
FINANCIAL REDRESS FOR MALADMINISTRATION

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Abbreviations

AA	Attendance Allowance
CSA	Child Support Agency
DFP	Department of Finance and Personnel
DLA	Disability Living Allowance
DMA	Decision Making and Appeals
DMAU	Decision Making and Appeals Unit
DSD	Department for Social Development
FRAG	Financial Redress Administration Guide
IB	Incapacity Benefit
ICE	Independent Case Examiner
IIDB	Industrial Injuries Disablement Benefit
IMA	Interim Maintenance Assessment
IOD	Indicator of Delay
IS	Income Support
JSA (CB)	Jobseeker's Allowance (Contribution Based)
JSA (IB)	Jobseeker's Allowance (Income Based)
MA	Maintenance Assessment
MAF	Maintenance Assessment Form
MEF	Maintenance Enquiry Form
MLA	Member of the Legislative Assembly
MP	Member of Parliament
NI	Northern Ireland; National Insurance
NRP	Non Resident Parent
OGDs	Other Government Departments
PWC	Parent With Care
RP	Retirement Pension
SERPS	State Earnings Related Pensions Scheme
SF	Social Fund
SSA	Social Security Agency

Introduction

About this guide

1. The guide sets out the approach to be taken when considering remedies for justified complaints, in respect of social security and child support agencies. It describes the special payments scheme operated by the Department for Social Development (DSD) and provides advice on the consideration of financial redress in respect of maladministration. The guide provides
 - examples of what constitutes maladministration and sets a context in which to consider official error
 - the circumstances when financial redress should be considered and
 - the redress that will be appropriate for each type of case.

Examples of maladministration are shown at paragraphs 11–12 of this guide.

Defective legislation – extra-statutory payments not covered by this special payments scheme

2. The guide does not cover the extra-statutory payments made where, for example because of official oversight, current legislation does not provide for payment as intended by Ministers. It is for the relevant policy and operational teams to determine whether extra-statutory payments should be made pending legislative change and to obtain the necessary authority from the Department of Finance and Personnel (DFP) to make such payments (see Annex A).

For whom this guide is intended

3. The guide is intended for staff within the Department's agencies and business areas who are responsible for considering and making special payments and for other staff dealing with customer complaints.

How to use this guide

4. The guide contains a description of the circumstances under which special payments can be made and provides advice on the considerative process, including methods of calculating payments. The guide **should not be read as a rigid set of rules**. Whilst it indicates the key principles, it cannot and does not seek to provide a blueprint for every situation. Each case must be considered on its own merits, in the light of the particular circumstances of the case. However, as the Department aims to provide similar remedies for similar injustices, the principles must be applied to every case.

Public access to this guide

5. The guide is available in every DSD benefit payment and child support office for the general public to read upon request. It can also be found in the 'Publications' section of the Departmental Internet site at <http://www.dsdni.gov.uk>

The related internal Financial Redress Administration Guide

6. There is a separate Financial Redress Administration Guide (FRAG) that contains the internal administrative procedures for processing special payments (for example, authorising payments and completing financial returns). The FRAG is held only by those branches responsible for completing the special payment statistics for the Department's agencies and business areas.

Delegated authority from the Department of Finance and Personnel (DFP)

7. DFP has, with some exceptions, delegated responsibility for the special payments scheme to the Department. The provisions of the guide to Financial Redress for Maladministration come within the scope of losses and special payments described in chapter 18 of *Government Accounting Northern Ireland 2004 – A Guide on Accounting and Financial Procedures for the Use of Northern Ireland Government Departments*.

Discretionary nature of the special payments scheme

8. Ex gratia special payments are described in *Government Accounting Northern Ireland* as 'payments, which go beyond administrative rules or for which there is no statutory cover or legal liability'. As the Northern Ireland Assembly does not include provision for special payments when voting money or passing specific legislation, there is no legal liability to make such payments. Due to their exceptional nature, the payments are made on a discretionary extra-statutory or ex gratia basis.

Taking complaints further

9. As special payments are not covered by statute, the customer has no right of appeal against a refusal to make such a payment. Customers may, however, ask the Department to look again at a rejected request, for example, in the light of new evidence or may make a complaint about the level of an award of compensation.

The Assembly Ombudsman for Northern Ireland and the Independent Case Examiner

10. A customer who is dissatisfied with the handling of his or her complaint or with any redress given may make a complaint to the Assembly Ombudsman for Northern Ireland or the Independent Case Examiner. Details about this and contact details are contained in Annex B.

What is Maladministration?

11. 'Maladministration' is the term used to describe the action or inaction that leads to a failure in the processes of government. The term is not defined within the Ombudsman (NI) Order 1996 but the following examples were quoted by Richard Crossman, Leader of the House of Commons, when the Parliamentary Commissioner Bill was taken through Parliament in 1966:

'bias, neglect, inattention, delay, incompetence, ineptitude, perversity, turpitude and arbitrariness'.

12. A fuller interpretation of maladministration was given in the Parliamentary Ombudsman's Annual Report 1993. Treasury Ministers endorsed the interpretation in November 1994, in evidence to the then Select Committee on the Parliamentary Commissioner for Administration. Further information can be found in Annex A of the Cabinet Office publication *The Ombudsman in Your Files*. The Ombudsman's examples of maladministration are repeated here for ease of reference:

- rudeness (though that is a matter of degree)
- unwillingness to treat the complainant as a person with rights
- refusal to answer reasonable questions
- neglecting to inform a complainant on request of his or her rights or entitlements
- knowingly giving advice which is misleading or inadequate
- ignoring valid advice or overruling considerations which would produce an uncomfortable result for the overruler
- offering no redress or manifestly disproportionate redress
- showing bias, whether because of colour, sex, or any other grounds
- omission to notify those who thereby lose a right of appeal
- refusal to inform adequately of the right of appeal
- faulty procedures
- failure by management to monitor compliance with adequate procedures
- cavalier disregard of guidance which is intended to be followed in the interest of equitable treatment of those who use a service
- partiality, and

- failure to mitigate the effects of rigid adherence to the letter of the law where that produces manifestly inequitable treatment.
13. Neither of the lists at paragraphs 11 and 12 are intended to provide a comprehensive definition of maladministration.

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Basic Principles

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Overview

20. Important points covered in this section:

- there are seven basic principles to be considered when determining whether or not maladministration (also referred to as official error) has occurred
- all cases must be considered in detail and on their individual merits
- advice can be found on what to do when the customer has died
- deciding cases can be difficult but they have to be resolved and judgements made, sometimes a case has to be decided on a balance of probability
- consideration has to be given to deducting any overpayment or overprovision of benefit from any proposed special payment before the balance of the payment is made
- remember that particularly difficult cases should be referred to DSD, Finance and Planning Unit.

