Child maintenance:** Financial or other support that the other parent gives to the parent with care of their child/children.

**Child maintenance arrangement:** The agreed arrangement (e.g. frequency, amount, manner) by which the Paying Parent provides financial or non-financial support to the Receiving parent with the care of their child/children.

**Child Maintenance Options<sup>1</sup> ('CM Options')**: An information and support service for separated parents which acts as the gateway to the Child Maintenance Service and supports family-based arrangements. All parents who want to use the Child Maintenance Service to make maintenance arrangements must first talk to CM Options.

**Child Maintenance Service (CMS):** A new statutory agency, established in 2012, which replaces the Child Support Agency (CSA) and is responsible for managing the government's child maintenance scheme.

**Child Support Agency (CSA):** The government agency previously responsible for administering the statutory child maintenance scheme. CSA cases with ongoing liabilities were closed or moved to the CMS over a period from December 2014 to December 2018. Over this period, the CSA did not accept new cases, but continued to be responsible for previous cases with ongoing liabilities until they were closed or migrated to the CMS, as part of a phased migration scheme.

**Collect and Pay:** A legally binding child maintenance arrangement set up by the CMS. The CMS calculates the amount of maintenance, then collects the payment from the Paying Parent and pays it to the Receiving Parent. There are ongoing collection charges for use of the Collect and Pay service, payable by both the Paying Parent (20 per cent on top of the maintenance amount), and the Receiving Parent (4 per cent taken out of the amount of maintenance). Collect & Pay is generally used in circumstances such as: (i) where the Paying Parent has failed to pay maintenance or failed to stick to a Direct Pay arrangement; or (ii) where one parent does not want the other to know their personal details.

**Compliance:** The extent to which a Paying Parent adheres to a child maintenance arrangement.

**Court Order:** Where the Receiving Parent privately takes a case against the Paying Parent to a family court to set and enforce the payment of child maintenance.

**Direct Pay:** A legally binding child maintenance arrangement set up by the CMS, where the CMS calculates the amount of maintenance that should be paid and parents make their own arrangements for payments. Direct Pay can be chosen by

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<sup>1</sup> From 1 April 2022, Get Help Arranging Child Maintenance has replaced the Child Maintenance Options service

either parent with the other's agreement. A £20 application fee is charged for this service (unless waived because of a domestic abuse issue). Neither parent pays collections fees under Direct Pay.

**Domestic abuse:** Any incident or pattern of incidents of controlling, coercive, threatening behaviour, violence or abuse between those aged 16 or over who are, or have been, intimate partners or family members regardless of gender or sexuality. The abuse can encompass, but is not limited to: psychological, physical, sexual, financial and emotional abuse.

**Family-based arrangement (FBA):** A child maintenance arrangement which is made between the two parents without any involvement of the CSA or the CMS. FBAs may sometimes be known as private or voluntary arrangements. An FBA could involve regular financial payments, or could be other support for the child such as buying clothes, paying school fees, or sharing responsibility for their care. An FBA could be completely informal or could be a written agreement. No fees or charges apply to an FBA.

**Paying Parent:** A separated parent who does not provide day-to-day care for his/her children, and therefore has a responsibility to pay child maintenance, (regardless of whether they are actually making payments). Sometimes these parents are known as non-resident parents or supporting parents.

**Receiving Parent:** A separated parent who provides main day-to-day care for his/her children and therefore has a right to receive payments from the Paying Parent (regardless of whether they are actually receiving payments). Sometimes these parents are known as parent with care or resident parent.

## Abbreviations

CMS Child Maintenance Service

CSA Child Support Agency

DWP Department for Work and Pensions

FBA Family-based arrangement

HMRC Her Majesty's Revenue and Customs



# Summary

## Background and aims

Direct Pay is one of two main statutory maintenance arrangements introduced in 2012 as part of an extensive programme of reform to the child maintenance system. Under Direct Pay, the Child Maintenance Service (CMS) calculates a legally binding payment amount, but it is then up to the paying parent to make arrangements to pay this to the receiving parent. Under the other main scheme, Collect and Pay, the CMS collects payments from the paying parent and passes them to the receiving parent. There are additional charges (20 per cent to the paying parent and 4 per cent to the receiving parent) for using this Collect and Pay service.

Direct Pay is the most common type of maintenance arrangement the CMS is involved in. However, as payments are made directly between parents, there is a dearth of robust information about how these arrangements work in practice after the initial calculation. This research was intended to fill that gap, building on earlier research on Direct Pay conducted between 2015 and 2016. The main aims were to examine:

- Parents' decision-making process around Direct Pay
- What types of maintenance arrangements customers have in place three and 13 months after their Direct Pay calculation
- For those still on Direct Pay arrangements, parents' reports of how these are working
- Parents' experiences of Direct Pay, and
- Which customer groups are best suited to Direct Pay.<sup>2</sup>

## Methods

The research involved three main components:

- A telephone survey of 2000 receiving parents, conducted around three months after their Direct Pay calculation
- A follow-up telephone survey of 1000 receiving parents, around 13 months after their Direct Pay calculation, and
- Qualitative interviews with a small sample (30) of paying parents.

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<sup>2</sup> An additional aim, to estimate the number of children covered by Direct Pay arrangements, was superseded by the DWP producing its own estimates of these figures, using data for all families registered with the CMS.

## Key findings

### Initial decision-making around Direct Pay

- In the vast majority of cases (93 per cent), receiving parents said the decision to contact the Child Maintenance Service (CMS) in the first instance had been theirs.
- However, views on who made the decision to try Direct Pay rather than any other kind of arrangement were more mixed – 63 per cent of receiving parents felt it had been their decision (55 per cent) or made jointly with the paying parent (8 per cent), but around a third felt the decision had been made by someone else – either the paying parent alone (13 per cent) or the CMS (21 per cent).<sup>3</sup> In fact, the CMS cannot ‘choose’ which arrangement parents are placed on – in circumstances when the parents are not agreed on an option, the CMS is obliged to place new cases on Direct Pay unless there is clear, current evidence that the paying parent is likely to be non-compliant.
- Among receiving parents who said it had been their decision to try Direct Pay, 44 per cent said the charges for using Collect and Pay had influenced this decision at least to some extent.
- Around 2 in 5 receiving parents said they would have preferred a Collect and Pay arrangement rather than Direct Pay, although only 1 in 5 of all receiving parents said they were unhappy with the decision to try Direct Pay.
- Receiving parents who were less likely to be happy with the decision to try Direct Pay included: those with a poor relationship with the paying parent, including those who had no contact with them at all; former CSA clients; and those who had experienced domestic abuse.
- 42 per cent of receiving parents who had experienced abuse said they had paid the £20 Direct Pay calculation fee. The survey took place before a change of policy whereby the CMS now proactively asks parents whether there has been domestic abuse in the family which has been reported to a responsible person (e.g. police, social worker). If parents declare there has been such abuse in the family and that they have reported it to someone responsible, the application fee is waived.

### Maintenance arrangements after having a Direct Pay calculation

- Three months after their Direct Pay calculation, 85 per cent of receiving parents were either on, or in the process of setting up a maintenance arrangement. This figure fell slightly to 81 per cent by 13 months.
- In terms of arrangement type, 69 per cent of receiving parents were still on Direct Pay three months after their calculation, while 14 per cent were on or in the process of moving to Collect and Pay, 1 per cent were moving to other arrangements (Family-based or court-mandated), and 15 per cent did not have any arrangement in place.

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<sup>3</sup> A small proportion (<3%) were not sure who had made the decision to try Direct Pay.

- By 13 months the equivalent figures were: 58 per cent on Direct Pay, 16 per cent on or moving to Collect and Pay, 7 per cent on or moving to other arrangements, and 19 per cent with no arrangement.
- While the nature of parents' arrangements at three months was strongly predictive of their arrangement at 13 months, there was also some movement between arrangements between these time points – for example, among those on or moving to Collect Pay at three months, 17 per cent were on a Direct Pay arrangement by 13 months.
- Receiving parents who were less likely to be on a Direct Pay arrangement 13-months after their calculation included: younger parents; those who had experienced domestic abuse; those with a poor relationship or no contact with the paying parent; and those who had an early preference for Collect and Pay over Direct Pay.
- Receiving parents tended to attribute non-payment primarily to a belief that the paying parent did not want to pay, although changes to the paying parents' circumstances were also mentioned relatively frequently.
- Interviews with paying parents indicated that changes in income were a key point at which Direct Pay arrangements can break down. There was also a perception among paying parents that Direct Pay calculations did not take sufficient account of fluctuating incomes or their own wider outgoings.

### **Experiences of Direct Pay**

- Among those who successfully set-up and maintained Direct Pay arrangements, the majority reported that those arrangements were working well, both objectively (in terms of receiving the calculated amount in a timely manner) and subjectively (the receiving parent felt it was working well).
- At 13 months, among those parents who were still on a Direct Pay arrangement, 95 per cent were receiving all or most of the amount, 80 per cent received payments usually or mostly on time, and 86 per cent felt their arrangement worked well.
- Across **all** receiving parents who had Direct Pay calculations 13 months earlier (including those who were no longer on such arrangements), around half were receiving all or most of the amount (54 per cent) and receiving payments usually or mostly on time (47 per cent). Around half (50 per cent) also felt that their Direct Pay arrangement works well.
- A minority of all receiving parents remained on a Direct Pay arrangement at 13 months, but did not receive all or most of the amount (4 per cent) or did not receive it on time (11 per cent).
- A further 23 per cent of all parents who had Direct Pay calculations were on, or in the process of moving to another arrangement 13 months later, and 19 per cent

did not have an arrangement in place (and were not in the process of setting one up).

- Among parents who remained on Direct Pay arrangements, there were relatively few patterns in who was more or less likely to be receiving all/most of the amount, usually/mostly on time, or to feel their arrangement was working well. Those who had expressed a preference for Collect and Pay at three months but had nonetheless stayed on Direct Pay were a little less likely to report their arrangement was working well across these measures, as were parents who did not have a good relationship with the paying parent.
- Paying parents who had maintained their payments through Direct Pay identified various facilitators, including: aspects of the design of the scheme (acting as a 'middleman', sharing bank details, and the prospect of moving to Collect and Pay); service delivery and support (including clarity of communications and empathetic staff); and their own skills and attitudes (financial literacy and a positive attitude to paying).
- Barriers from paying parents' perspective included: unhappiness with the calculated amount; challenges arising from changes in financial circumstances; and negative attitudes towards the receiving parent and/or the idea of CMS involvement in general.

### **Support around Direct Pay**

- Seventy per cent of receiving parents were satisfied with the advice they received from the Child Maintenance Service (CMS) about setting up a Direct Pay arrangement.
- In most cases when payments were not received, the receiving parent had contacted the CMS to report this. The most common action the CMS had taken was to move them to Collect and Pay. Around 1 in 5 parents who had contacted the CMS to report problems with payments said they had been unable to help.
- Receiving parents who had not moved to Collect and Pay following problems with payments attributed this to the perceived unwillingness of the paying parent either to pay, or to move to Collect and Pay. This is in spite of the fact that the CMS can require paying parents who default to move to Collect and Pay.
- Awareness of the possibility of moving to Collect and Pay was very high (97 per cent at 13 months). However, awareness of other actions the CMS can take to support Direct Pay arrangements – such as finding the other parent or sharing bank details without the parents needing to contact each other – was lower.
- A minority of parents (8 per cent in the three-month survey and 13 per cent at 13 months) had made changes to the amount or frequency of their Direct Pay arrangements. By the 13-month survey, most had notified the CMS of these changes (though this could have been prompted by participating in the three-month survey).

- Interviews with paying parents revealed mixed perceptions of support from the CMS. On the one hand, it was suggested that CMS staff had treated them with greater understanding than CSA staff and that information was generally clear. On the other, paying parents reported perceived issues with the level and timeliness of information received; difficulties getting hold of CMS staff; information sharing between staff; and perceived issues around the tone of interactions with CMS staff.

# 1. Background and methods

This report presents findings from research on parents' experiences of Direct Pay, a mechanism for supporting the arrangement of child maintenance payments between parents. The research was undertaken between 2017 and 2019 by Ipsos MORI on behalf of the Department for Work and Pensions (DWP). This introductory chapter outlines the policy background and aims of the research, the methods used, and the structure and conventions employed in the rest of the report.

## 1.1 Child Maintenance Reforms

The UK child maintenance system has recently undergone a period of critical reform. The reform programme, detailed in a 2011 green paper<sup>4</sup> followed criticism of the Child Support Agency's (CSA)<sup>5</sup> effectiveness in ensuring children received the support they need, with complaints about errors, discrepancies in assessments, delayed payments and inefficient administration. These issues were outlined in the Henshaw Report (Henshaw, 2006), which recommended a radical redesign of the child maintenance system, including the closure of the CSA and the establishment of a new organisation in its place.

The government's reform programme had two main aims: *'to encourage and support more families to make their own collaborative arrangements'*, and *'to deliver a more efficient and effective statutory service to those who need it'*, increasing the number of effective arrangements where money is always/usually received on time (DWP, 2014).

