

	<h1>Third Party Payment Creditor Handbook</h1>

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An Agency within the Department for

**Social  
Development**

[www.dsdni.gov.uk](http://www.dsdni.gov.uk)

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## **Aim of this Handbook**

The aim of this handbook is to provide an overview of how the Third Party Deductions scheme works to organisations (referred to as Creditors) who receive Third Party Payments.

## **Please circulate to all relevant parties within your organisation.**

The payment procedures are complex because of the requirement to cope with millions of different transactions each year. The following pages aim to help everyone fully understand the procedures and help us to ensure that payments are made on time and are for the correct amount in all cases.

We are always happy to receive any suggestions or comments that will help us to improve the service we provide.

## **Introduction**

Customers in receipt of certain benefits or credits may have deductions taken from their benefit and paid to a creditor under what is known as the Third Party Deduction Scheme. Third Party Deductions will only be made when it is considered (and agreed) to be in the interest of the customer or the customer's family. The actual payment of monies owed to the Creditor and paid on behalf of the Social Security Agency (SSA) customer is known as a **Third Party Payment (TPP)**.

(The Third Party Payments scheme is operated in accordance with the Social Security (Claims & Payments) Regulations (Northern Ireland) 1987, Regulation 34A and Schedule 8A.)

### **The areas in which arrears can be managed by use of the scheme include:**

- Housing costs excluding mortgage interest (for customer's current address)
- Rent arrears and service charges for fuel which includes arrears of :
  - Miscellaneous accommodation costs
  - Hostel service charges
- Fuel costs (for customer's current provider)
- Rates
- Child Maintenance Enforcement Division (CMED)

### **Social Security Agency (SSA) are responsible for:**

- Agreeing to Third Party Deductions with the creditor and customer
- Implementing deductions from the customers benefit
- Any amendments to amount of deduction from benefit and terminating deductions from benefit
- Amendments to Customer Reference Numbers
- Dealing with queries from customers receiving benefit
- Maintaining details on the Benefit Computer Systems for Northern Ireland (NI)

### **The Third Party Deduction Scheme should only be used when all other avenues of recovery have been exhausted. It can be used to:**

- pay any outstanding debts and maintain the supply
- prevent any further debt accruing

## **How the Scheme operates**

### **Payments**

Once payments to be made are set up on the Third Party Payments System a Creditor will normally receive payment every 4 weeks and will be 4 weeks in arrears (you can usually expect to receive the first payment for a customer on your schedule within six weeks from the date deductions have commenced).

An Automated Credit Transfer of the payment will be made into the bank account nominated by the Creditor.

A small number of customers are paid their benefit quarterly (13 weekly); this will affect the Third Party Payment as this will also be paid over quarterly. Once deductions have been set up, SSA staff will notify the creditor providing details of the deductions –

**Please check to ensure all details are correct. Please notify the relevant benefit paying office of any discrepancies or details that require changing.**

**The contact details for the SSA office will be included.**

## Responsibilities

### Creditor

To apply to customer's benefit paying office to set up deductions from benefit.

To inform benefit paying office of any changes and to request any amendments to deductions from benefit. (i.e. to end, change amount or Customer Reference Number). **Failure to do so could result in unnecessary over deductions from customers benefit.**

To allocate all payments to the correct Customer accounts promptly on receipt of your payment schedule and ensuring any unidentified payments are dealt with as soon as possible and certainly within the current financial year. **(We will not have the information available to deal with queries raised relating to the previous financial year).**

To notify benefit paying office of any overpayment of deductions from benefit.

Inform Masterfile at TPP Norcross or DCNI promptly of any changes to your address or bank account details **(failure to do this may result in payments being made into an invalid account)**. Please see full Masterfile procedures and requirements at the back of this booklet.

### SSA Staff

- To obtain details from new creditors to set them up on Third Party Payments Scheme.
- To set up, amend, and terminate deductions from benefit on behalf of the customer and the creditor.
- To amend Customer Reference Numbers
- To calculate and pay any underpayment/ missing payments of deductions from benefit to the Creditor
- To calculate and recover any overpayment of deductions from benefit made to the creditor
- Dealing with any queries from benefit customers relating to Third Party Deductions

### **Third Party Payments at Norcross Blackpool**

- To allocate all new Creditors set up by SSA with a Creditor Reference Number
- To Maintain the Creditor Masterfile where Creditor address, contact and bank account details are held
- To pay deductions from benefit on behalf of SSA to the Creditor
- Deal with queries from Creditor relating to payment schedules
- Refer Creditors to relevant SSA office to resolve queries regarding the set up of deductions
- To recover any overpayments of deductions from benefit made to Creditor on behalf of SSA

TPP Norcross only apply these actions for deductions taken from Income Support, Income-based Jobseeker's Allowance, Pension Credit and Income-related Employment and Support Allowance. Where deductions have been made from Incapacity Benefit, Passport to Incapacity, State Retirement Pension, Widows Benefit or Widowed Mothers Allowance, Debt Centre NI (DCNI) will carry out these actions and payments will be made via AccountNI.