Seven basic principles

21. Where maladministration has occurred seven basic principles should be followed when considering redress. These are that

- all mistakes are admitted and put right
- a sincere and meaningful apology is offered
- redress is fair and reasonable
- as far as possible, redress restores the customer—or in very exceptional circumstances a third party—to the position that he or she would have been in but for the official error
- due account is taken both of the need to provide a suitable remedy for the customer and the need to protect the public purse
- arrangements for considering redress are made public
- where it is possible to remedy an error by statutory means that option must be used rather than resorting to an extra-statutory or ex gratia payment.

Official error

22. For the purposes of this guide, the action or inaction by the Department leading to the problem caused for the customer, is defined as 'official error'. The term encompasses any error occurring within any part of the Department and, exceptionally, other government departments (OGDs), statutory bodies and contracted bodies when acting on behalf of DSD. Mistakes made by OGDs, statutory bodies and contracted bodies not acting on behalf of DSD will ordinarily be the responsibility of those Departments or bodies.

Official error defined

23. Official error can be broadly defined as occurring when
- a decision maker makes a wholly unreasonable or clearly incorrect decision (see paragraphs 24 and 121 et seq)
 - the requirements of the law applicable at the time were not followed (but see paragraph 24)
 - incorrect or inadequate action was taken
 - correct action ceased prematurely
 - a valid claim was overlooked or ignored
 - the customer was misdirected (that is, the customer acted on an incorrect or inadequate direction or instruction to his or her detriment).

When will official error not normally be accepted?

24. Official error will not normally be accepted when
- a reasonable decision was given based on the facts available at the time but following receipt of further information, the decision maker decides to interpret them differently or the decision was overturned on appeal. The overturning of a decision by a decision maker or a higher tier of authority is a routine event clearly envisaged in legislation. It will not, therefore, normally give rise to a special payment unless the first decision was wholly unreasonable or clearly incorrect, in the light of evidence held at the time (see paragraph 121 et seq for descriptions of these terms); or the process was excessively and unnecessarily delayed (see paragraph 119 et seq)
 - a decision was made on the understanding of the law at that time but it is later interpreted differently by a Social Security Commissioner or the Courts
 - the customer was ignorant of the law, did not seek advice and delayed claiming. This could apply when legislation is amended or new provisions introduced, as such changes are usually publicised by the Department
 - if helpful but not mandatory procedures fail. For example, the Department usually invites claims to Retirement Pension but legislation still puts the onus on the customer to make a prompt claim
 - specific advice or a recommendation given was factually correct in relation to a specific enquiry (but see paragraph 25 below)
 - actions taken by officials were justified in the pursuit of establishing or verifying benefit entitlement or maintenance liability

- delays were caused by industrial action, whether within or outside the Department (see paragraph 125).

Information and advice

25. Officials should ensure that customers are given

- full and accurate **information** (that is, general factual data which is not customer specific) and
- **general advice** (for example, the promotion of Government policy – work is the best form of welfare; people should save for their retirement) to enable them to make their own decisions
- **specific advice** where it is appropriate to do so (for example, information tailored to a customer's individual circumstances and requirements, which may identify a number of options but does not indicate the official's view of the best course of action). The specific advice provided should be full and accurate to enable the customer to make his or her own decisions
- **recommendations** where specific business areas of the Department have specified that it is appropriate to do so (for example, a statement to a customer suggesting his or her best course of action). Under such specific circumstances, the member of staff may provide his or her view (as an official of the Department) of the best option for the customer. Care must be taken when providing specific advice or (where appropriate) a recommendation, to ensure that the customer's personal circumstances are fully taken into account.

The circumstances in which information, advice or recommendations should be made can be found in relevant procedural guidance.

Decisions with a right of review or appeal

26. Under the Decision Making and Appeals (DMA) arrangements, customers are able to dispute a decision within one month of the decision being made. Disputed decisions can be re-examined and any mistakes corrected without the case having to go through a formal appeal process. Where an appeal seems appropriate, it should be established whether the customer has used the disputes process before the case is considered further. If the disputes process has been used but a Departmental error has not been corrected, the continued failure to rectify the mistake may constitute maladministration. This is especially so if the outcome of the disputes process misleads the claimant into believing that an appeal would not be successful.

Customer's own actions

27. There may have been clear and unambiguous Departmental error or, on the balance of probabilities, DSD may accept that there has been Departmental error. It will then be necessary to consider whether there has been any fault on the part of the customer

or anyone acting on the customer's behalf. In this context, 'fault' refers to whether incorrect or inadequate action or inaction by the customer was a significant contributory factor to the error, either because

- it helped cause the error in the first place or
- it caused the error to continue for longer than necessary.

Child Support Agency clients

28. In cases of delay experienced by Child Support Agency clients, the Agency is not responsible for delays which result from a failure to co-operate by either the Non-Resident Parent (previously referred to as the Absent Parent) or the Parent With Care, providing the Agency has done all that is reasonable to obtain co-operation. Before coming to a decision, it should be established whether the Agency's maladministration led to the failure to co-operate.

Effect of a customer's actions

29. If fault is considered to be a relevant factor, it could affect any special payment in one of two ways, depending upon the extent of the customer's contribution to the error. It could either
- remove the need to make a special payment altogether, for example when it is considered that it would have been reasonable for the customer to have acted promptly to counteract the effect of the Departmental error (see paragraph 30 regarding excessive time); or
 - reduce the amount of the special payment.

Correction of an error relies upon information being provided by the customer

30. A reduction in the amount of a special payment may be due when an error is discovered after a period of time but its correction relies on information being provided by the customer. If the customer was clearly asked to provide such information and, without good cause, failed to provide it for an excessive period of time, then such periods of contributory delay should be excluded from the calculation of the special payment.

Deciding whether the customer acted reasonably in relation to their dealings with the Department

31. Each case should be considered on its own merits when deciding whether the customer acted reasonably in relation to their dealings with the Department. The following factors should be taken into account before making such a decision:
- the customer's age and health
 - the customer's knowledge of dealing with such issues

- whether a reasonable person of the customer's age, health and knowledge would have acted as they did
- whether the customer gave false, misleading or incomplete information which the Department could not have been expected reasonably to challenge
- the nature, standard, accuracy of the official information provided to the customer, either orally or in leaflets, letters, or forms and the ease with which such information could be understood
- the information available to the general public through Departmental publicity
- the length of time before a customer acted, if there is no reasonable explanation for the delay. As a guide, DMA regulations provide a time limit of one month for the provision of information or a longer period determined by the Department. Where repeated delays are experienced because of customer action/inaction, consideration should be given to the aggregate effect.

Deciding individual cases

32. Deciding individual cases can be problematic because, for example

- there is often a long time between the date of the alleged error or misdirection, the date its effect becomes apparent and the date the complaint is made
- there may be little, or no, written evidence available to support or contradict the customer's assertion that misdirection or error occurred, and
- the individual's assessment of financial loss may not seem reasonable.