Key components of the reforms include:

- establishing the Child Maintenance Service (CMS) in 2012 to replace the CSA
- the phased closure of existing CSA cases (from 2014 to 2018), with invitations to make a Family Based Arrangement (FBA – that is, an arrangement between parents with no statutory involvement) or to apply to the CMS to make a new arrangement with them
- development of the Child Maintenance Options (CM Options) service,<sup>6</sup> which provides information and support for separated parents
- introducing a requirement that all new child maintenance cases and closing CSA cases must have a conversation with CM Options before applying to the CMS, to

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4 Department for Work and Pensions (2011) *Strengthening families, promoting parental responsibility: the future of child maintenance*, Cm 7990, TSO available at: [www.dwp.gov.uk/docs/strengthening-families.pdf](http://www.dwp.gov.uk/docs/strengthening-families.pdf)

5 The statutory agency responsible that was previously responsible for administering the system of child maintenance, under which non-resident parents are required to pay towards the upbringing and support of their children.

6 [The CM Options weblink has been replaced with the following: https://www.gov.uk/child-maintenance-service](https://www.gov.uk/child-maintenance-service)

discuss the best option for them (including whether or not they might be able to set up an FBA)

- the introduction of application, collection and enforcement fees, administered by the CMS, to encourage families to make FBAs.

### 1.1.1 Direct Pay

Parents applying to the CMS can choose between two statutory maintenance arrangements, one of which, Direct Pay, is the subject of this research report. Under Direct Pay, the CMS calculate a maintenance liability and provides a payment schedule. Parents must then arrange payments directly between themselves. The maintenance liability is usually calculated using gross income information received directly from HMRC. The amount can be adjusted depending on a number of factors, such as whether the parents share overnight care of the children, or whether the paying parent has any other children they are responsible for. Once the maintenance amount has been calculated, it is up to the paying parent (the parent required to make child maintenance payments) to arrange payments directly with the receiving parent (the parent receiving the payments).

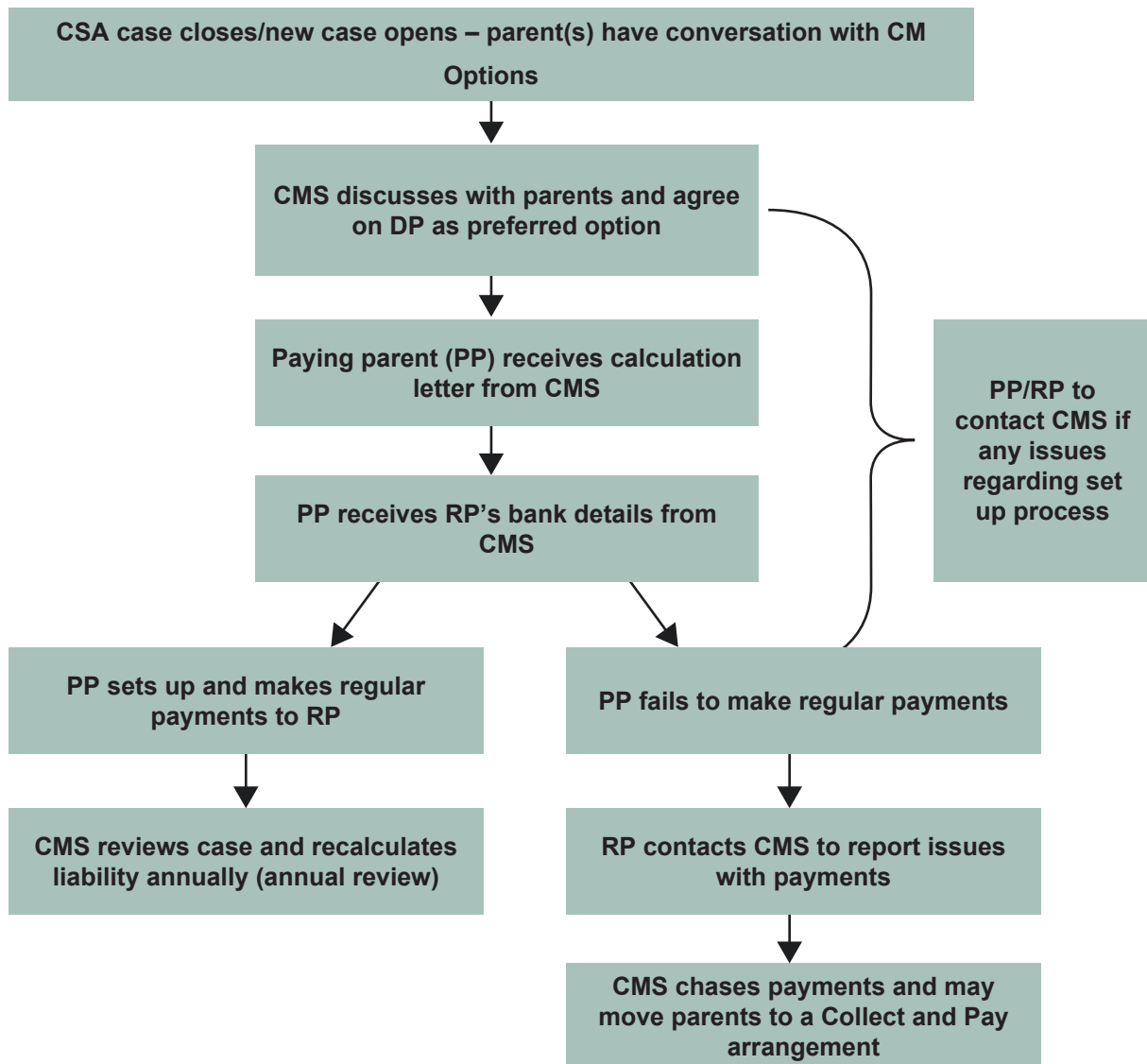
Direct Pay arrangements can be initiated by either the paying parent or the receiving parent. There is a £20 application fee to receive a Direct Pay calculation.<sup>7</sup> However, this fee can be waived where the parent declares there is experience of domestic abuse in the family, or where they are under 19 – the latest DWP figures indicate that between September 2018 and June 2019, over half of parents applying to the CMS were exempt from paying the application fee.<sup>8</sup>

Direct Pay is the most common type of maintenance arrangement the CMS is involved in. The DWP estimates that, as of June 2019, 462,800 children were covered by 314,900 Direct Pay arrangements, with £188.9m of maintenance due to be paid through Direct Pay arrangements in the quarter ending June 2019 (DWP, 2019).

7 A Child Maintenance liability can be calculated without paying this fee using an online calculator, but for a Direct Pay case to be opened, an official CMS calculation is required to which a £20 fee is attached.

8 See <https://www.gov.uk/government/statistics/child-maintenance-service-statistics-data-to-june-2019-experimental> – National Tables, Table 2.

**Figure 1.1: Direct Pay arrangement process**



**1.1.2 Collect and Pay**

In cases where the parents cannot manage payments between them the CMS operates a Collect and Pay service, where they collect money from the paying parent and pay it directly to the receiving parent’s bank account. In the event that the paying parent defaults on a Direct Pay arrangement, they may be moved to Collect and Pay at the receiving parent’s request. According to DWP statistics, 9,300 parents moved from Direct Pay to Collect and Pay between April and June 2019 (DWP, 2019).

Collect and Pay incurs charges – the paying parent pays an additional 20 per cent on top of the calculated amount, and 4 per cent is also deducted off the payment passed to the receiving parent. Charges for both Collect and Pay and the £20 Direct Pay calculation fee are intended to ‘nudge’ parents to avoid using the CMS and to make their own arrangements.



The DWP estimates that, as of June 2019, 241,800 children were covered by 171,700 Collect and Pay arrangements (DWP, 2019). Compliance is lower, however,<sup>9</sup> with 137,300 children actually receiving maintenance payments through the Collect and Pay service in the quarter ending June 2019. Sixty-seven per cent of paying parents on a Collect and Pay arrangement were paying some of the maintenance they were liable for at the end of June 2019 (DWP, 2019).

## 1.2 Research aims

The CMS does not hold robust data on the effectiveness of Direct Pay arrangements, since once a calculation has been made, payments are made directly between parents. This research is intended to fill this gap. Its main aims were to examine:

- Parents' decision-making process around Direct Pay
- What types of maintenance arrangements customers have in place three and 13 months after their Direct Pay calculation
- For those still on Direct Pay arrangements, parents' reports of how these are working
- Parents' experiences of Direct Pay, and
- Which customer groups are best suited to Direct Pay.<sup>10</sup>

## 1.3 Summary of methods

### 1.3.1 Overview

The findings in this report are based primarily on two telephone surveys of receiving parents. The first (Wave 1) took place between November 2017 and July 2018. It comprised 20-minute interviews with 2000 parents who had received a Direct Pay calculation around three-months earlier. The second (Wave 2) was conducted between September 2018 and May 2019. It involved shorter (10 minute) follow-up interviews with 1003 of these parents, scheduled for around 13-months after their Direct Pay calculation.

These surveys of receiving parents were supplemented by qualitative research with a small number (30) of paying parents. Paying parents were also interviewed in two waves, around three and 13 months after their initial Direct Pay calculation.

The research design and key questions replicated research conducted for DWP in 2015-2016 which examined parents' experiences of Direct Pay earlier in the CSA case closure programme (NatCen, 2016). Key survey outcome measures are therefore compared with findings from this earlier research.

<sup>9</sup> Although DWP statistics indicate that compliance improved from 57 per cent in December 2017, to 66 per cent in December 2018 – DWP, 2019.

<sup>10</sup> An additional aim, to estimate the number of children covered by Direct Pay arrangements, was superseded by the DWP producing its own estimates of these figures, using data for all families registered with the CMS.

This section provides a brief summary of research methods. More detail is included in the Appendix.

### 1.3.2 Survey sampling and response rate

The sample for the first survey (Wave 1) was provided to Ipsos MORI by DWP and consisted of receiving parents who had received a Direct Pay calculation between August 2017 and April 2018. Former CSA clients were over-sampled to allow for robust comparisons between new and former-CSA clients. The follow-up (Wave 2) survey sample comprised all those who had consented to be re-contacted at the end of their Wave 1 interview.

Wave 1 had a response rate of 41 per cent and Wave 2 a response rate of 60 per cent.<sup>11</sup> As described in the Appendix, the main challenge in terms of response rate was the number of cases where the respondent simply did not answer the phone. Analysis conducted to inform the weighting scheme indicates that the achieved sample was fairly similar to the profile of all receiving parents in terms of gender, region and number of eligible children. However, non-response always creates a risk that the achieved sample differs from the profile of the population of interest in other ways.

### 1.3.3 Questionnaire and interviewing

The questionnaires took as their starting point previous survey research with Direct Pay clients, conducted on behalf of DWP in 2015-2016. However, while key questions were retained to facilitate comparisons of parents' experiences of Direct Pay over time, the questionnaires were also amended and developed based on both feedback from parents from cognitive testing of the questions, and comments from DWP.

Table 1.1 shows the key topics covered at each wave of the survey:

**Table 1.1: Topics covered in Direct Pay surveys of receiving parents (2017-2019)**

Topic	Wave 1 (3-month survey)	Wave 2 (13-month survey)
Household structure	✓	✓
Setting up a Direct Pay arrangement	✓	
Reasons for choosing Direct Pay over other options	✓	
Current status of Direct Pay arrangement	✓	✓

<sup>11</sup> Based on the eligible sample – that is, the sample issued to interviewers, minus bad numbers, unobtainable numbers and cases where they were ineligible to take part as said they had not had a Direct Pay calculation or had no eligible children. The response rate is the total interviews achieved, divided by the total eligible issued sample. See the Appendix, Table A.1.5 for further detail.

Topic	Wave 1 (3-month survey)	Wave 2 (13-month survey)
Alternative arrangements if no longer on Direct Pay	✓	✓
Effectiveness of Direct Pay arrangement (where still on this)	✓	✓
Changes made to Direct Pay arrangement	✓	✓
Reasons Direct Pay arrangement never started or started, then stopped (where applicable)	✓	✓
Reasons did not move to Collect & Pay when did not receive Direct Pay payments (where applicable)		✓
Actions taken when payments missed (where applicable)	✓	✓
Awareness of actions CMS can take to support Direct Pay arrangements	✓	✓
Contact/relationship with paying parent	✓	✓
Household income	✓	✓

All interviews were conducted by telephone, by trained members of Ipsos MORI's telephone interviewing panel who were briefed by members of the core research team. Respondents were sent an advanced letter before each wave of the survey, explaining what the survey was about, who it was for, how their data would be used, and how they could opt out of being contacted for the research, if they so wished.

### 1.3.4 Weighting and analysis

All percentages in this report are weighted, while sample sizes (unless otherwise stated) are unweighted. The weighting scheme corrected for (a) disproportionate over-sampling of parents who had transitioned from the Child Support Agency (CSA) to the Child Maintenance Service (CMS) and (b) known differences between the achieved sample and the characteristics of all parents who had received a Direct Pay calculation over the same time period in terms of the gender and age of the receiving parent, the number of eligible children, and region.