## **Payment Adjustments**

An adjustment becomes necessary when the SSA are not notified of a change in deductions until after the relevant payment has been made to you, the Creditor. Occasionally a cancellation will be made to the customer's benefit payment and this will result in a cancellation to the deduction for the same period.

**It is your responsibility to notify the SSA if the debt has been fully recovered or if there is any change that affects the amount of debt that they were originally asked to recover.**

If either an overpayment is made or monies are paid to you in error (not one of your customers/clients), you are required to inform SSA, who will then recover this money automatically.

### **Please do not:**

- Repay this money back to us by cheque
- Repay money back to us via BACS
- Repay any money to your Customer/Client
- Transfer to another organisation where you deem the money should have been paid.

It is a **condition of the scheme** that we recover any monies overpaid or paid in error by adjustment. This is to ensure that the customer's account is credited with any monies we have deducted.

## **Debit Balance Schedule**

In very rare circumstances an overpayment of deductions made in respect of a particular customer, may exceed the amount due on the next payment schedule. In this instance we may request you refund the amount of the overpaid deductions from benefit to Third Party Payments via a cheque, in order to avoid any disruption to further payments of deductions in respect of other customers.

## **Changing a Customer Reference Number**

The schedule (remittance advice) you receive will show the customer's reference number. This is the account number you have allocated to the customer.

**If it is incorrect or needs amending please notify SSA.**

SSA staff will then amend the Benefit System with the correct information so that it is right for future schedules.

## **Merger of Creditors or Change of Bank Details**

If any accounts or creditors merge, the initial point of contact should be with the SSA, ensuring that deductions are ended under the old AP Creditor Reference Number and recreated under the merged Creditor details.

In order to prevent delays in payment it is also important to notify the Third Party Payments Team at Norcross of any change that may affect the payment. If this does not happen it may result in monies being paid to an incorrect bank account or Creditor. If the name/address of your company changes or if there is a change to your bank details please inform the **Masterfile Team, Room 203, Norcross, Blackpool, FY5 3TA**, immediately in writing on your organisations headed notepaper with a signature. Please also make sure that you include your AP Creditor Reference Number. Please refer to full Masterfile procedures and requirements at the back of this booklet.

## **Payment Schedules**

Since July 2005 the time from payments being issued and clearing in your accounts has reduced from 7 working days down to 3 working days. Payment schedules are produced and issued (1st class) the day after payment is issued. Schedules provide the total Automatic Credit Transfer that will be made and contains a full breakdown of each customer account due for payment.

**If you currently receive your monthly schedule through the post, please allow 5 working days from receipt of payment into your bank account before reporting non-receipt of the schedule to Third Party Payments (TPP) Norcross or DCNI (we are unable to obtain a re-print of the schedule until after this period of time).** If your schedule has not arrived after this period TPP will arrange for a duplicate copy to be issued by post – alternatively you may wish to obtain information regarding receiving the schedule electronically.

**In line with security procedures, we are not able to fax or email duplicate payments schedules and we can only send duplicate schedules out to the address details currently held on our system.**

**Information found on the Payment Schedule includes:**

**Owning Office Ref:** The SSA Office Identification Number

**Our Ref:** National Insurance Number – **Please note** the suffix letter is omitted on the schedule

**Customer Ref:** This is the number allocated by the Creditor and can be a maximum of 18 characters in free format.

**Please note our system will only accept alpha and numeric characters – it will not accept any symbols**

**Period:** The actual period of payment/date deducted from benefit

**Amount (£):** The total payment due; i.e. number of weeks x the weekly payment (£)

At the end of the schedule the following paragraph may appear if adjustments have been made to the payment due.

**“The following amounts have been incorrectly credited to your organisation. As a result they are being deducted from our latest payment to you”**

Specific details similar to those provided for the original payment are given for each transaction being recovered. This will therefore show the amount of the payment due as well as the amount of the recovery being made on a particular schedule and the net total will equate to the payment credited to your bank account.

**Your Creditor Reference Number will be quoted on the last page of your schedule**

## **Electronic Schedules**

The facility to send payment schedules securely electronically is now in place and has successfully been initiated by a select number of Creditors.

We would be happy to hear from anyone wishing to take advantage of this facility and will provide information to enable the receipt of electronic schedules. For further information please contact the TPP Call Centre or DCNI. (Payment Schedules should be in excess of £2000 to be sent electronically)

Each individual creditor will be responsible for ensuring that they can receive and process the electronic notifications sent. As a result the creditor may be required to make enhancements to their computer systems.