Nevertheless, a fair and defensible decision must be reached using whatever evidence is available.

Evidence to support the customer's assertions

33. Documentary or incontrovertible proof of misdirection is not an essential requirement for the authorisation of a payment. The fact that documents may have been routinely and correctly destroyed in the normal course of events or that an officer cannot remember the case, would not in itself justify a refusal to make a special payment.

Judgement must be made on the plausibility of the allegation

34. Each case must be decided on its own merits. When there is no, or little, clear and confirmed evidence of official misdirection or error, a judgement must be made on the plausibility of the allegation. In making such a judgement the following points should be considered:

- the likelihood that wrong advice could have been given in the particular situation – taking into account the experience of the staff involved and whether the particular statutory provisions/procedures were well known or new
- whether the customer's account of events seems reasonable
- the consistency of the allegations made
- whether the passage of time could have distorted the customer's recollection of events
- the level of knowledge the customer could reasonably be expected to have from their past contacts with the Department
- whether there has been confusion rather than misdirection for example, where a customer has been claiming more than one benefit and misinterpreted advice
- the fact that whilst an enquiry or question may be a routine transaction for the Department's agencies and business areas, it could be more complicated for the customer.

Balance of probabilities

35. A decision on whether or not an official error occurred may ultimately depend on the balance of probabilities. It is **not** a case of giving the customer the benefit of any doubt. Nor is it necessary to prove a point beyond reasonable doubt. It is a matter of weighing the evidence and judging the most likely of any options. The decision must not be arbitrary, based on bias or prejudice and must be publicly defensible. If an error is accepted, the customer should be afforded redress which, as far as possible, restores him or her to the position he or she would have been in but for the error.

Offsetting amounts against the overpayment or overprovision of benefit

36. Financial redress may be appropriate in cases where there is either an outstanding overpayment or overprovision of benefit. An overpayment of benefit results from a customer error or failure to disclose information. An overprovision of benefit results from a Departmental error, for example, a failure to act upon information received. The decision on whether financial redress is appropriate should not be influenced by the existence of an overpayment or overprovision. However, before a special payment is made, consideration should be given to deducting any such overpayment or overprovision from the special payment.

Guidelines that should be followed when considering deduction of the overpaid or overprovided benefit from a special payment

37. There are two basic guidelines that should be followed when considering a deduction of the overpaid or overprovided benefit from a special payment:

- any overpayment or overprovision of benefit of less than £40 should be ignored
- only overpayments or overprovisions that have been notified to the customer should be deducted from the special payment.

Circumstances when deduction from a special payment should not be made

38. An overpayment or overprovision of benefit should not be deducted from a special payment where this would leave the person with an outstanding debt that arose because of the error. For example, where a customer has entered into a financial commitment following incorrect advice (see paragraphs 91 and 92). Additionally, no recovery should be made from

- a consolatory payment or
- payments in respect of actual financial loss where the customer is in receipt of an income related benefit.

Deduction from a special payment in Child Support Agency cases

39. Deductions would also apply to special payments made to Child Support Agency clients where social security benefits are paid which would not have been payable had a maintenance assessment or calculation been in force.

Any residual balance

40. If an overpayment or overprovision of benefit is offset against a payment of arrears, compensation on any residual balance should be considered, subject to normal compensatory interest criteria. If the arrears payment is fully extinguished by the offset, no compensation will be payable.

Alternative arrangements – need to consult DSD Finance and Planning Unit

41. If, exceptionally, alternative arrangements are proposed on a particular case, DSD Finance and Planning Unit should be consulted without delay.

Death of customer

42. In the event of the death of a person who has either submitted a request for compensation because of Departmental maladministration or in respect of whom the need to consider compensation has been identified, action should be taken as follows.

Decision made to award a compensatory payment before the death of the customer

43. If, prior to the death of the customer, it has been decided that a compensatory payment should be made, payment should be issued to the person dealing with the deceased person's affairs.

Next of kin or a third party submits a request for compensation

44. If the next of kin or a third party (for example a friend of the deceased person) submits a request for compensation because
- he or she has suffered an actual financial loss
 - that loss was incurred because he or she helped support the deceased person and
 - such support was offered because benefit to which the deceased person was entitled had not been paid because of maladministration

then redress should be offered in respect of the actual financial loss suffered by the next of kin or third party, rather than that suffered by the deceased person.

Next of kin or a third party submits a request for a consolatory payment

45. In addition, the next of kin or a third party (for example, a friend of a deceased person) may request a consolatory payment because of their personal suffering (rather than that suffered by the deceased person) as a result of the Department's maladministration. These cases should be referred to DSD Finance and Planning Unit where consideration will be given to the individual circumstances of each case and to any objective evidence that has been provided.

No request for compensation made

46. If no request for compensation has been made, the matter should be considered in accordance with paragraphs 43-45. If a compensatory payment is not found to be appropriate, no further action should be taken.

Referral of cases to DSD Finance and Planning Unit

47. All other requests for redress on behalf of a deceased person and cases that cannot be resolved because they are complex, should be referred to DSD Finance and Planning Unit for consideration and advice.

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Categories of Special Payments

Overview

50. It is essential to categorise special payments accurately for Departmental accounting purposes, details of which are contained in the Financial Redress Administration Guide (FRAG). All special payments in respect of financial redress for maladministration should be considered under the following categories:

Extra-statutory

- loss of statutory entitlement (see paragraphs 60-68)

Ex gratia

- actual financial loss (see paragraphs 70-105)
- delay (see paragraphs 110-149)
- consolatory payments
 - gross inconvenience resulting from persistent error (see paragraphs 166-176)
 - gross embarrassment, humiliation or unnecessary personal intrusion (see paragraphs 177-185) and
 - severe distress which has significantly impacted on a customer's physical or mental health (see paragraphs 186-197).
- additional categories for the Child Support Agency (see paragraphs 200-241).

Exceptional cases not covered by specific instructions/guidance

51. Exceptionally, cases may arise which provide a very strong case for sympathetic treatment but which are not specifically covered by the categories and the criteria described in this guide. Such cases should not be rejected automatically but referred to DSD Finance and Planning Unit for consideration.

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Extra-Statutory: Loss of Statutory Entitlement

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Overview

60. A special payment must not be made where a statutory solution is available. Where incorrect or inadequate advice leads to a failure (for example to make a claim within the time limits) and all other conditions for benefit are satisfied, a special payment, equivalent to the benefit that would otherwise have been paid, should be made. The deduction of any overpaid benefit and the payment of interest for loss of use of the sum should be considered. A special payment may also be appropriate in respect of any linked benefit.

Definition

61. Loss of statutory entitlement refers to cases where official error has led to a customer losing entitlement to a benefit that would have been received had the error not occurred or had the case been actioned timeously.