Any differences reported between groups are significant at the 5 per cent level unless otherwise stated.

## 1.4 Qualitative research with paying parents

The research team at Ipsos MORI carried out 30 in-depth telephone interviews with paying parents. The interviews again took place in two waves, but in this case with separate cohorts of paying parents at each stage. The first wave of 15 qualitative

interviews took place in April 2018, with paying parents who had received Direct Pay calculations around three months earlier. The second wave of 15 interviews was conducted in November/December 2018, with parents who had received calculations around 13 months earlier.

Parents were recruited by Ipsos MORI from a sample file of eligible paying parents provided by DWP. Interviews followed an agreed topic guide, designed to explore paying parents' experiences and views about Direct Pay. Interviews were audio recorded (with interviewees permission) and researchers took detailed notes for subsequent analysis of key themes.

## **1.5 Report structure and conventions**

The remainder of this report is structured as follows:

- Chapter 2 outlines findings on parents' initial decision-making around using Direct Pay
- Chapter 3 assesses what arrangements' parents go on to have three and 13-months after a Direct Pay calculation. It also examines which groups of parents are more and less likely to stay on Direct Pay arrangements, and reasons why some Direct Pay arrangements break down.
- Chapter 4 examines how Direct Pay is working among those parents who remain on this arrangement
- Chapter 5 explores parents' perceptions of the support available around Direct Pay
- Chapter 6 concludes with a summary of findings on each of the key research aims.

### **1.5.1 Reporting conventions**

All percentages and estimates included in this report are weighted (see 1.3.4 and the Appendix for more detail). Sample sizes for tables and figures are unweighted. Any differences highlighted in this report between sub-groups of parents are statistically significant at the 5 per cent level, unless otherwise stated.

The symbols below have been used in tables and denote the following:

- [ ] to indicate a percentage based on fewer than 50 respondents.
- \* to indicate a percentage of less than 0.5 per cent.
- 0 to indicate that no one gave this response.

The qualitative research with paying parents was intended to give an indication of the range of views and experiences among paying parents. Given the smaller numbers involved and the different purpose of qualitative research, it is not appropriate to infer anything about how common these views and experiences may be from the findings. As such, the report avoids using quantifying language when discussing the qualitative findings (which are included at the end of each chapter).

## 2. Initial decision-making around Direct Pay

This chapter examines parents' initial decision-making process around setting up a Direct Pay arrangement, including their perceptions of who made key decisions, and their initial attitude to trying Direct Pay. It draws primarily on findings from the Wave 1 (three-month) survey of receiving parents, supplemented by data from the three-month qualitative research with paying parents.

### Summary of key points

- In the vast majority of cases (93 per cent), receiving parents said the decision to contact the Child Maintenance Service (CMS) in the first instance had been theirs.
- However, views on who made the decision to try Direct Pay rather than any other kind of arrangement were more mixed – 63 per cent of receiving parents felt it had been their decision (55 per cent) or made jointly with the paying parent (8 per cent), but around a third felt the decision had been made by someone else - either the paying parent alone (13 per cent) or the CMS (21 per cent). In fact, the CMS cannot 'choose' which arrangement parents are placed on – in circumstances when the parents are not agreed on an option, the CMS is obliged to place new cases on Direct Pay unless there is clear, current evidence that the paying parent is likely to be non-compliant.
- Among receiving parents who said it had been their decision to try Direct Pay, 44 per cent said the charges for using Collect and Pay had influenced this decision at least to some extent.
- Around 2 in 5 receiving parents said they would have preferred a Collect and Pay arrangement rather than Direct Pay, although only 1 in 5 of all receiving parents said they were unhappy with the decision to try Direct Pay.
- Receiving parents who were less likely to be happy with the decision to try Direct Pay included: those with a poor relationship with the paying parent, including those who had no contact with them at all; former CSA clients; and those who had experienced domestic abuse.
- 42 per cent of receiving parents who had experienced abuse said they had paid the £20 Direct Pay calculation fee. The survey took place before a change of policy whereby the CMS now proactively asks whether there has been domestic abuse in the family in order to waive the application fee.

## 2.1 Deciding to involve the Child Maintenance Service

In a majority of cases (93 per cent), receiving parents said the decision to contact the CMS in the first instance to discuss setting up a statutory maintenance arrangement had been theirs. The most common reasons given for involving the CMS, rather than making a Family Based Arrangement (FBA) with no formal involvement, related to difficulties in getting the paying parent to pay maintenance – 39 per cent said that the other parent ‘just won’t pay’ at all, and 37 per cent said they thought the paying parent would be more likely to pay with CMS involvement. Other common reasons were that they had tried an FBA in the past, but it had not worked out (31 per cent), that there were issues around contacting the paying parent (31 per cent), and difficulties talking about money with the paying parent (24 per cent). Almost 1 in 5 (17 per cent) receiving parents spontaneously mentioned a domestic abuse issue as a reason for involving the CMS.

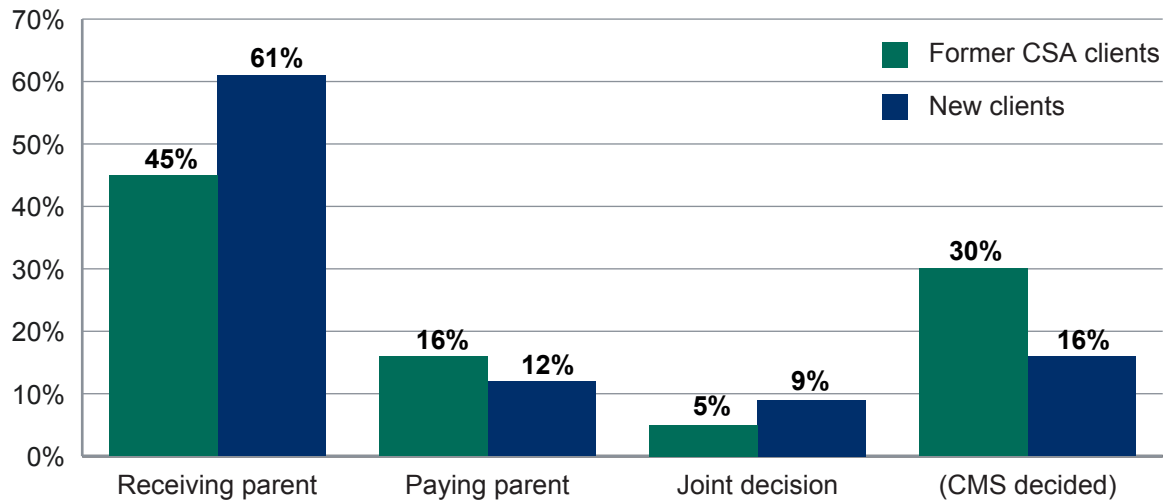
## 2.2 Deciding to try Direct Pay

While the vast majority of receiving parents said it had been their decision to contact the CMS about their maintenance arrangements, views on who had made the decision to try Direct Pay, rather than any other kind of arrangement, were more mixed. Around half (55 per cent) of receiving parents said they had decided to try Direct Pay, and a further 8 per cent that the decision had been a joint one with the paying parent. However, in around a third of cases they felt the decision had been made by someone else – either the paying parent alone (13 per cent), or the CMS (mentioned spontaneously – it was not read out as an option by interviewers – by 21 per cent of receiving parents).

In interpreting this finding, it is important to note that the decision about which CMS arrangement parents are placed on generally has to be agreed by both parents. In the event that one parent wishes to try Direct Pay but the other prefers Collect and Pay, the CMS is required to place the parents on Direct Pay unless there is explicit evidence that the Paying Parent is likely to be non-compliant. Examples of previous non-compliance on CSA arrangements cannot be treated as evidence of unwillingness to pay under a new CMS arrangement, unless the Paying Parent explicitly indicates that they are unwilling to pay. In this context, the language of ‘choice’ may be misleading: although from the Receiving Parents’ perspective it may seem that the CMS is ‘choosing’ to place them on a Direct Pay arrangement, in fact the CMS is operating within a set legal framework which may mean they are not able to implement the Receiving Parents’ preferred option.

Receiving parents who had previously had maintenance arrangements through the Child Support Agency (CSA) were significantly less likely to say that trying Direct Pay had been their decision (45 per cent compared with 61 per cent of new clients), and more likely to say that the CMS had decided (30 per cent, compared with 16 per cent of new clients Figure 2.1).

**Figure 2.1: Who decided they should try Direct Pay, by whether former CSA or new client**



Base: Former CSA = 1,019; New clients = 981. NB a small proportion (3 per cent) of respondents who said either that they did not know whose decision it had been, or gave an 'other' response are included in the base, but not shown in the figure.

Receiving parents' feelings about the decision to try Direct Pay were also mixed. Among receiving parents who felt it had not been their decision to try it (that is, who said either the paying parent or the CMS had decided), just under half (46 per cent) were nonetheless very or quite happy with this decision, while just over half (52 per cent) were not very or not at all happy with it. There was no significant variation between parents who said the paying parent had decided and those who said the CMS had decided in this respect. Unsurprisingly, those who were still receiving payments through their Direct Pay arrangements were more likely to be happy with the decision to try Direct Pay than those whose payments had never started, or had started and then stopped (53 per cent of those who were receiving payments were happy, compared with 31 per cent of those who were not receiving payments). However, even among those who were receiving some payments through Direct Pay, 45 per cent of those who felt the decision to try Direct Pay had not been theirs were unhappy with this decision.

## 2.3 Preferences for Direct Pay vs. Collect and Pay

As discussed in Chapter 1, Direct Pay is one of two types of child maintenance arrangement parents can make through the CMS. With Direct Pay, the CMS provides an initial calculation of the amount that should be paid, but it is then up to the parents to make arrangements for these payments between them.<sup>12</sup> With Collect and Pay, the CMS actually collects payments from the paying parent and passes these on to the receiving parent. There are additional charges for this Collect and Pay service.

<sup>12</sup> The CMS can support this where necessary – for example, by sharing bank account details when there is no contact between parents.

Receiving parents who indicated that the decision to try Direct Pay had been theirs or was made jointly with the paying parent were asked why they had decided to try Direct Pay instead of Collect and Pay. The main reason given was simply that they felt Direct Pay would work for them both (47 per cent). The second most commonly mentioned reason was a desire to avoid the extra charges for using Collect and Pay (31 per cent of parents mentioned this spontaneously<sup>13</sup>), followed by 20 per cent who said the CMS had suggested they try Direct Pay. A further 6 per cent said the CMS told them they must try Direct Pay.

Combining these findings with those above on who made the decision to try Direct Pay shows that, in total, around a quarter of receiving parents appeared to feel the CMS had determined that they should try Direct Pay (21 per cent said the CMS had decided they should try it, and a further 4 per cent of all receiving parents said that they had decided to try it because the CMS had said they must). As noted above, when parents disagree on which CMS maintenance arrangement they should try, the CMS is obliged to place them on Direct Pay unless there is current evidence that the Paying Parent is likely to be non-compliant.

Receiving parents were also asked directly whether or not charges had influenced their decision to opt for Direct Pay over Collect and Pay. Forty-four per cent said that charges had influenced their decision at least to some extent (27 per cent said it influenced their decision a lot, and 18 per cent to some extent). Of the remainder, 48 per cent said it had not influenced their decision much or at all, while 5 per cent were unaware of the charges for using Collect and Pay. Parents on higher incomes were more likely to say that charges had influenced their decision to try Direct Pay – 53 per cent of those with annual household incomes of £36,400 or more said the charges influenced their decision at least to some extent, compared with 37 per cent of those with incomes below £10,400 a year.

Three months after their Direct Pay calculation, around 4 in 10 receiving parents (43 per cent) indicated that they would prefer to have a Collect and Pay arrangement. Former CSA clients were more likely to feel this way than new clients (51 per cent compared with 40 per cent). Seventy-eight per cent of those who indicated, three months after their Direct Pay calculation, that they would prefer a Collect and Pay arrangement said they had asked the CMS to set a Collect and Pay arrangement up for them. We return to this group in Chapter 3, examining what type of maintenance arrangement they actually had three and 13-months after their Direct Pay calculation.

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13 Interviewers did not read out any answer options for this question – they simply asked why they had decided to try Direct Pay instead of Collect and Pay and then coded the answers respondents gave (using a pre-coded list, with any answers that did not appear on this entered in full under 'other' and coded later by Ipsos MORI specialist coders).