The Creditor Information Pack (which will be sent out to any creditor expressing an interest) provides the basis for defining the electronic notification interface which informs the creditor of changes they may need to make to their systems to successfully receive and process electronic notifications

**Payment schedules cannot be sent electronically until you have confirmed that you are in a position to receive them via EDI (Electronic Data Interface)**

## **Customer Service (provided by Norcross)**

Our aim is to provide a service that is focused on your needs and our staff aim to ensure that they provide accurate information and advice at all times. We welcome new ideas to support and improve our service.

### **When you contact us via post we will:**

Our aim is to resolve 75% of all our queries within 24 hours of receipt, 85% within 7 working days of receipt, 90% within 21 working days and 100% within 28 working days. If we are unable to resolve your query within these timescales we will give you a courtesy call explaining: -

- Why we cannot resolve your query
- What action we are taking
- If we require further information to help resolve the query
- When you can expect the query to be resolved

### **When you deal with us by telephone we will:**

- Deal with your query in a professional, helpful and courteous manner and will endeavour to provide you with clear and accurate information.
- If we are unable to deal with your query over the telephone we will log it as a case and provide you with a log number. It will then be passed to our Investigations Team who will conduct a thorough investigation to provide you with an answer or resolve the query or we will if necessary, refer you to the relevant benefit paying office to resolve the query.
- Cases referred to the Investigations team are dealt with in date order. Our aim is to resolve cases within 28 working days; however this may increase during busy periods.
- We endeavour to answer as many calls as possible during our opening times and since obtaining a new number have recruited more operators to deal with the calls

**For speed and security reasons please have your AP Creditor Reference Number at hand – we will not be able to deal with your query without this information**

## **Data Protection**

Due to Data Protection we are unable to provide you with certain customer/ creditor information:

We are unable to provide any customer address details, National Insurance Numbers, dates of birth, or confirmation of receipt of benefit.

We are able to provide you with customer's full names and contact telephone numbers for their benefit paying office.

Also please be aware that due to Data Protection and in accordance with security procedures, we are unable to provide you with the bank account details we hold for your organisation.

It is your responsibility to ensure that you hold a full record of all the bank account details that you have provided us with.

This procedure is to protect and safeguard against any bank account details being given out to an inappropriate person or organisation.

The payment schedule that we issue is for your company use only and due to the customer information contained in it should not be shown to the benefit recipient or any other outside party.

## **Emergency Procedures**

Where Shared Services is unable to operate under its normal procedures interim procedures will be communicated via telephone or by press announcements.

## Contact Points

### TPP Call Centre Opening Hours Tel Number Norcross

Mon – Thurs 0845 600 2859

8.30am – 4.30pm

Friday

8.30am – 4.00pm

E-mail enquiries - [TPP-Call-Centre@dwp.gsi.gov.uk](mailto:TPP-Call-Centre@dwp.gsi.gov.uk)

All notifications regarding changes to a Creditors name, address or change of bank details, should be made to Masterfile Team who can also be contacted through the number above.

**If you wish to contact us via post please address correspondence to:**

Department for Work and Pensions  
Shared Services – Customer Payments  
Room 203  
Norcross  
Blackpool  
FY5 3TA

Please see link: <http://dsdintranet.intranet.nigov.net/index.htm>

Contact details for offices within the Social Security Agency (SSA) can be found at the above link.

### DCNI Opening Hours Tel Number

Mon – Fri 028 9052 6985

09.00am – 4.30pm

## **Masterfile procedures**

Dear Sir or Madam:

We have recently reviewed our procedures to ascertain potential vulnerabilities, and introduce some remedial measures to reduce any risks identified.

As a result, we feel that as Masterfile processes have been in place for some time we need to focus on explaining exactly what information is required before any amendments can be made to a creditor's Masterfile record.

This highlights the fact that we wish to protect our creditor's details, and to make sure that any change request we receive has the appropriate information included.

We require the following details to be provided on any change request:

- **All requests to be completed on Company headed letter paper**
- **AP Creditor reference number - which is unique to each creditor must be included (this number appears at the end of the payment schedule and is a 10 digit reference number beginning with five zeros)**
- **If there is a change to your organisation name quote your current name along with your new organisation name.**
- **If there is a change to your schedule address quote your current address details along with your new your schedule address details.**
- **If there is a change to your bank details quote your current details along with your new bank details.**
- **Printed name and Signature**
- **Contact telephone number and email address**
- **The request must be sent to our Masterfile team at the address above.**

If we receive a request without the information required - the request will be returned to the creditor. **There will be no exceptions.**

**Please note we are no longer able to amend details by faxed request. Faxed requests will only be accepted in exceptional circumstances e.g. with prior agreement from the team supervisor, or in the event of Royal Mail dispute etc.**

I trust you will appreciate that by providing this information, it will ensure that the details are entered correctly.

**Your co-operation will be much appreciated and I would be grateful if you will please provide details on letter headed paper with an authorising signature on all future requests.**

Thank you.