Example of loss of statutory entitlement

A claim for benefit is made three years late, as a result of the customer being advised not to make a claim by an officer of the Department.

There may be clear evidence that misleading advice was given and clear evidence that the conditions of entitlement, other than the failure to make the claim, had been satisfied throughout the three-year period.

In these circumstances, a payment can be made for the maximum three-month statutory period of backdating and a special payment considered for the remaining period of two years nine months. A payment for loss of use of the funds should also be considered – see paragraph 66.

Change in entitlement rules

62. A loss of statutory entitlement may also arise where entitlement rules change following misdirection and it is no longer possible for the customer to claim benefit.

Financial disappointment rather than a loss of entitlement

63. Misdirection generally involves the provision of incorrect or inadequate information and can apply to any benefit or other service provided by the Department. It may not lead to a loss of statutory entitlement but may lead to financial disappointment (see paragraphs 73 and 90).

Using statutory powers

64. Where an error has been made, a special payment must not be paid where a statutory solution is available. Thus a special payment will not be payable where
- existing powers can be used to review decisions and backdate benefit
 - letters can be treated as claims and benefit paid on that basis
 - a claim to one benefit can additionally/alternatively be treated as a claim to another benefit.

Such powers are there to be exercised and must be used before considering a special payment. However, even if a statutory solution is found, where an error has occurred, a special payment for compensation for delay may still be appropriate (see paragraph 110 et seq).

What to pay

65. When it is established that error has occurred and the customer has suffered a loss of statutory entitlement, the payment made should be equal to the amount that the customer would have received had benefit been paid correctly. Any overpaid benefit should be deducted in accordance with paragraph 36 et seq.

Adding interest

66. Interest for the loss of use of the funds should be paid when the relevant criteria for compensation for delay is satisfied (see paragraph 110 et seq). In the case of Retirement Pension (RP) increments may be earned where a claim for RP has been deferred. In such cases interest for loss of use would not be considered. Increments are calculated over the period for which the RP was deferred and are designed to compensate, in time, for the person not having received his or her pension from the earliest possible date.

Linked benefits

67. The award of certain benefits (linked benefits) depends on the customer being in receipt of an associated benefit (the qualifying benefit). For example, where the

higher or middle rate of care component is payable with Disability Living Allowance to a customer, their carer may be entitled to Carer's Allowance (or Invalid Care Allowance before 1 April 2003).

Error in determining the qualifying benefit

68. When an error in determining the qualifying benefit causes significant delay in payment, this can have a knock-on effect on the award of the linked benefit. Where DSD administers both benefits, the Department should consider a payment for loss of statutory entitlement on both benefits. See paragraphs 145-148 regarding compensation for delay for linked benefits.

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Overview

70. Actual financial loss considerations apply where maladministration (or official error) has resulted in a customer or third party incurring additional expense. A decision has to be made on whether that maladministration or official error led to actual financial loss.

Definition

71. Actual financial loss applies to cases where maladministration has directly caused the customer to incur additional expenditure that would not have been incurred otherwise, for example:
- in pursuit of their claim to benefit or child support maintenance
 - pursuing justified complaints of maladministration or compensation claims
 - when failure by the Department to transfer funds timeously results in bank charges, for example, late payment into a bank or building society account (see paragraph 76).

Financial assistance provided to a customer, during a period when benefit has been delayed or interrupted

72. Expenses may also be incurred by a third party who provided financial assistance to a customer, during a period when benefit has been delayed or interrupted. In these circumstances, the majority of claims will be in respect of lost bank interest on savings or bank charges suffered as a result of withdrawing funds to support the customer.

Distinguishing between financial loss and financial disappointment

73. Financial loss must be distinguished from financial disappointment. For example, where the agency or business area has led a customer to expect benefit at a higher rate than that to which entitlement actually exists, he or she has not lost anything financially but will have suffered a financial disappointment (see paragraph 90).

What can be treated as an actual financial loss?

74. Claims for actual financial loss may include the following:
- Additional costs

- letters, phone calls, e-mails, faxes, fares and other travel costs (see paragraph 75)
- bank charges and/or fees (see paragraph 76)
- interest on credit cards (see paragraph 77)
- professional fees (see paragraphs 78-80)
- accrued mortgage interest (see paragraph 81)
- costs arising from failure to make timeous payments into bank/building society accounts (see paragraph 82)

Lost income

- loss of earnings (see paragraph 84)
- loss of income on interest bearing accounts (see paragraph 85)

Other losses

- losses arising from the early encashment of endowment policies (see paragraph 103 et seq.)

The above list is not exhaustive. Claims in respect of other losses will be received from time to time. They should be considered on their own merits on a case by case basis.

Letters, phone calls, faxes, fares and other travel costs

75. Where a customer incurs reasonable additional expenses in connection with the resolution of his or her complaint a special payment may be made to reimburse him or her for those additional costs. For example, if the customer's complaint was fully addressed but he or she continued to make unreasonable further representations a special payment would not be made for any further additional costs.

Bank charges/fees

76. When payment of benefit has been delayed due to Departmental error, the customer may become overdrawn on a bank account or incur fees. In such cases, the special payment should be equivalent to either
- the interest payment calculated by the Department for the delay (see paragraph 110 et seq) or
 - the amount of interest and any fee that is charged by the bank

whichever is higher.

Interest on credit cards

77. Similarly, when payment of benefit has been delayed due to Departmental error, the customer may use a credit card to secure funds. In such cases, the special payment should be equivalent to either
- the interest payment calculated by the Department for the delay or
 - the amount of interest that is charged by the credit card company
- whichever is higher.

Professional fees – circumstances when they can be met

78. The reimbursement of professional fees is only considered where maladministration has occurred and the engagement of such help was justified in the pursuit of a claim to benefit or a child support maintenance issue. Each application for reimbursement of professional fees should be examined on its own merits and the decision should be made in the light of the circumstances of the case.

Matters to consider

79. When deciding whether a special payment in respect of professional fees should be made, consideration should be given to
- the circumstances which led to the engagement of professional services
 - the complexity of the subject matter
 - the experience of the customer in dealing with such matters
 - the availability of official advice (or other sources such as through Citizens Advice Bureaux or advice under the Legal Aid scheme)
 - whether the customer should have been aware or should he or she have made themselves aware, of such advice.

Could the matter have been resolved within a reasonable timescale, had the customer not sought professional assistance?

80. In assessing whether a special payment is appropriate, it should be established whether the matter would have been resolved within a reasonable time-scale, had the customer not sought professional assistance. If the answer is 'no', then payment should be made in respect of the cost of the fees incurred, providing such fees are reasonable. If the answer is 'yes', the criteria at paragraph 79 should be applied to the case.