## 2.4 Which parents were more or less happy to try Direct Pay?

In combination, receiving parents' responses to the questions above indicate that, three months after their initial Direct Pay calculation:

- 46 per cent said the decision to try Direct Pay had been theirs (or had been made jointly with the paying parent) or were happy with the decision to try it, and did not want to be on Collect and Pay instead – in other words, this group were content to be trying Direct Pay
- 29 per cent said they would prefer to be on a Collect and Pay arrangement, but were happy with the decision to try Direct Pay or felt it had been their decision. This might indicate that although they had a preference for Collect and Pay, they were willing to see how their Direct Pay arrangement went. Alternatively, it might be that their views have changed, and that while they were initially happy to try Direct Pay they would now prefer to be on Collect and Pay.
- 19 per cent were unhappy with the decision to try Direct Pay.<sup>14</sup>

How happy receiving parents were to try Direct Pay varied significantly by:

- **Their relationship with the paying parent** – just 6 per cent of those who described their current relationship with the paying parent as 'friendly' said they were unhappy with the decision to try Direct Pay. This compares with 19 per cent of those who said their relationship was 'unfriendly' and 27 per cent of receiving parents who had not had any contact at all with the paying parent in the last year.
- **Whether they were new or former CSA clients** – new clients were less likely than clients who had transitioned from the CSA to say that they were unhappy with trying Direct Pay (13 per cent compared with 31 per cent).
- **Whether they had experienced domestic abuse** – receiving parents who indicated that they had experienced domestic abuse from the paying parent were more likely to be unhappy with trying Direct Pay – 21 per cent said they were unhappy with the decision, compared with 15 per cent of those who had not experienced abuse.

There was no clear pattern in how happy parents were to try Direct Pay by household income or age.

Reasons for trying Direct Pay were also a factor in how parents felt about being on Direct Pay rather than Collect and Pay – receiving parents who said they were trying Direct Pay because the CMS had suggested it were more likely than those who said they had opted for Direct Pay to avoid additional charges to say they would prefer to be on Collect and Pay instead (46 per cent compared with 21 per cent).

<sup>14</sup> A further 6 per cent of receiving parents said 'don't know' or gave another answer at questions about whether they were happy with the decision to try Direct Pay or whether they would prefer Collect and Pay.

## 2.5 Paying the Direct Pay calculation fee

As discussed in Chapter 1, there is usually a £20 fee for receiving a calculation of how much maintenance should be paid under a Direct Pay arrangement. In a majority of cases (57 per cent), receiving parents said they had paid this fee themselves. Twenty-nine per cent said that neither parent had paid the fee, while 12 per cent were unsure who had paid it.

The calculation fee is waived in cases where an applicant states that there has been domestic abuse in the family which has been reported to a responsible person (police, social worker, etc.). Overall, 66 per cent of receiving parents interviewed three-months after their Direct Pay calculation indicated in their responses to the survey that they had experienced domestic abuse from the paying parent.<sup>15</sup> While this group were more likely to say that neither parent had paid the fee, 42 per cent of parents who had experienced domestic abuse said they had paid the £20 fee themselves. Since this survey was conducted, the CMS has changed its approach: rather than waiting for parents to disclose abuse, the CMS proactively asks whether they have experienced abuse in their family and whether this has been reported to a responsible person. The fee is waived when this is the case.

## 2.6 Paying parents' views of decision-making around Direct Pay

Paying parents' views of decision-making around Direct Pay were explored in qualitative interviews with 15 paying parents around three months after they received a Direct Pay calculation. Those who were happy with the decision to try Direct Pay stressed its perceived convenience and simplicity, a preference for avoiding the fees associated with Collect and Pay, or the idea it was a "sensible decision" to involve the CMS when an FBA was not working out. Where paying parents were unhappy about moving onto Direct Pay, this tended to relate to beliefs about the affordability or otherwise of payments, a preference for sticking with an FBA (particularly where they felt the receiving parent had made the decision to involve the CMS), or a general unwillingness to enter into any formal maintenance agreement (sometimes linked with unresolved child contact issues). Interviews with paying parents also identified some issues around paying parents' understanding of Direct Pay and how the arrangement was intended to work among paying parents with English as a second language and those with particularly complex circumstances (for example, where they had maintenance arrangements with more than one former partner).

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15 Respondents were coded as having experienced domestic abuse if they either spontaneously mentioned domestic abuse in response to a question about their maintenance arrangements, or if they said they had experienced abuse in response to a direct question about this (only asked of parents who had not already mentioned abuse, to avoid repeatedly probing on this issue).

### 3. Maintenance arrangements after having a Direct Pay calculation

This Chapter looks at what maintenance arrangements parents who had Direct Pay calculations actually had in place around three months and 13 months after that calculation. It examines the reasons why some Direct Pay arrangements either do not get started or end after the calculation. The findings draw primarily on data from the three-month and 13-month surveys of receiving parents who had Direct Pay calculations between August 2017 and April 2018.

#### Summary of key points

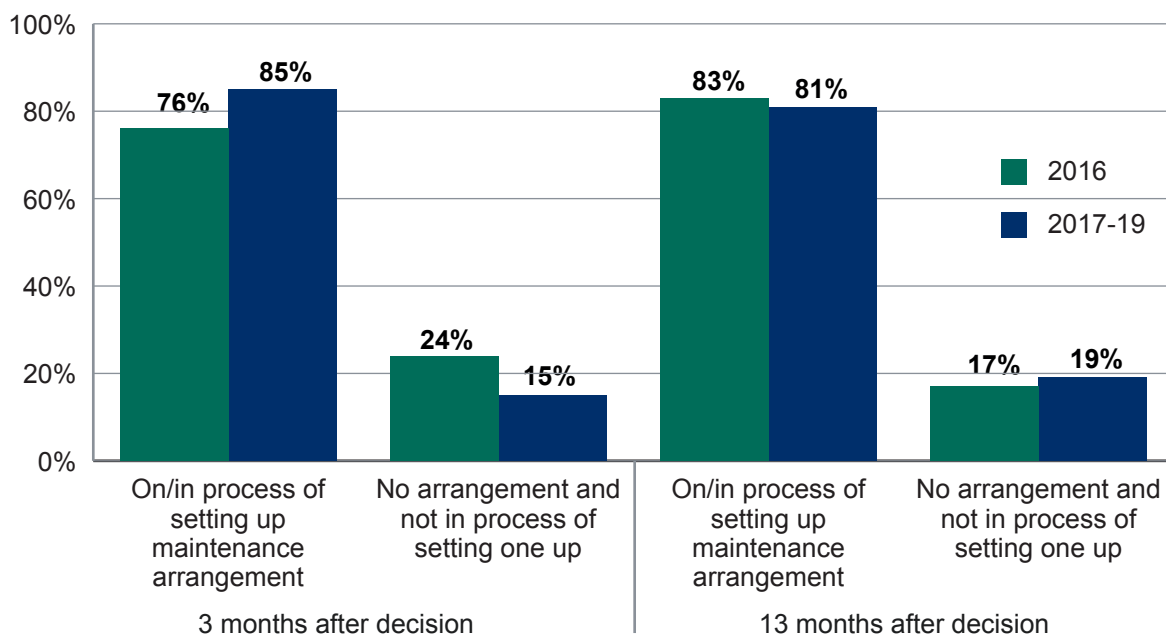
- Three months after their Direct Pay calculation, 85 per cent of receiving parents were either on, or in the process of setting up a maintenance arrangement. This figure fell slightly to 81 per cent by 13 months.
- In terms of arrangement type, 69 per cent of receiving parents were still on Direct Pay three months after their calculation, while 14 per cent were on or in the process of moving to Collect and Pay, 1 per cent were moving to other arrangements (Family-based or court-mandated), and 15 per cent did not have any arrangement in place.
- By 13 months the equivalent figures were: 58 per cent Direct Pay, 16 per cent Collect and Pay, 7 per cent other arrangements, and 19 per cent no arrangement.
- While the nature of parents' arrangements at three months was strongly predictive of their arrangement at 13 months, there was also some movement between arrangements between these time points – for example, among those on or moving to Collect Pay at three months, 17 per cent were on a Direct Pay arrangement by 13 months.
- Receiving parents who were less likely to be on a Direct Pay arrangement 13-months after their calculation included: younger parents; those who had experienced domestic abuse; those with a poor relationship or no contact with the paying parent; and those who had an early preference for Collect and Pay over Direct Pay.
- Receiving parents tended to attribute non-payment primarily to a belief that the paying parent did not want to pay, although changes to the paying parents' circumstances were also mentioned relatively frequently.
- Interviews with paying parents indicated that changes in income were a key point at which Direct Pay arrangements can break down. There was also a perception among paying parents that Direct Pay calculations did not take sufficient account of fluctuating incomes or their own wider outgoings.

### 3.1 Maintenance status after a Direct Pay calculation

Three months after having a Direct Pay calculation, 85 per cent of receiving parents reported that they were either on, or in the process of setting up a maintenance arrangement of some sort (including Direct Pay arrangements, Collect and Pay, court-based arrangements and Family-based arrangements). Ten months later (13 months after the calculation) this figure had fallen slightly, to 81 per cent. At this point, 1 in 5 (19 per cent) of receiving parents reported that they were not receiving any Direct Pay payments and were not in the process of setting up an alternative arrangement.

In comparison with findings from earlier surveys, conducted in 2015-16, Direct Pay clients surveyed in 2017-19 were slightly more likely to report being on or in the process of setting up a maintenance arrangement around three months after the calculation, while the figures for 13 months after calculation were very similar (Figure 3.1).

**Figure 3.1: Whether on/in process of setting up a maintenance arrangement 3 and 13 months after Direct Pay calculation, 2015-2016 Direct Pay surveys and 2017-19 surveys**



Base: 3 months – 2016 = 1647; 2017-18 = 1889; 13 months – 2016 = 817; 2017-18 = 971. All respondents, except respondents who did not know whether they were still getting payments or if they were moving to a new arrangement.

#### 3.1.1 Type of maintenance arrangement in place

Three months after their Direct Pay calculation, 69 per cent of receiving parents were still on this Direct Pay arrangement. However, 14 per cent were on, or in the process of moving to, a Collect and Pay arrangement and a very small proportion (1 per cent) were on or moving to another type of arrangement.

By 13 months after their Direct Pay calculation, the proportion still on Direct Pay had fallen to 58 per cent (the majority of whom were still on their original arrangement, following the calculation 13 months previously).<sup>16</sup> The proportion who were on, or moving to, Collect and Pay had increased slightly to 16 per cent, and 7 per cent were on or moving to other kinds of arrangement (4 per cent to a Family Based Arrangement and 2 per cent to a court-mandated arrangement – Table 3.1).

Table 3.1: Maintenance arrangements on, or in process of setting up, at 3 and 13 months (2017-18 Direct Pay survey)

	3 months (%)	13 months (%)
Direct Pay arrangement	69	58
Collect and Pay	14	16
Family Based Arrangement	1	4
Court-mandated arrangement	*	2
On/moving to another arrangement but don't know what sort	*	1
No arrangement and not in process of setting one up	15	19
<i>Base: all respondents where arrangement status at 3 and 13 months is known*</i>	<i>1,883</i>	<i>971</i>

\* This excludes respondents who said they did not know whether they were still getting payments or whether they were moving to a new arrangement

The type of arrangement parents had in place three months after their Direct Pay calculation was strongly correlated with their likelihood of having an arrangement in place at all at 13 months. Eighty-four per cent of those who had had an active Direct Pay arrangement (i.e. they were receiving payments) three months after their calculation still had some kind of maintenance arrangement in place at 13 months, while 4 per cent were in the process of setting an arrangement up and 12 per cent no longer had any arrangement in place (and were not setting one up). In contrast, among those who were already in the process of moving to another type of arrangement just three months after their Direct Pay calculation, just 53 per cent had any maintenance arrangement in place at 13 months, 15 per cent were still trying to set an arrangement up, and 32 per cent did not have any arrangement in place (and were not setting one up).

Those who were on Direct Pay arrangements at three months were also likely to be on Direct Pay arrangements (rather than any other arrangement) at 13 months – 76 per cent of those who were on Direct Pay at three months were still on Direct Pay at 13 months. However, some parents did move between arrangements, and from having no arrangement to having an arrangement (and vice versa), between these time points. For example, among those who indicated they were on, or in the process

<sup>16</sup> 57 per cent had continued to receive payments since the calculation, and 1 per cent were moving or had moved to a new Direct Pay arrangement.

of moving to, a Collect and Pay arrangement at three months, just 46 per cent indicated that they were actually on Collect and Pay at 13 months. 17 per cent said they were on a Direct Pay arrangement at 13 months, while 30 per cent said they were not on any arrangement at 13 months. Conversely, among those with no arrangement at 3 months, 18 per cent were on Direct Pay and 29 per cent on or moving to Collect and Pay at 13 months (Table 3.2).