Accrued mortgage interest

81. When payment of benefit has been delayed due to Departmental error, the customer may have fallen behind with mortgage payments. If the lender charges additional interest or other costs as a result, a special payment may be considered. In such cases, the special payment should be equivalent to either
- the interest payment calculated by the Department for the delay (see paragraph 110 et seq) or
 - the amount of interest and any other costs that is charged by the lender

whichever is higher.

Failure to make timeous payments into bank/building society accounts

82. Where a customer's benefit is paid into a bank or building society account and the payment is not made timeously, or benefit is stopped or reduced and the customer is not notified, the customer may incur bank charges. It is important to establish that the delay resulted from a Departmental error, before considering reimbursement of such charges. If the Department's error did result in the bank charges, reimbursement of the charges by way of special payment should be considered, to place the customer in the position he or she would have been in had the error not occurred. Such payments should be considered in addition to any payment for compensation for delay (see paragraph 110 et seq), as the payment for delay is for loss of use of funds, whereas the bank charges are an additional financial expense imposed by the customer's bank or building society.

Circumstances when a payment will not be made

83. Where the Department has followed correct procedures and was not at fault, it would not normally be appropriate to make a special payment for the bank or building society charges incurred. It may be that such charges have been incurred for other reasons.

Examples:

- the customer may not have given the Department a sufficient or reasonable period of time to process a claim to benefit or to act upon notice of a change of circumstances (for example, when requesting that payment of benefit be made into a new bank account)
- benefit may have been suspended correctly by the Department (for example, the customer may have repeatedly failed to respond to correspondence or to supply information requested in connection with their claim to benefit)
- bank charges may have been incurred because of a pre-existing overdraft. However, if further charges are incurred directly because of Departmental error, those further charges should be reimbursed

- the customer may provide incorrect account details or may change their account details without notifying the Department

Care should be taken when considering whether a special payment is appropriate. Each case should be considered on its own merits.

Loss of earnings

84. Payments for loss of earnings will be very exceptional. Care must be taken to ensure any loss resulted from the maladministration and not some other cause. Refer any cases where this is considered justified to DSD Finance and Planning Unit who may need to consult DFP.

Loss of income on interest bearing accounts

85. Payments for delay will normally be calculated in the form of interest, to recognise the customer's loss of use of a sum of money (see paragraph 110 et seq). However, there may be occasions when it can be clearly demonstrated that money has been withdrawn from an interest bearing account because of a Departmental error, for example, delay in paying benefit. In such cases, the amount paid should be the higher of the interest payment calculated by the Department for the delay or the amount of interest actually 'lost' on the account.

What to pay

86. The emphasis should be on trying to restore the customer to the position that he or she would have been in had the error not occurred or had they not proceeded on the basis of wrong advice. Any special payment made must not exceed the amount of benefit, pension, or child support maintenance that was expected, plus compensation for sums actually spent in reliance on the wrong information.

Actual financial loss

87. In most cases of actual financial loss, the amounts involved will be simple to both identify and verify, for example, bank charges incurred due to a failure to make a timeous payment of benefit into a customer's bank or building society account (see paragraphs 82 and 88). However, some categories of claim may be more complicated. The following paragraphs give examples of situations where the loss may not be easily calculated.

Evidence

88. In considering the type and amount of evidence required to substantiate the claim, regard should be had to the nature and size of the expense involved. Where expenses are small then a reasonable estimate may be appropriate (for example, routine telephone calls, postage costs, photocopying or travel costs). However, bank statements must be checked before making any payment in respect of bank charges.

It is not necessary for the costs to have been incurred through dealing directly with the Department. It is possible that they may have been incurred as a result of obtaining professional or similar advice, for example travelling to or from meetings with welfare rights advisors or solicitors, or contacting them by phone.

Special payments based upon an actuarial calculation

89. It will usually be possible to determine the amount of an actual financial loss. However, there will be occasions when, although there has been no actual financial loss, the customer states that the financial compensation payable under normal Departmental arrangements does not adequately compensate for the effects of the error.

Examples:

Mr G alleges that the investments being made by him (perhaps into a personal pension plan or unit trust) were delayed and that the cost of making up that investment exceeded the special payment made.

It may be possible to measure the impact on the customer's financial position overall in such circumstances.

The impact could be measured on an actuarial basis by establishing

- when payment should have reached Mr G for him to invest in the plan
- when payment actually reached Mr G for him to invest in the plan
- how many units were bought at the time payment was received, and
- how many units would have been bought had payment been made sooner (generally at the point when payment should have been made).

If the number of units actually bought was less than would have been bought if payment had been made timeously then the cost of the additional units could be met rather than by paying interest under the more usual standing arrangements (paragraph 110 et seq).

Financial disappointment

90. Special payments are not generally made for financial disappointment. Financial disappointment may arise when a customer is advised that entitlement to benefit or child support maintenance will be at a higher rate than the actual entitlement when a formal decision is made.

Customer has altered his or her circumstances as a direct result of incorrect Departmental advice

91. If a customer alters his or her circumstances to his or her financial detriment as a direct result of incorrect Departmental advice, a special payment should be considered for the resulting actual financial loss.

Matters to consider before making a payment where a customer has altered his or her circumstances as a result of incorrect Departmental advice

92. It is necessary to consider whether it was, in all the circumstances, reasonable for the customer to have accepted in good faith and to have acted upon, the incorrect information provided. Depending upon the circumstances, there are a number of options, including:
- to make continuing payments if, for example, the customer has taken on a regular financial commitment or
 - to make a lump-sum payment to clear any debt incurred as a result of such incorrect advice.

The circumstances of the case should be carefully examined to determine appropriate redress.

Example

Where a customer has entered into a financial arrangement on the strength of information provided by the Department, for example, purchasing an item on credit, it may be appropriate to make either a continuing special payment or a lump sum payment to clear the debt.

Retirement Pension forecasts

93. Care should be exercised when a request for a special payment is received in respect of an incorrect Retirement Pension forecast. A forecast is only a prediction and is not a guarantee of payment.

Retirement Pension forecast that was clearly incorrect in view of the information held at the time of its issue

94. A special payment can only be considered in cases where
- the forecast made was clearly incorrect (an erroneous forecast) in view of information held and
 - the customer suffered a financial loss by acting on the information.

Customer enters into a financial commitment as a result of an erroneous forecast

95. When a customer has entered into a financial commitment as a result of an erroneous forecast, a special payment should be considered in accordance with guidance at paragraph 91.

Customer stops work following receipt of an erroneous forecast

96. Exceptionally, a special payment may be considered when a customer has stopped work following receipt of an erroneous forecast. If a special payment is deemed appropriate, it should be calculated on the amount of pension that would have been due had the customer continued to pay national insurance (NI contributions on the earnings forgone).

Deciding individual cases

97. An on-going special payment award must not be made to top-up the customer's pension to the forecasted amount unless, in very exceptional circumstances, that is warranted under the terms set out in paragraph 92 above.