**Table 3.2: 13-month arrangements of those who were on Direct Pay, those on/moving to Collect and Pay, and those who had no arrangement and were not in the process of setting one up at 3 months**

	On Direct Pay at 3 months	On/moving to Collect and Pay at 3 months	No arrangement at 3 months
	%	%	%
On Direct Pay at 13 months	76	17	18
On/moving to Collect and Pay at 13 months	7	46	29
On/in process of moving to FBA at 13 months	4	2	8
On/in process of moving to Court-based arrangement at 13 months	1	5	2
No arrangement and not in process of setting one up at 13 months	12	30	42
<i>Sample size</i>	<i>641</i>	<i>141</i>	<i>125</i>

### 3.2 Which groups of parents are more and less likely to stay on a Direct Pay arrangement?

There was no significant difference in either the likelihood of having any arrangement, or the type of maintenance arrangement in place at three and 13 months by whether parents were completely new to the Child Maintenance Service (CMS) or were former Child Support Agency (CSA) clients. However, there were a number of other significant differences in which groups of parents were more and less likely to be on a Direct Pay arrangement three and 13 months after a calculation, relating to the characteristics and circumstances of the receiving parent, their past and current relationship with the paying parent, and their attitude towards Direct Pay:

- **Household income<sup>17</sup>:** Receiving parents on lower incomes were less likely than those on higher incomes to be on Direct Pay arrangements three months after their calculation. However, this difference had disappeared by the 13-month survey.

<sup>17</sup> Receiving parents were asked about household income from all sources, including benefits and any income from child maintenance.

- **Age of receiving parent:** There was no clear pattern by age of receiving parent at three months, but by 13 months after the initial calculation older parents were more likely than younger parents still to be on Direct Pay arrangements (65 per cent of receiving parents aged 41 and older, compared with 50 per cent of those aged 25 or younger).
- **Experience of domestic abuse:** Parents who had experienced domestic abuse from their former partner were less likely to be on a Direct Pay arrangement both three and 13-months after their initial calculation – 55 per cent were on Direct Pay at 13 months, compared with 63 per cent of parents who did not report experiencing abuse. This difference was statistically significant. Parents who had experienced domestic abuse were also more likely to say they did not have any maintenance arrangement in place 13 months after their calculation – 21 per cent, compared with 15 per cent of parents who had not experienced abuse. This difference was statistically significant.
- **Relationship with paying parent:** Where the receiving parent felt their relationship with the paying parent was friendly, they were much more likely to have a Direct Pay arrangement at both three and 13 months – for example, 72 per cent of those whose relationship was ‘friendly’ were on a Direct Pay arrangement at 13 months, compared with 56 per cent of those who felt the relationship was unfriendly, and 54 per cent of those who did not have any face-to-face contact at all with the paying parent.
- **Preference for Collect and Pay:** Receiving parents who indicated that they would prefer to be on a Collect and Pay arrangement instead of Direct Pay were much less likely to be on a Direct Pay arrangement at either three months or 13 months post-calculation. Thirty-nine per cent of those who said (at three months) that they would prefer to be on a Collect and Pay arrangement were on Direct Pay at 13 months, compared with 76 per cent of those who did not have a preference for Collect and Pay. Thirty-four per cent of parents who expressed a preference for Collect and Pay at three months had moved (or were in the process of moving to) another arrangement by 13 months, while 27 per cent did not have any kind of arrangement.

### 3.3 Perceived reasons some parents do not get payments after their Direct Pay calculations

Receiving parents who indicated either that they had not received any payments after their Direct Pay calculation, or that payments had started but then stopped, were asked why they thought payments had not been forthcoming. The main reason in both cases was simply that they thought the paying parent did not want to pay – 68 per cent of receiving parents said this was why they had not received any payments three months after their calculation, while 56 per cent of those whose payments had stopped attributed it to the paying parent being unwilling to pay. Other reasons mentioned relatively commonly included: changes to the paying parents’ circumstances, meaning they could no longer afford payments (18 per cent of

receiving parents mentioned this as a reason payments had stopped)<sup>18</sup> and domestic abuse issues (spontaneously mentioned by 11 per cent of parents whose payments had stopped by the three-month survey). A range of other reasons for payments breaking down were mentioned by a small minority of receiving parents – such as issues around contacting the paying parent, and disputes around paternity or contact

### **3.3.1 Paying parents' accounts of why Direct Pay arrangements do not work out**

Qualitative interviews with paying parents explored their perceptions of why they had either never started or had stopped making payments following a Direct Pay calculation (among those paying parents who were no longer paying). Their reasons overlapped to a degree with those given by receiving parents, above, with the perceived affordability of payments and changes in their own circumstances dominating discussion.

In calculating how much maintenance parents should pay, the CMS takes account of parents' income (based on HMRC records for the previous year) and any other dependents they may have. However, a number of paying parents who had not kept up with payments cited income fluctuations and irregular income, relating to job loss, being self-employed, or having otherwise unpredictable monthly incomes, in explaining why they had not kept up with payments. Paying parents' accounts of their maintenance journeys indicated that changes in income are a key point at which Direct Pay arrangements can break down. There was also a perception that their own outgoings were not always taken adequate account of in CMS calculations of maintenance.

*'I'm sometimes living week to week, as I can't guarantee what my wage will be. It makes things difficult.'*

(Paying parent, interviewed three months after Direct Pay calculation)

*'They just don't take into account current situations. How much you've got to pay out, and your outgoing before they make this calculation. It's just black and white basically. Just based on your wages.'*

(Paying parent, interviewed 13 months after Direct Pay calculation)

Difficulties in their relationship with the receiving parent were also mentioned both as a reason for feeling unhappy with the amount they were meant to pay and for stopping making payments – for example, where the paying parent felt the receiving parent was managing their money poorly or spending maintenance on themselves rather than the children, or where there was a dispute about contact or paternity.

Chapter 5 examines what action both receiving and paying parents take when they are having problems with payments under a Direct Pay arrangement.

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18 At each of the three and 13-month surveys.



## 4. Experiences of Direct Pay

This Chapter examines parents' assessments of how Direct Pay is working for them – are they receiving the right amount, on time? And are they happy with the arrangement? It draws primarily on the surveys of receiving parents, supplemented by qualitative interviews with paying parents exploring how Direct Pay has worked from their perspective.

### Summary of key points

- Among those who successfully set-up and maintained Direct Pay arrangements, the majority reported that those arrangements were working well, both objectively (in terms of receiving the calculated amount in a timely manner) and subjectively (the receiving parent felt it was working well).
- At 13 months, among those parents who were still on a Direct Pay arrangement, 95 per cent were receiving all or most of the amount, 80 per cent received payments usually or mostly on time, and 86 per cent felt their arrangement worked well.
- At 13 months, across all parents who had Direct Pay calculations, around half were receiving all or most of the amount (54 per cent) and receiving payments usually or mostly on time (47 per cent). Around half (50 per cent) also felt that their Direct Pay arrangement works well.
- A minority of parents remained on a Direct Pay arrangement at 13 months, but did not receive all or most of the amount (4 per cent) or did not receive it on time (11 per cent).
- A further 23 per cent of parents who had Direct Pay calculations were on, or in the process of moving to another arrangement 13 months later, and 19 per cent did not have an arrangement in place (and were not in the process of setting one up).
- Among parents who remained on Direct Pay arrangements, there were relatively few patterns in who was more or less likely to be receiving all/most of the amount, usually/mostly on time, or to feel their arrangement was working well. Those who had expressed a preference for Collect and Pay at three months but had nonetheless stayed on Direct Pay were a little less likely to report that their arrangement was working well across these three measures, as were parents who did not have a good relationship with the paying parent.

- Paying parents who had maintained their payments through Direct Pay identified various facilitators, including: aspects of the design of the scheme (acting as a ‘middleman’, sharing bank details, and the prospect of moving to Collect and Pay); service delivery and support (including clarity of communications and empathetic staff); and their own skills and attitudes (financial literacy and a positive attitude to paying).
- Barriers from paying parents’ perspective included: unhappiness with the calculated amount; challenges arising from changes in financial circumstances; and negative attitudes towards the receiving parent and/or the idea of CMS involvement in general.

## 4.1 Receiving parents’ assessments of Direct Pay

Receiving parents who were still on Direct Pay arrangements at the time of the survey were asked about three aspects of how Direct Pay was working:

- How much of the agreed amount they usually received (answer options were: all of it, most of it, some of it, or none of it)
- How often their maintenance payments were on time (answer options were: always on time, usually on time, it varies, usually late, or always late)
- How well they felt their maintenance arrangement was working (answer options were: very well, fairly well, not very well, or not at all well).

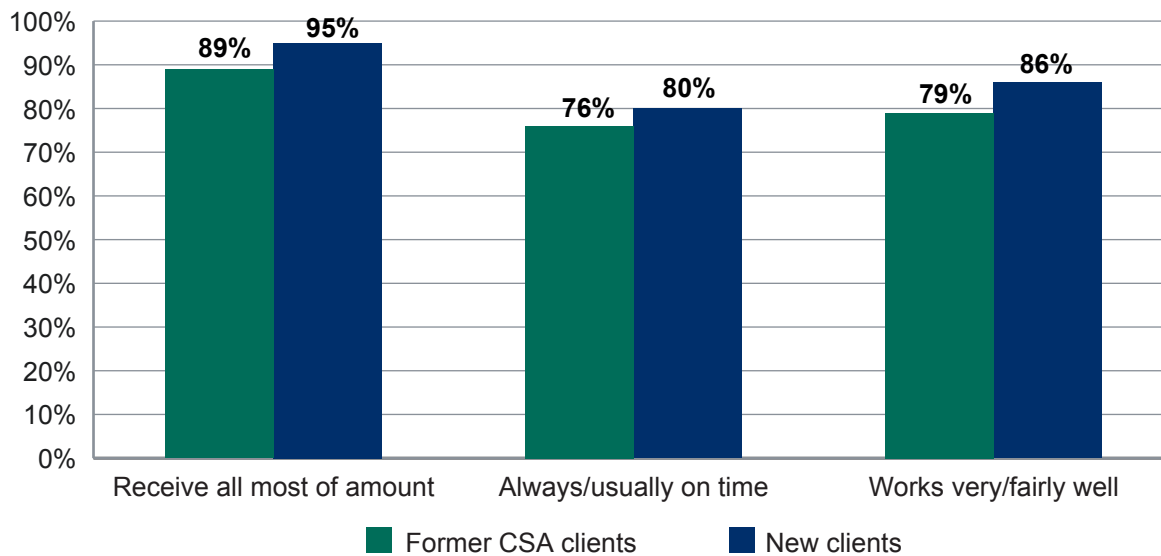
A majority of parents who were still on Direct Pay arrangements gave positive responses to each of these questions at both three and 13 months after their initial calculation. The vast majority said they usually received all or most of the agreed amount (89 per cent at 3 months and 95 per cent at 13 months). Slightly fewer said they received it always or usually on time, however (76 per cent at 3 months and 80 per cent at 13 months). Subjective perceptions of how well arrangements were working were also largely positive – 79 per cent of those who were on a Direct Pay arrangement (and who felt able to make an assessment at that stage) felt it was working very or fairly well three months after their calculation<sup>19</sup>, as did 86 per cent of those who were still on Direct Pay at 13 months.

These figures were very similar to those recorded in the earlier (2015-16) survey of Direct Pay clients, although parents’ subjective perceptions of how well the arrangement was working were slightly less positive at three months in the more recent survey, but slightly *more* positive at 13 months.

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19 The 79 per cent figure excludes those who said it was too early to say, or that they did not know how well it was working. Including these parents in the base, 73 per cent felt it was working well, 19 per cent that it was not working well, and 8 per cent said it was too early to say or that they did not know how well it was working.

**Figure 4.1: Receiving parents' assessments of Direct Pay, three and 13 months after calculation (all those still on a Direct Pay arrangement)**



Bases: see footnote<sup>20</sup>. Excludes those who said 'don't know' or 'too early to say' at these questions<sup>21</sup>.

#### 4.1.1 Overall outcomes three and 13 months after a Direct Pay calculation

The figures above are based only on those parents who were still on a Direct Pay arrangement at three and 13 months. As such, they give only a partial picture of how the scheme is working. Tables 4.1 and 4.2 combine these figures with data (reported in Chapter 3) on the maintenance arrangements parents actually had in place, to give a more detailed breakdown of outcomes. This shows that, across all receiving parents who had a Direct Pay calculation from August 2017 to April 2018:

- Three months later:
  - 60 per cent were receiving all or most of the agreed amount
  - 52 per cent received payments usually or mostly on time
  - 53 per cent felt their Direct Pay arrangement worked well
  - 17 per cent of receiving parents who had a Direct Pay calculation three months earlier were on, or in the process of moving to, another type of arrangement, and
  - 15 per cent had no maintenance arrangement in place at all.

<sup>20</sup> 3 months: Amount, 1250; Timeliness 1239; Opinion 1190. 13 months: Amount 563; Timeliness 570; Opinion 564.

<sup>21</sup> When asked how much of the agreed amount they usually received 13 months after DP calculation, 84% of respondents said 'all of it', 11% said 'most of it', and 5% said they received 'some of it' (base size of 563). When asked how often their maintenance payments were on time 13 months after calculation, 57% of respondents said 'always', 23% said 'usually', 8% said it 'varies', 6% said it was 'usually late' and 5% said 'always late' (base size of 570).

- 13 months later, slightly lower proportions were on Direct Pay arrangements that appeared to be working smoothly as measured by each of these criteria:
- 54 per cent were receiving all or most of the agreed amount
  - 47 per cent received payments usually or mostly on time
  - 50 per cent felt their Direct Pay arrangement worked well
  - 23 per cent of receiving parents who had a Direct Pay calculation 13 months earlier were on, or in the process of moving to, another (non-Direct Pay) type of arrangement, and
  - 19 per cent had no maintenance arrangement in place at all.