Additional NI contributions paid

98. If, following official advice, a customer paid additional NI contributions and receives less benefit than he or she was led to expect, then consideration should be given to
- a refund of NI contributions
 - a compensatory payment in respect of loss of use of the money used to purchase those NI contributions
 - a payment for loss of interest where the customer shows that money to fund the payment was withdrawn from an interest bearing account and that exceeds the payment calculated for loss of use
 - an ex gratia payment if the customer has entered into a financial commitment on the basis of the advice.

Additional NI contributions paid by the customer on own initiative, in expectation of a higher rate of benefit that he or she eventually received

99. It will not generally be appropriate to make an ex gratia payment or a refund of NI contributions, if the customer has, on his or her own initiative, paid additional contributions in expectation of a higher rate of benefit than he or she eventually received. **All such compensation claims should be referred to the National Insurance Contributions Office of the Inland Revenue (see Annex B for contact details).**

Incorrect advice on the amount that could be inherited under the State Earnings Related Pension Scheme (SERPS)

100. In 1986, the law was changed to reduce the level of SERPS that could be inherited by a bereaved spouse from April 2000. However, between 1986 and 1999, the Department failed to advise some people properly about this change. To remedy this failing, a scheme was devised under which the change was deferred to October 2002.

Arrangements approved by Parliament

101. On 20 November 2000, the Department announced new arrangements and these were approved by Parliament. These arrangements allow the following:
- the surviving spouse of anyone who reached state pension age before 6 October 2002 will inherit 100% of their SERPS entitlement
 - for those reaching state pension age after 5 October 2002 but before 6 October 2010, there is a sliding scale whereby their surviving spouse inherits between 60% and 90% of their entitlement, depending on the date of birth of the contributor
 - for those due to reach state retirement age on or after 6 October 2010, the surviving spouse will inherit up to 50% of their SERPS entitlement as envisaged in the 1986 legislation.

People who were misinformed by the Department and who are not fully covered by the arrangements approved by Parliament

102. Exceptionally, people who were misinformed by the Department and who are not fully covered by the above proposals will be able to claim compensation. Payment should be considered when the customer can demonstrate that he or she acted to his or her detriment on the strength of the incorrect advice given.

Endowment policies – early surrender

103. A customer suffering financial hardship as a result of excessive and unreasonable delays in payment of benefits or child support maintenance may find it necessary to surrender an endowment policy before the maturity date. A customer cashing in an endowment policy receives the market value at the time of surrender. Thus a customer does not normally lose financially as a result of maladministration and the early surrender, in respect of the value of the policy.

Customer suffers a financial loss as a result of the early surrender of an endowment policy

104. However, there may be circumstances when the customer does suffer a financial loss as a result of the early surrender and if this is as a direct result of Departmental maladministration, that loss can be met by way of a special payment.

Examples

- The customer may suffer early surrender penalties, resulting in deductions from the gross payment. If appropriate, this deducted amount may be refunded by way of an ex gratia payment for actual financial loss
- Exceptionally, the net amount paid to a customer as a result of the early surrender, may be less than the amount paid by way of premiums. In these circumstances a special payment can be considered in respect of the difference between the premiums paid and the amount paid as a result of the early surrender.

Difference between the surrender value actually paid to the customer and the previously expected value of the policy

105. It is important to note that a special payment cannot be made in respect of the difference between the surrender value actually paid to the customer and the previously expected value of the policy at the maturity date. There is never any certainty that the forecast figure would be reached as that value was dependent upon both the customer maintaining regular payment of the premiums and the policy continuing to grow at the forecast rate.

106 – 109 Spare Block

Ex Gratia Special Payments to Compensate for Unreasonable or Exceptional Delay

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Overview

What is the legal position?

110. There is no comprehensive entitlement in law to interest for a period during which individuals or bodies may have been denied money to which they are entitled.

What about unreasonable or exceptional delay?

111. Delay is among the examples of maladministration quoted during the passage of legislation relating to the Parliamentary Ombudsman and this section explains when the Department will provide redress for unreasonable or exceptional delay.

How does the Department compensate for delay?

112. Where the arrears of benefit or child support maintenance concerned are at least £100 compensation for delay is considered. It is generally calculated as if it was an interest payment and, in line with DFP guidance, is normally calculated on the basis of simple interest. Compound interest is however used if the delay has been for a very long period. The interest rate used is the Average Retail Shares and Deposits rate supplied by the Building Societies Commission – part of the Financial Services Authority. However, payment for delay will not be made where any compensation calculated is less than £10. In the vast majority of cases this approach provides reasonable compensation for loss of value or loss of use of the funds.

What if the person has incurred greater costs than those generally provided for?

113. Where the complainant has been forced, as a result of the maladministration, to borrow, either by loan or overdraft, a different approach may be appropriate. These are cases of additional expenditure that may be greater than the interest due under our normal formula. If that is the case, it might be appropriate to reimburse the actual interest paid instead of using the Average Retail Shares and Deposits rate.

What does the Department take into account?

114. In considering compensation for delay, the Department takes into account any relevant factors including:
- the need to allow for normal delay – the span of time which normally elapses because of the administrative procedures properly involved in dealing with the matter. This does not mean that compensation is appropriate simply because this period has been exceeded – the test is whether the delay is exceptional or unreasonable
 - any contribution to the delay by the customer's own conduct—his or her actions or inaction—which may be a material factor, and

- the degree to which the customer can be considered to have suffered financially as a result of the delay.

Note: As stated above, an interest payment for delay will not be made where the arrears of benefit or child support maintenance concerned is less than £100 or any compensation calculated is less than £10.

Details of the scheme

Allowing reasonable time for the proper processing of claims and applications

115. All dealings with the Department take time, whether or not errors occur, as officials are required to make sure that they have sufficient information to determine any entitlement. If they have insufficient information, any further details must be gathered before entitlement to benefit can be established. Due to the different nature of individual benefits, the time needed for this proper process varies from benefit to benefit. So, although such delays may understandably be frustrating for the customer they are not, of themselves, unreasonable and do not automatically lead to interest being paid.

Claims clearance targets

116. As an indicator of the anticipated timescales likely to be involved in establishing entitlement to benefit, the Department uses internal operational claims clearance targets. These targets are set at levels that reflect the different nature of benefits and pensions and are indicators of what should normally be achieved, although they are not guarantees.

Delays must be unreasonable and exceptional before redress can be considered

117. In the majority of cases, the Department should process claims and applications within the timescales set out in the appropriate targets. However, some cases will legitimately take longer to process than others because of the complex nature of the case and the degree of work involved. Therefore:
- failure to process a claim within the claims clearance target will not, in itself, give rise to a special payment
 - a special payment for compensation for delay will only be considered when
 - unreasonable and exceptional delay has occurred and
 - maladministration has contributed significantly to that delay.

Indicators of delay

118. To help officials decide promptly whether unreasonable or exceptional delay has occurred, objective indicators of delay have been produced for use as a measure (see paragraphs 141-148). Where payments are accepted as having been unreasonably

and exceptionally delayed due to official error, a special compensatory payment will be considered. This is in recognition of the loss of the use of a sum of money that the customer would have enjoyed but for that delay.

A list of indicators for all types of cases is at Annex C.

Delays that are not regarded as unreasonable or exceptional

Decisions overturned on review or appeal

119. Parliament has laid down that decisions on entitlement to benefit should be determined by the Department and that those decisions should be subject to appeal to an independent tribunal or higher tier such as a Commissioner. It follows that Parliament clearly envisaged some decisions being open to legitimate debate and provided a degree of independent decision making to resolve such issues. The higher tiers of adjudication can often have fresh information given to them that was not available at the time that the original decision was made, can take oral evidence from the parties involved or may take a different view of the facts. As a result they may form a different judgement on the person's entitlement. That does not of itself mean that the original decision was unreasonable.
120. The overturning of decisions by higher tiers was clearly envisaged by Parliament. However, no provision was made for interest to be paid in such cases or for the reimbursement of legal costs and expenses even though such processes would inevitably delay the point at which entitlement was settled and some additional costs would sometimes be involved. We would not therefore in normal circumstances pay any interest or meet any costs involved when a decision is overturned on appeal.
121. There is, however, an exception to this general policy. Whenever the Department accepts that maladministration has occurred, the general principle that we adopt is to provide redress which is fair and reasonable in the light of all the facts and circumstances of the case. On that basis, where the decision-maker's original decision was **wholly unreasonable** or clearly incorrect based on the evidence available at the time, the Department will accept that the overturning of the decision was in correction of maladministration. In such cases there should have been no need to go through an appeals process and the delays involved should have been avoided. Where this applies the Department will consider making a special payment for the delay in payment being made and will meet any additional costs that were reasonably incurred in getting the matter corrected.
122. Paragraph 121 refers only to decisions by officials of the Department. It does not extend to the judiciary (that is, decisions of independent tribunals, Commissioners, the courts etc.) Please note the following
 - If the original decision made by the decision maker was wholly unreasonable and/or clearly incorrect, based on the facts known at the time and the law as it was then understood, then redress may be considered.

- If the decision maker's decision was not wholly unreasonable and/or clearly incorrect, based upon the facts known at the time and the law as it was then understood, a special payment should not be made.

123. Tribunals and Commissioners may have evidence before them that was not available at the time of the original decision or may choose to interpret the facts differently. Commissioners may also provide a fresh interpretation of the law. In any of these circumstances, the higher tier is not saying that the original decision was wholly unreasonable and/or clearly incorrect but is using that further information, the further insight into the law or any discretion invested in them, to make a different decision. A revision by a Tribunal or Commissioner should not be regarded as showing that the original decision was unreasonable, let alone wholly unreasonable. It is only when an examination of the papers shows that a decision maker, who had properly addressed the then known facts and the then understanding of the law, could not reasonably have reached that original decision, that a special payment should be considered. In such circumstances, an opinion on the original decision should be sought from the Decision Making and Appeals Unit (DMAU).

What is a 'wholly unreasonable' or 'clearly incorrect' decision on a claim or application?

124. The position that is to be adopted is similar to that used in Judicial Review. To be regarded as wholly unreasonable, it is not sufficient for the decision to be one that another person would not have made.

As Lord Hailsham observed:

'Two reasonable persons can perfectly reasonably come to opposite conclusions on the same set of facts without forfeiting their title to be regarded as reasonable.'

Lord Diplock expanded on that principle by saying that to be **'wholly unreasonable'** the decision must be

'so outrageous in its defiance of logic or of accepted moral standards that no sensible person who had applied his mind to the question to be decided could have arrived at it.'

A decision may be regarded as 'clearly incorrect' if it is self-evident that it is wrong. For example, a decision-maker may have awarded a benefit but the award was wrongly recorded as a disallowance when it came to be implemented. Other accidental or 'slip of the pen' errors that might have adversely affected the customer could be considered under this category.

Cases delayed due to industrial action

125. In the absence of specific guidance from DFP, compensation for delays caused by industrial action, whether within or outside the Department, should not be paid: the

Department has been prevented from achieving the normal standard of effective administration by circumstances beyond its control. This does not preclude the payment of financial redress for other reasons coincident with the industrial action.

Areas where unreasonable and exceptional delay may occur

126. Consideration can be given to special payments following unreasonable and exceptional delay in
- the payment of benefit and/or benefit arrears
 - the award of qualifying benefit (linked benefit cases)
 - the assessment and review of child support maintenance (see paragraph 201 et seq).
127. Whenever a payment is to be considered under this category, the first criterion that must be satisfied is whether the unreasonable and exceptional delay amounted to or resulted from, maladministration.

Two types of maladministration

128. Maladministration in the context of delay will fall into two types – where either
- an administrative error has prevented a payment being made or has prevented a correct payment being made; or
 - the actual delay constitutes the maladministration (that is, all relevant information was available but the Department failed to act upon it).

Maladministration must contribute significantly to the time taken

129. In deciding whether to award redress for delay we must take into account the degree to which any maladministration was involved. If this was not significant (see paragraph 130) then redress is not appropriate.

Where the indicator of delay is breached has a significant element been caused by maladministration?

130. As indicated in paragraph 117, where the indicator of delay is breached, it is necessary to assess whether maladministration has added **significantly** to the delay experienced. The term ‘significant’ in this context should generally be interpreted as being
- when the period (or aggregated periods) of maladministration contributed to **at least one third of the time taken to process the claim or application.**

However, each case should be considered on its own merits.

131. The period over which a special payment for delay is calculated will not include the period covered by the indicator of delay. When a case has not taken longer than the indicator of delay, a payment for delay will not normally be considered. This is in recognition of the fact that all claims take time to process and that the delay encountered was neither unreasonable nor exceptional.

Delayed implementation of a disputed decision or appeal outcome

132. A payment in respect of delay will be considered where:
- an original decision is overturned during the disputes process or as a result of an appeal; and
 - as a result of maladministration, implementation of the new decision is unreasonably delayed.

This applies whether the delay was with the paying agency or business area or with the appellate body.

133. Compensation should be considered in cases described above where such maladministration contributed significantly to the delay. That is, where the decision process
- exceeded the combined indicators of delay for the benefit concerned and for the appellate body; and
 - a significant part of the period of delay was due to error (see paragraph 130).
134. If the above applies, a compensatory payment should be calculated on the full amount of the arrears from the day following the end of the combined period of the indicators of delay for the benefit and the appeal body up to the date of payment.

Start of indicator of delay

135. For the purposes of calculating the special payment, the indicator of delay will start from either
- the date of claim or first contact or
 - the date of benefit entitlement

whichever is the later.