Overall then, 13 months after receiving a Direct Pay calculation, around half of receiving parents were on Direct Pay arrangements that could be described as working well on these three specific criteria.

**Table 4.1: Direct Pay outcomes at three months (2017-18 survey)**

	Amount	Timeliness	How well seen to work (by Receiving parent)
	%	%	%
Direct Pay arrangement working (on specific measure) <sup>a</sup>	60	52	53
Direct Pay arrangement working less well (on specific measure) <sup>b</sup>	9	16	14
On/moving to a non-Direct Pay arrangement <sup>c</sup>	16	17	17
No arrangement and not in process of making one	15	15	15
<i>Base (all respondents, excluding those whose 3-month status is unclear or unknown (e.g. 'don't know' if how timely payments are))</i>	<i>1870</i>	<i>1829</i>	<i>1777</i>

a – Defined for each measure as follows: receiving all/most of the amount (Amount); always/usually on time (Timeliness); and the receiving parent feels it is working very or fairly well (How well seen to work).

b – Defined for each measure as follows: only receiving some of the amount, none of the amount, or the amount varying (Amount); payments being always/usually late, or varying (Timeliness); and the receiving parent feeling the arrangement is not working very well or at all well.

c – The figures for those on/moving to a non-Direct Pay arrangement vary slightly between columns because of the slightly different base for each, resulting from variations in the proportions giving 'don't know' responses at these questions.

Table 4.2: Direct Pay outcomes at 13 months (2018-19 survey)

	Amount	Timeliness	How well seen to work (by Receiving parent)
	%	%	%
Direct Pay arrangement working (on specific measure) <sup>a</sup>	54	47	50
Direct Pay arrangement working less well (on specific measure) <sup>b</sup>	4	11	8
On/moving to a non-Direct Pay arrangement	23	23	23
No arrangement and not in process of making one	19	19	19
<i>Base (all respondents, excluding those whose 3-month status is unclear or unknown (e.g. 'don't know' if how timely payments are))</i>	966	963	955

a and b – see notes to Table 4.1 for definitions for each measure.

#### 4.1.2 Reasons for feeling a Direct Pay arrangement is not working well

Around 1 in 5 (21 per cent) receiving parents who had a Direct Pay arrangement three months after their calculation felt that this arrangement was not working well. One in eight (14 per cent) said the same 13 months post-calculation. These parents were asked why they felt their Direct Pay arrangement was not working well.

The most common reason given in the three-month survey was that the paying parent changed when or how much they paid, or did not pay on time (46 per cent), followed by the receiving parent not feeling happy with the agreed amount (36 per cent), and the paying parent simply not wanting to pay at all (21 per cent). At 13 months, those who did not feel their arrangement was working reported more acute problems with payment – 50 per cent said that they were not getting any money or were owed arrears. This shift may reflect the fact that, at three months, receiving parents may be unsure whether initial problems around payment amounts or schedules will settle down once the arrangement is embedded, while by 13 months any problems may have become more persistent or chronic.

At both three and 13 months, around 1 in 5 of those who felt their arrangement was not working (around 4 per cent of all receiving parents) said they felt there was an issue with how the Child Maintenance Service (CMS) had handled their case, while around 1 in 10 (around 2 per cent of all receiving parents) said they suspected the paying parent was misrepresenting their income in some way.

## 4.2 Who is more or less likely to be on a Direct Pay arrangement that is working well?

Chapter 3 examined which groups of receiving parents were more or less likely to stay on a Direct Pay maintenance arrangement. This section examines whether there are further variations within this group of parents in who is more or less likely to have a Direct Pay arrangement that can be described as working well on each of the objective and subjective measures considered above (amount and timeliness of payments, and receiving parents' subjective perceptions of how well the arrangement works). There were fewer clear, statistically significant differences in this respect. The clearest patterns were by:

- **Whether receiving parents had expressed (at three months) a preference for a Collect and Pay arrangement.** As discussed in Chapter 3, at 13 months, 39 per cent of those who had expressed a preference for Collect and Pay had nonetheless remained on Direct Pay. While most of this group appeared to have no particular issues with the amount or timeliness of Direct Pay payments at 13 months, they were a little less likely to say that their maintenance payments were always or usually on time (74 per cent, compared with 85 per cent of those who did not express an early preference for Collect and Pay). They were also a little less likely to feel their Direct Pay arrangement was working very or fairly well for them (76 per cent versus 91 per cent).
- **Receiving parents who reported a friendly relationship with the paying parent** were generally a little more likely to give positive assessments of their Direct Pay arrangement. For example, among those who were still on Direct Pay at three months, 95 per cent of those with a 'friendly' relationship with the paying parent said they were receiving all or most of the amount, compared with 87-90 per cent of those who either had no contact with the paying parent, or said their relationship was 'unfriendly' or 'neither friendly nor unfriendly'.

## 4.3 Paying parents' experience of Direct Pay

The 15 paying parents interviewed 13 months after their Direct Pay calculation as part of this research included both parents who were still making payments through Direct Pay and parents who were not paying (at all, or consistently), as well as parents who were more or less happy with how the arrangement worked from their perspective. Interviews discussed what factors acted as barriers or facilitators to an 'arrangement that worked well, from the paying parents' perspective. Key facilitators included:

- **Aspects of the design of the Direct Pay scheme.** Paying parents reported finding the CMS's involvement as a 'middleman' helpful to legitimise the maintenance amount or arrangement, particularly where they had moved to Direct Pay following an unsuccessful Family Based Arrangement (FBA). They also cited practical elements of the scheme as helpful – including the fact that the CMS could share bank details between parents who were not in touch, and the greater

control it gave parents (in comparison with Collect and Pay) over exactly which days payments were made on (enabling them to align these with pay days, for example). The prospect of Collect and Pay was cited in a number of cases as a factor that encouraged paying parents to maintain their Direct Pay arrangement, either alongside other factors, or as the main factor encouraging compliance.

- **Aspects of service delivery/CMS support around Direct Pay.** Although paying parents raised some issues around the service received from the CMS (discussed in Chapter 5), those who were maintaining Direct Pay arrangements mentioned clarity of communications and empathetic staff as factors that had supported them to set up and maintain a Direct Pay arrangement.

*'You don't have to wait for ages on the phone. They're quite pleasant, they're quite polite. They sort of understand in a way. They're very easy going.'*

(Paying parent, interviewed 13 months after Direct Pay calculation)

In some cases, paying parents contrasted the support they had experienced dealing with the CMS with a perceived lack of empathy from staff they had previously dealt with at the Child Support Agency (CSA).

- **Paying parents own skills and/or attitudes.** Paying parents' descriptions of why Direct Pay arrangements had or had not worked from their perspective also indicated that their own skills (particularly their financial and general literacy) and attitudes could be key facilitators. Parents who were in compliant arrangements at 13 months cited finding the calculation easy to understand and feeling it was 'fair' as facilitators to setting up a Direct Pay arrangement. They also expressed a positive attitude towards paying – in some cases indicating that they had contacted the CMS themselves in order to sort out a payment schedule. However, while a positive attitude towards paying clearly could be a facilitator, the sample also included parents who were paying but less enthusiastically, so it did not appear to be a pre-requisite for a compliant arrangement.

Key barriers to effective arrangements identified by paying parents included:

- **Paying parents being unhappy with the calculated amount.** As discussed in Chapter 2, paying parents cited feeling the calculated amount was unaffordable or unfair as a key reason for stopping (or never starting) making payments through a Direct Pay arrangement. In general, their concern appeared to be that the formula for calculating their liabilities was unfair, for example because they felt it took insufficient account of their other financial commitments (mortgage payments, etc.) or that it was based on data they considered out of date (particularly for those who were self-employed, whose income might vary more substantially), rather than a perception that the calculation itself was incorrect.

*'If I'm paying X amount child support, X amount in bills and rent, I'm left with very little. How am I meant to survive?'*

(Paying parent, interviewed 13 months after Direct Pay calculation)

- **Changes in financial circumstances.** Again, as discussed in Chapter 3, changes in paying parents' financial circumstances, including reduced or fluctuating incomes, were key points at which Direct Pay arrangements could break down. There were, however, examples where a supportive response from the CMS – for example, waiting for their new self-assessment tax forms to come through when an initial calculation/re-calculation had been too high – had enabled paying parents to maintain a Direct Pay arrangement through a change of circumstances, or helped them overcome initial problems in dealing with change.

*'(I) Told him ... that I was self-employed, struggling financially. ... I do want to sort this out, but I'm at a loss for what to do. And he was really great ... he made all these notes in the system .... got it set up and after that it was pretty much OK.'*

(Paying parent, interviewed 13 months after Direct Pay calculation)

- **Attitudes/beliefs.** Where paying parents had negative attitudes towards the receiving parent (including a lack of trust or general conflict), when there were disagreements about contact with the children, and where the paying parent was generally antipathetic towards the idea of CMS involvement in their maintenance arrangement, these factors could act as barriers to establishing a successful Direct Pay arrangement.



## 5. Support around Direct Pay

This Chapter focuses on parents' awareness and experiences of the support that is available from the CMS around Direct Pay. As in previous chapters, it is largely based on data from surveys of receiving parents, supplemented by qualitative insights on paying parents' experiences of support received when dealing with problems with their Direct Pay arrangements.

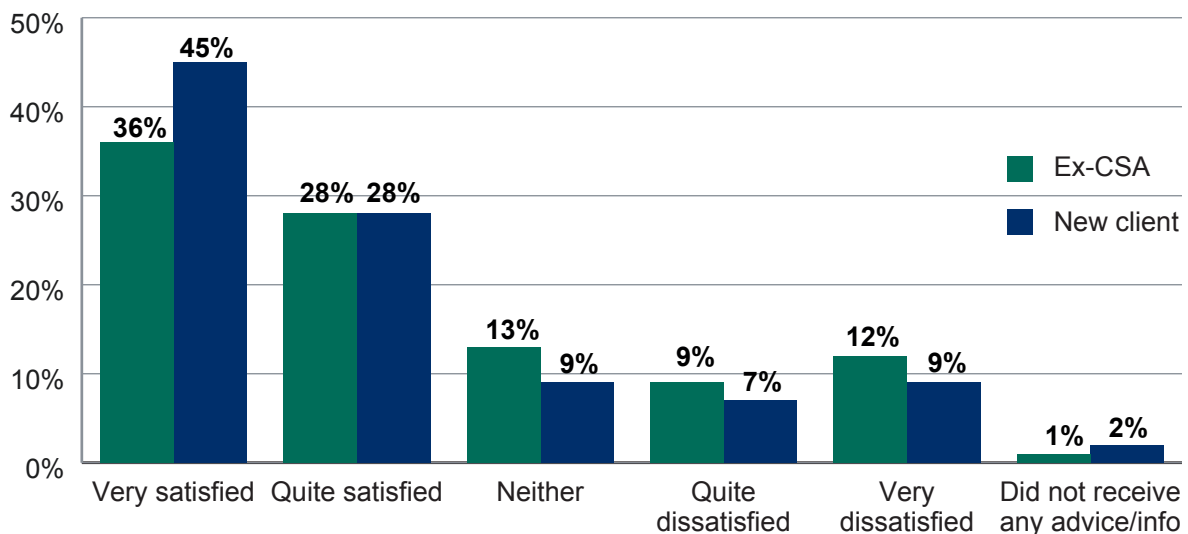
### Summary of key points

- Seventy per cent of receiving parents were satisfied with the advice they received from the Child Maintenance Service (CMS) about setting up a Direct Pay arrangement.
- In most cases when payments were not received, the receiving parent had contacted the CMS to report this. The most common action the CMS had taken was to move them to Collect and Pay. Around 1 in 5 parents who had contacted the CMS to report problems with payments said they had been unable to help.
- Receiving parents who had not moved to Collect and Pay following problems with payments attributed this to the perceived unwillingness of the paying parent either to pay, or to move to Collect and Pay. This is in spite of the fact that the CMS can require paying parents who default to move to Collect and Pay.
- Awareness of the possibility of moving to Collect and Pay was very high (97 per cent at 13 months). However, awareness of other actions the CMS can take to support Direct Pay arrangements – such as finding the other parent or sharing bank details without the parents needing to contact each other – was lower.
- A minority of parents (8 per cent in the three-month survey and 13 per cent at 13 months) had made changes to the amount or frequency of their Direct Pay arrangements. By the 13-month survey, most had notified the CMS of these changes (though this could have been prompted by participating in the three-month survey).
- Interviews with paying parents revealed mixed perceptions of support from the CMS. On the one hand, it was suggested that CMS staff had treated them with greater understanding than CSA staff and that information was generally clear. On the other, paying parents reported perceived issues with the level and timeliness of information received; difficulties getting hold of CMS staff; information sharing between staff; and perceived issues around the tone of interactions with CMS staff.

## 5.1 Satisfaction with advice on setting up Direct Pay

Overall, most receiving parents (70 per cent) were very or fairly satisfied with the advice they received from the Child Maintenance Service (CMS) about setting up a Direct Pay arrangement.<sup>22</sup> Clients who had migrated from the Child Support Agency (CSA) were slightly less likely to be satisfied with this advice (64 per cent, compared with 73 per cent of new clients – Figure 5.1).

Figure 5.1 Receiving parents’ satisfaction with advice and information received from the CMS to help them set up a Direct Pay arrangement



Bases: All respondents to three-month survey. Ex-CSA = 1019, New client = 981.

## 5.2 Actions taken when payments were not received

In most cases, when receiving parents had not received the payments they were entitled to through Direct Pay, they had contacted the CMS to report this. At three-months, 78 per cent of those receiving parents who had either not yet started getting payments, or whose payments had subsequently stopped, said they had contacted the CMS to discuss this. At 13 months, this figure rose to 88 per cent.

The main reasons receiving parents gave for not having contacted the CMS in these circumstances were: that they were waiting to see if the paying parent would pay or felt it was too soon to chase (21 per cent of those who had not contacted the CMS about non-payment three months after their calculation); that they did not want to cause an issue with the paying parent (19 per cent); that they were dealing with it themselves (13 per cent); or that they did not think the CMS could do anything to help (12 per cent).

<sup>22</sup> Parents receive advice from Child Maintenance Options (CMO) as well as the CMS about maintenance arrangements. The question reported asked about the ‘Child Maintenance Service’, although cognitive testing of these questions suggested that parents did not clearly distinguish the two organisations.

Those who had contacted the CMS to report issues around non-payment were asked what actions the CMS had taken. The most common action was the CMS agreeing to move them to a Collect and Pay arrangement – 53 per cent of parents who had contacted the CMS to report non-payment in the three-months after their initial calculation said the CMS had agreed to move them, rising to 63 per cent of parents who had contacted the CMS about non-payment at some point in the 13-months after their initial calculation. The second most common action was chasing payments (39 per cent of those reporting payment issues at three-months, and 32 per cent at 13-months). Around 1 in 5 (23 per cent at three-months and 19 per cent at 13 months) said they had contacted the CMS about non-payment, but the CMS had either not done anything or had been unable to help.

### **5.2.1 Reasons for not moving to Collect and Pay when payments not received through Direct Pay**

The vast majority of receiving parents (90 per cent in the three-month survey and 97 per cent in the 13-month survey) were aware that, if the other parent missed payments, they could be moved to a Collect and Pay arrangement, where the CMS collects payments from the other parent and passes them to the receiving parent. However, in spite of this high level of awareness, as shown in Table 3.1, around a quarter of parents were not receiving the calculated payments through either a Direct Pay or a Collect and Pay arrangement 13 months after their calculation.

In spite of the fact that Collect and Pay is intended to force reluctant paying parents to pay, the most common reasons receiving parents gave for not having moved to this alternative arrangement related to the perceived unwillingness of the paying parent to pay – 47 per cent of receiving parents who were not receiving payments through Direct Pay at 13 months, and were aware of Collect and Pay as an option, said they had not moved to it because the paying parent will not pay maintenance at all, while 43 per cent said they had not moved to Collect and Pay because the paying parent will not pay the amount the CMS says they should. Other relatively common reasons for not moving to Collect and Pay included the paying parent wanting to avoid charges (30 per cent) and the paying parent refusing to move to Collect and Pay (29 per cent). Again, it is striking that receiving parents felt the paying parent's attitude to Collect and Pay was a barrier to moving to this scheme, even though in principle the CMS can require paying parents to move to Collect and Pay when they default.

## **5.3 Awareness of help the CMS can offer**

As discussed above, parental awareness of the possibility of moving to Collect and Pay was high, as was awareness of the CMS's ability to chase missed payments (91 per cent at 13-months). However, awareness of other actions that the CMS can take to support parents with setting up and maintaining a Direct Pay arrangement was lower: 61 per cent of receiving parents were aware that the CMS could find the other parent for them if they did not have their contact details, and the same proportion that they could share bank details without the need for any direct contact between parents (three-month survey).

## 5.4 Changes to Direct Pay arrangements

When parents receive a Direct Pay calculation from the CMS, this is a formal arrangement – the CMS will use the calculated figure to work out and enforce any arrears or missed payments. However, as maintaining the payment schedule is left to parents, the onus is on them to report any changes to the amount or frequency of payments required by their payment schedule.

Most parents (81 per cent in the three-month survey) were aware of the need to notify the CMS if there were changes to or they wished to end their Direct Pay arrangement. However, 19 per cent were not aware of this requirement.

A minority of parents who were still on Direct Pay indicated that there had been some kind of change to their Direct Pay arrangement – 8 per cent in the three-months after their calculation, rising slightly to 13 per cent 13 months post-calculation. At both time-points, the most common change was agreeing to a change in the amount (6 per cent of parents who were on Direct Pay three-months after their calculation, and 10 per cent 13 months post-calculation).

At the three-month survey, less than half (49 per cent) of those who had made changes to their Direct Pay arrangement had notified the CMS of these changes. However, by 13 months this figure was 82 per cent. As the survey itself was longitudinal, it is of course possible that participating in the three-month survey prompted some of these parents to notify the CMS of changes. Similarly, the proportion of receiving parents who were aware that the CMS would use their original calculation to work out any arrears rose from 66 per cent at three-months, to 94 per cent at 13 months. Again, this may in part reflect the first wave of the survey alerting them to this fact – awareness might be lower across all receiving parents.

## 5.5 Paying parents' views of support around Direct Pay

Qualitative interviews with 30 paying parents for this research revealed very mixed perceptions of support from the CMS. Those who reported positive experiences sometimes contrasted the polite and understanding way they felt they had been treated by CMS staff with negative previous experiences with the CSA. They said the information they had received had been clear, and had made the process of setting up a Direct Pay arrangement straightforward:

*'The pack from them was quite detailed. It was quite informal, it had a lot of information in it about child maintenance and what to do. It was quite an interesting read.'*

(Paying parent, interviewed 13 months after Direct Pay calculation)

In contrast, other paying parents reported less positive perceptions of the service and support they had received from the CMS. Criticisms included:

- Perceived issues with the level and timeliness of information received (for example, missing calculation letters or slow response to requests for additional information about liabilities);

*'I had asked for a breakdown summary of payments, as they said I owed back pay. But I never had any success in getting a statement ... so you aren't able to question them.'*

(Paying parent, interviewed 13 months after Direct Pay calculation)

- Difficulties getting hold of the CMS, and/or inconsistencies in the service received from different members of staff (relating to a perceived lack of shared knowledge/information about their case);

*'There's always a different person that I speak to each time. And my case manager is never there, or never rings me back. So I'll speak to one man one day to say I want to pay an extra £4 a week {to go towards arrears} and they'll say 'that's fine, we'll get it sorted', and you'll speak to someone else and they don't know about it.'*

(Paying parent, interviewed 13 months after Direct Pay calculation)

- Perceived issues around the tone of interactions with CMS staff. There was a perception among some paying parents that some CMS staff treated them as though they did not want to pay, even when they were committed to finding a workable arrangement.

*'People that I spoke to more often than not didn't seem to be able to process that maybe we're speaking to a guy who does actually want to get this sorted.'*

(Paying parent, interviewed 13 months after Direct Pay calculation)

## 6. Conclusions

The main aim of this research was to better understand how Direct Pay works for parents. Specifically, it examined the initial decision-making process, what kinds of maintenance arrangements those who have Direct Pay calculations go on to have, how Direct Pay arrangements are working for parents, and which customer groups are best suited to Direct Pay. This concluding chapter summarises the evidence on each of these aims.

### 6.1 Decision-making around Direct Pay

There are two stages to the decision to try Direct Pay – deciding to involve the Child Maintenance Service (CMS) in the first instance (rather than just making an arrangement between parents), and deciding to try Direct Pay specifically. While the vast majority (93 per cent) of receiving parents said it was their decision to involve the CMS in their maintenance arrangement, around a third felt that the decision to try Direct Pay specifically had been made by someone else (either the CMS or the paying parent). As noted above, the CMS is legally required to place parents on Direct Pay in the event that one of them prefers this and the other disagrees, unless there is clear current evidence the Paying Parent is unlikely to pay.

Three months after their Direct Pay calculation, around 2 in 5 receiving parents said that they would have preferred a Collect and Pay arrangement – where the CMS collects payments from the paying parent and passes this to the receiving parent – instead. However, fewer (around 1 in 5) were actively unhappy with the decision to try Direct Pay. The additional charges for collect and pay did appear to have influenced the decision to use Direct Pay instead of Collect and Pay for a significant minority of parents.

### 6.2 Maintenance arrangements after a Direct Pay calculation

Three months after receiving a Direct Pay calculation, 69 per cent of receiving parents reported having an ongoing Direct Pay arrangement, falling to 58 per cent by 13 months. The proportion with no child maintenance arrangement in place (and who were not in the process of setting an arrangement up) was 15 per cent at three months and 19 per cent at 13 months. The remainder were on, or in the process of setting up, another type of maintenance arrangement, most commonly Collect and Pay.

### 6.3 Experiences of Direct Pay

Among those receiving parents who remained on Direct Pay, a majority (at both three and 13 months) reported that their arrangement was working well, both objectively (receiving all or most of the calculated amount, always or usually on time) and subjectively (receiving parents felt it was working well).

Among the minority of receiving parents (21 per cent of those still on Direct Pay at three months and 14 per cent at 13 months) who did not feel their Direct Pay arrangement was working well, the most common reasons were inconsistent amounts, late payments, or arrears. In a majority of cases, receiving parents had reported problems with payments to the CMS, but around 1 in 5 of those parents said the CMS not helped them to resolve the issue.

Where parents had not received the payments they were entitled to through Direct Pay, they tended to attribute this simply to a belief that the paying parent did not want to pay, although changes to the paying parents' circumstances were also mentioned relatively frequently. This latter point was echoed in interviews with paying parents – changes in income appeared to be a key point at which arrangements could break down. Awareness of the possibility of moving to Collect and Pay in the event of non-payment was very high. However, in spite of this and the fact that the CMS can mandate a move to Collect and Pay in cases of missed payments, receiving parents who had experienced problems with payments but had not moved to Collect and Pay 13 months after their Direct Pay calculation tended to attribute this to a perceived unwillingness on the part of the paying parent to pay or to move to this alternative scheme. This may suggest a barrier (whether real or perceived) in terms of encouraging receiving parents to report non-payment and move to Collect and Pay when Direct Pay arrangements are not working. Since this research began, the CMS has reviewed its communication with customers and made a number of changes – for example, increasing the range of text messages they send customers providing advice and information, and establishing a messaging service on the self-service portal. However, further qualitative research could explore receiving parents' decision-making and experiences around reporting problems with Direct Pay in more detail, in order to further enhance strategies to support this group.

### 6.4 Which parents are best suited to Direct Pay?

The surveys of receiving parents identified a number of factors associated with being more or less likely to be happy with the decision to try Direct Pay, and more or less likely to set up and maintain a Direct Pay arrangement. These include:

- **Receiving parents' preference for Collect and Pay** – receiving parents who, three months after their Direct Pay calculation, said they would have preferred to be on a Collect and Pay arrangement, were less likely to be on Direct Pay by 13 months than were those who were happy to try Direct Pay and had no such preference (39 per cent compared with 76 per cent).

- **Relationship between parents** – receiving parents who characterised their relationship with the paying parent as ‘friendly’ were less likely than those who had a poor relationship with the paying parent to be unhappy about trying Direct Pay (6 per cent, compared with 19 per cent of those with an ‘unfriendly’ relationship), more likely to still be on a Direct Pay arrangement three and 13 months later (72 per cent, compared with 56 per cent), and more likely to be on an arrangement that could be characterised as working well, both objectively (payments mostly received in full/on time) and subjectively (receiving parents felt the arrangement was working well).
- **Parental age** – where the receiving parent was older, they were more likely to have stayed on Direct Pay 13 months after their calculation (65 per cent of receiving parents aged 41 and older, compared with 50 per cent of those aged 25 or younger).
- **Experience of domestic abuse** – receiving parents who had not experienced abuse from the paying parent were less likely than those who had experienced abuse to be unhappy with trying Direct Pay (15 per cent, compared with 21 per cent of parents who had experienced abuse), and more likely to have remained on Direct Pay 13 months after their calculation (55 per cent compared with 65 per cent).

These attitudes and attributes may all be factors which contribute to the likelihood of parents being able to establish and sustain a successful Direct Pay arrangement.



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# Appendix

## Appendix – Further detail on methods

### 1.1 Sampling

Sample for the Wave 1 (3 month) survey of receiving parents was provided to Ipsos MORI by DWP, in monthly batches so that it was as up to date as possible at the time of interview. Wave 2 sample was updated with any changes of contact details recorded either by Ipsos MORI at the end of their Wave 1 interview, or by DWP between Wave 1 and Wave 2 (DWP provided us with three sample updates, staggered across the Wave 2 fieldwork, to ensure that the sample was as up to date as possible).

Table A.1.1 shows how interviews were scheduled across the two waves of fieldwork, following on from the month of respondent's initial Direct Pay calculation.

**Table A.1.1: Interview months by month of Direct Pay calculation**

<b>Month of Direct Pay calculation</b>	Aug 2017	Sept 2017	Oct 2017	Nov 2018	Dec 2018	Jan 2018	Feb 2018	March 2018	April 2018
<b>Main month of Wave 1 3-month fieldwork</b>	Nov 2017	Dec 2017	Jan 2018	Feb 2018	March 2018	April 2018	May 2018	June 2018	July 2018
<b>Main month of Wave 2 (13 month) fieldwork</b>	Sept 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	March 2019	April 2019	Early May 2019

Table A.1.2 shows the number of cases issued to the Ipsos MORI telephone centre, by month of Direct Pay calculation. The number of cases issued by DWP to Ipsos MORI each month varied over the course of fieldwork. This reflected changes to the fieldwork schedule (in part reflecting changes to the case closure schedule), as well as analysis of actual response rates, both of which informed decisions about adjustments to the flow of sample to achieve the target number of Wave 1 interviews (2,000).

**Table A.1.2: Cases issued by month of Direct Pay calculation**

<b>Month of Direct Pay calculation</b>	Aug 2017	Sept 2017	Oct 2017	Nov 2018	Dec 2018	Jan 2018	Feb 2018	March 2018	April 2018	Total
<b>Wave 1 (3 month) issued cases</b>	426	426	691	690	691	687	1000	551	100	5262
<b>Wave 2 (13 month) issued cases</b>	138	140	255	257	269	248	378	198	23	1906

## 1.2 Sample structure

In order to facilitate robust comparisons of the experiences of completely new Child Maintenance Service (CMS) clients and former Child Support Agency (CSA) clients, former CSA clients were disproportionately over-sampled – they account for around a third of Direct Pay calculations, but around half of our achieved sample.

This over-sampling was adjusted for in the weighting (see below).

The CSA closure programme was phased between 2014 and 2018. Each phase of the programme focused on migrating parents from a particular ‘segment’ in terms of the characteristics of their case, as outlined in Table A.1.3.

**Table A.1.3: CSA case closure segments**

<b>Segment</b>	<b>Name</b>	<b>Definition</b>	<b>Planned timing for migration from CSA</b>
Segment 1	Nil Assessed	Cases where the amount payable was set at £0, for example because the paying parent was a student, in prison, or in a care home	Dec 2014 – Aug 2015
Segment 2	Non Compliant	Cases where no payments had been made in the last three months	July 2015 – Nov 2015
Segment 3	Clerical	Cases handled manually, rather than on the CSA’s IT systems. This could be for a number of reasons including the complexity of the case or technical IT issues. All cases in this segment are compliant (i.e. making some payment).	Nov 2015 – Feb 2016

<b>Segment</b>	<b>Name</b>	<b>Definition</b>	<b>Planned timing for migration from CSA</b>
Segment 4	Compliant	Cases where some payment is being made and where no enforcement action is in place	Nov 2015 – May 2017
Segment 5	Enforcement	Cases were those where payments were collected via a Deduction for Earnings or Deduction from Benefits order, or where other enforcement action, such as bailiff collection, is ongoing	May 2017 – April 2018

Table A.1.4 shows the sample structure (weighted and unweighted) of the Wave 1 survey in terms of segment. Although the survey was not designed to be analysed by segment, it is important to note that the proportion of the sample who were former CSA clients does contain more 'Enforcement' cases and 'Compliant' cases compared with other segments, since it took place over the period when the closure programme was focused on these segments. The earlier 2015-2016 Direct Pay research took place when the migration programme was focused on parents classed as 'Nil Assessed', 'Nil Assessed', 'Non Compliant' or 'Clerical'.

**Table A.1.4: Wave 1 sample structure by segment**

<b>Segment</b>	<b>Name</b>	<b>Wave 1 unweighted %</b>	<b>Wave 1 weighted %</b>
Segment 1	Nil Assessed	4	3
Segment 2	Non Compliant	5	3
Segment 3	Clerical	1	0
Segment 4	Compliant	14	9
Segment 5	Enforcement	21	14
Segment unknown <sup>a</sup>		6	4
New CMS client		49	66

a – cases that were flagged as 'case closure' but did not include a segment from 1-5 in the sample provided.

### 1.3 Response rates

Table A.1.5 shows the response rate for each Wave of the survey. While refusal to participate at Wave 1 was low, the level of non-contact (where it was not possible to get hold of the named person over the phone) was relatively high. This reflects

increasing challenges for survey researchers conducting telephone surveys in persuading people to answer the phone, particularly when the sample has a high proportion of mobile numbers (79% of sampled clients at Wave 1 had only provided a mobile number).

**Table A.1.5: Response rates**

	Wave 1		Wave 2	
	Number	%	Number	%
Initial sample	5262	100	1,906 <sup>b</sup>	100
Ineligible/invalid cases <sup>a</sup>	437	8	228	12
Eligible sample	4825	100	1676	100
Refused/opted out	459	10	126	8
No reply/other non-contact	2316	48	541	32
Other non-response	50	1	6	*
Interview	2000	41	1003	60

a – including bad numbers, unobtainable numbers and cases where they were ineligible to take part as said they had not had a Direct Pay calculation or had no eligible children.

b – the Wave 2 sample consisted of all those who consented to be re-contacted at the end of their Wave 1 interview.

## 1.4 Cognitive testing of the questionnaire

Ipsos MORI researchers conducted cognitive interviews with 15 receiving parents over the phone between late August and early September 2017. Participants were recruited from a sample file provided by DWP. The recruited sample was split between 10 new Direct Pay claimants and 5 parents who were previously with the CSA. Quotas were also set on weekly liability, to ensure a mix of parents assessed as eligible for higher and lower levels of payments.

The purpose of cognitive interviews is to test how the questions are working. It uses qualitative methods to try and identify any ‘hidden’ issues around:

- comprehension (how participants understand questions)
- recall (how participants retrieve the necessary information to answer)
- judgement (how participants decide what answer is the correct one), and
- response (how participants decide which answer to give – which may take into account issues related to social desirability and perceived sensitivity).

In contrast with some standard pilot exercises, examining response rates and timing the interview is not a focus of cognitive testing – rather, the aim is to assess whether or not the questions as written are likely to yield data that measures what they set out to measure. Interviewers used probes at specific points to check understanding of

particular questions and terms, but they were also alert to any hesitation or confusion on the part of respondents, following up as appropriate.

This cognitive interviewing identified a number of issues in the initial draft questionnaire (which was largely based on the questionnaire used in the 2015-2016 Direct Pay research for DWP) which were addressed in the final Wave 1 questionnaire, including:

- Reducing the number of times that respondents were asked about domestic abuse (which was considered insensitive by a number of participants)
- Reducing the number of questions which included long 'read out' lists of possible reasons for decisions, which respondents found frustrating and became fatigued with. In some instances, this led to their giving incorrect or inconsistent responses. These questions were redesigned so that, in most cases, the question was asked without prompting on possible answers.
- Separating the question of who decided to contact the CMS, from the issue of whose decision it was to try Direct Pay, as respondents often wanted to give different answers to these (for example, where it was their decision to contact the CMS but they felt their former partner or the CMS itself had decided they should try Direct Pay).
- Reducing the overall length of the questionnaire.

## 1.5 Weighting

Two weights were generated for this survey:

- All3mnthwt – a weight intended for use in analysis of the full Wave 1 sample (2000 cases). This was a calibration weight, intended to reduce non-response bias and to correct for the deliberate over-sampling of former CSA clients, by ensuring that the achieved sample matched the population of all receiving parents who had received a Direct Pay calculation between August 2017 and March 2018
- in terms of gender, region, number of eligible children, and age within client group (new and former CSA).<sup>23</sup>
- Wt13mnth – a weight intended for use in analysis of the Wave 2 sample and longitudinal analysis of their responses at Wave 1. Again, this weight corrected for deliberate over-sampling and calibrated the achieved sample to the population of all receiving parents in terms of the characteristics above.

Table A.1.6 shows the unweighted and weighted profiles of each sample.

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<sup>23</sup> Although the issued sample included a small number of cases drawn from those receiving calculations in April 2017, as these comprised a very small proportion of the achieved sample (c. 1%), population information for the weighting scheme was based on cases from August 2017 to March 2018.

**Table A.1.6: Weighted and unweighted sample profiles**

	Population figures (%) <sup>a</sup>	Wave 1 – un- weighted %	Wave 1 – weighted %	Wave 2 – un- weighted %	Wave 2 – weighted %
<b>Gender</b>					
Female	94.8	94.5	94.4	95.2	94.8
Male	5.2	5.2	5.2	4.8	5.2
Other/unknown	0.0	0.4	0.4	0.0	
<b>Region</b>					
Northern Ireland	0.3	0.2	0.3	0.2	0.3
Scotland	7.5	9.4	7.4	9.9	7.4
Wales	5.8	5.6	5.7	6.3	5.7
East Midlands	8.5	8.0	8.4	7.7	8.5
East of England	10.0	9.8	9.8	10.1	9.9
London	8.8	9.0	8.7	9.0	8.8
North East	4.9	5.3	4.9	4.6	4.9
North West	12.2	10.9	12.1	11.6	12.1
South East	13.1	11.8	12.9	11.9	13.0
South West	8.9	9.3	8.8	8.8	8.8
West Midlands	10.3	12.2	10.2	11.7	10.3
Yorkshire and The Humber	9.7	7.6	9.6	7.8	9.6
Unknown <sup>b</sup>	0.0	1.2	1.2	0.7	0.7
<b>Number of eligible children</b>					
1	63.4	67.2	63.4	66.6	63.4
2	28.2	25.9	28.2	26.1	28.2
3 or more	8.4	6.9	8.4	7.3	8.4

a – Population figures are based on data provided by DWP to Ipsos MORI, for all parents who received a Direct Pay calculation from August 2017 to March 2018.

**Table A.1.6: Weighted and unweighted sample profiles** *continued*

Client group and age	Population figures (%) <sup>a</sup>	Wave 1 – un-weighted %	Wave 1 – weighted %	Wave 2 – un-weighted %	Wave 2 – weighted %
All New clients	66.7	48.6	66.0	46.8	66.6
New – under 30	18.9	15.6	18.7	13.3	18.9
New – 30-34	14.3	9.4	14.2	8.5	14.3
New – 35-39	13.1	10.1	13.0	9.7	13.1
New – 40-44	9.8	4.7	9.7	5.1	9.8
New – 45+	10.6	8.8	10.5	10.3	10.6
All Ex-CSA clients	33.3	50.4	32.9	53.0	33.2
Ex CSA – under 30	2.9	4.7	2.9	4.5	2.9
Ex CSA – 30-34	6.8	10.6	6.8	12.2	6.8
Ex CSA – 35-39	8.3	10.2	8.2	9.8	8.2
Ex CSA – 40-44	6.4	8.8	6.4	9.3	6.4
Ex-CSA – 45+	8.8	16.2	8.7	17.4	8.8
Missing age		1.1	1.1	0.2	0.2

a – Population figures are based on data provided by DWP to Ipsos MORI, for all parents who received a Direct Pay calculation from August 2017 to March 2018.

## 1.6 Qualitative research with paying parents

Ipsos MORI conducted 30 in-depth interviews with paying parents about their experience of Direct pay. Interviews were conducted in two waves – 15 paying parents were interviewed in April 2018, and 15 in November/December 2018. The first group were sampled from paying parents who had received Direct Pay calculations around three months previously, and the second from paying parents who had received calculations around 13 months previously.

The purpose of qualitative research is to explore the range of views and experiences on an issue, not to provide a statistically representative sample. At each stage, interviewees were recruited to ensure a mix in terms of:

New and former CSA clients

Age

And household income.



Table A.7 shows the profile of paying parent who were interviewed. The vast majority were male, which reflects the overall gender profile of paying parents involved with the CMS.

**Table A.1.7: Profile of paying parents who participated in qualitative interviews about Direct Pay**

	Wave 1 (3 month interviews, April 2018)	Wave 2 (13 month interviews, November/ December 2018)
Client type		
Former CSA	7	8
New client	8	7
Gender		
Male	15	14
Female	0	1
Age group		
<39	5	3
30-39	3	8
40+	7	4
Household income		
<£16,000	9	8
>£16,000	6	7
TOTAL	15	15

At each wave, parents were sent advanced letters, informing them about the research. They were then called by members of the Ipsos MORI team and invited to take part in an interview lasting 30-60 minutes. Interviews were conducted using topic guides agreed with DWP. Participants were sent £30 in vouchers, as a thank you for taking part. Interviews were recorded (with participants permission), and researchers made detailed notes for subsequent thematic analysis. This focused on identifying the range of different experiences and views of Direct Pay expressed, from the paying parents' perspective.