Example of when the Indicator of Delay (IOD) should start

On 11 November 2003, a customer was incorrectly told by the Agency that he couldn't claim Income Support. He made further enquiries but the Agency advice each time was that he could not claim. He then sought help from the Citizens Advice Bureau (CAB) and then claimed Income Support on 23 March 2004.

The claim was backdated to 23 December 2003 and arrears of benefit for the period from 23 December 2003 to 23 March 2004 were paid on 26 March 2004.

The customer asked for his claim to be backdated to 11 November 2003.

The Agency accepted maladministration and arrangements were made to pay the customer for loss of statutory entitlement (LOSE) for the period from 11 November 2003 to 22 December 2003.

Compensation for delay should be calculated as follows:

Although two separate payments were made in this case, the date of error is 11 November 2003. This is because it was accepted that, but for Agency maladministration, the customer would have been entitled to benefit from 11 November 2003. The indicator of delay for Income Support is two months. Therefore, in this case, the interest accrues from 11 January 2004.

The two periods of payment in this case are:

- 11 January 2004 to 26 March 2004 (for benefit paid statutorily from 23 December 2003 to 23 March 2004) and
- 11 January 2004 to date of payment (for LOSE from 11 November 2003 to 22 December 2003).

Unless the weekly rate of benefit is substantial, the interest is unlikely to exceed the de minimus of £10.

Calculating the special payment

136. Where a payment for delay is to be calculated, the method of calculation is determined by the period of the arrears.

Method 1 – simple interest

137. Special payments are normally calculated as simple interest using the average of the rates paid by building societies. In these cases the arrears are allocated to the tax years in which they accrued and interest is calculated separately from the start of the arrears period and then for each subsequent tax year, to the date arrears were paid. See Annex D for an example of the simple interest calculation and Annex E for the interest rates.

Method 2 – delay of 10 years or more – compound interest

138. In very exceptional cases, where delays of 10 years or more are involved, any special payment is calculated as compound interest. The factors used in a compound interest calculation are derived from an average of rates paid by building societies. See Annex F for examples of the compound interest calculations and Annexes G, H and I for the tables of factors to be used in the calculation.

Request from customer for a special payment not required

139. It is not necessary for the customer to ask for compensation nor to state that a loss has occurred, for the consideration to be undertaken. As officials hold details of both the sum owed and the circumstances of the delay, a special payment for delay should automatically be considered, at the same time as the payment of the arrears.

Failure to consider a special payment: 'compensation on compensation'

140. A failure to consider a special payment automatically when arrears are paid to correct the effects of maladministration is itself an official error. The value of a special payment is eroded if unreasonably delayed and when this happens the special payment should be calculated in two stages:
- the payment for delay that should have been made as soon as possible after the arrears have been issued and
 - a further sum to compensate the customer for the delay in making the first special payment should be calculated on the first compensation payment, without applying any indicator of delay, up to the date that this second further sum is actually paid. For this stage of the calculation, the date of error will be the date that the arrears of benefit were paid.

Note: To illustrate this an example follows. For simplicity, it does not show the benefit rates increasing during the period, although changes in rates will often be involved when the arrears due are assessed.

Example of compensation on compensation

Due to Agency error Mr Q did not receive his Retirement Pension when it was due. While that was not entirely the Agency's fault, The Pension Service accepted that at least a third of the time taken resulted from maladministration.

Mr Q had been entitled to Retirement Pension of £72.50 a week from 8 March 2001 and based on the indicator of delay, it should have been paid by 8 November 2001 at the latest. However, it was not paid until 6 June 2002. At that point arrears of £4,785 were paid to him and from then onwards he was paid his pension regularly and on time.

As payment was unreasonably and exceptionally delayed Mr Q's case should have been considered for a special payment but that was overlooked.

When this was picked up in December 2002 the interest that had been due to Mr Q in June 2002 was calculated to be £84.48. (for the period from 8 November 2001 to 6 June 2002)

The sums due in each tax year were:

- 2000/01 – £362.50
- 2001/02 – £3,770
- 2002/03 – £652.50

As the £84.48 was not paid to Mr Q until 19 December 2002 interest of £1.35 is due on it (for the period from 7 June 2002 to 19 December 2002). That brings the total interest paid to £85.83.

Indicator of delay – benefit interrupted

141. An indicator of delay of three months is provided for cases where a regular payment of benefit (or part-payment of benefit) has been interrupted because of a clear error by the Department, rather than a delay in awarding benefit. However, if the normal indicator of delay for the relevant benefit is less than three months, the normal indicator will apply and not this three month indicator.
142. The three month indicator of delay (or the normal indicator of delay if less than three months) will commence from the date the benefit was incorrectly stopped, with interest being calculated from the day following the end of the indicator of delay period.
143. As with all special payments, discretion must be used and each case must be considered on its own merits.

Indicators of delay – waiting periods: agency/business specific

144. Cases involving appeals against assessment or entitlement to benefit use different indicators, see Annex C2. For Child Support Agency cases, a 'waiting period' is applied to each case (see paragraph 237 et seq and Annex C3).

Indicators of delay – linked benefits

145. The award of certain benefits (linked benefits) is dependent on the customer being in receipt of an associated benefit (qualifying benefit). For example, when the higher or middle rate of care component is payable with Disability Living Allowance (DLA), a customer's carer may be entitled to Carer's Allowance (Invalid Care Allowance before 1 April 2003).
146. When an error¹ is made in determining the qualifying benefit (or determining that benefit is unreasonably delayed) that causes a significant delay in payment of that benefit and this can have a knock-on effect on the award of any linked benefit. Where the Department administers both benefits, a special payment for delay should be considered on both benefits.

Qualifying benefit – indicator of delay longer than that for the linked benefit

147. Where the indicator of delay for the qualifying benefit is longer than for the linked benefit and that indicator is breached, the special payment should be calculated:
- in respect of delay on both benefits
 - on the full amount of the arrears, and
 - the interest calculated on the period from the day following the end of the period of the indicator of delay for the qualifying benefit, up to the date of payment.

Example

Mr S is awarded a special payment for loss of statutory title to DLA from 3 January 2001 to 10 July 2002.

As payment of DLA gives entitlement to a disability premium, the customer additionally receives a backdated increase in his Income Support.

The indicator for delay for DLA (the qualifying benefit) is seven months longer than that for Income Support (the linked benefit).

When calculating the compensation for delay, the indicator for delay for DLA is applied to both DLA and Income Support (that is compensation for delay is payable in respect of both benefits seven months after 3rd January 2001, (that is from 3 August 2001) up to the date that the arrears of benefit were paid).

¹ See paragraph 119 et seq where a decision is overturned on review or appeal. These would not ordinarily be regarded as indications that the original decision was wholly unreasonable and amounted to an official error.

Linked benefit – indicator of delay longer than for qualifying benefit

148. Where the indicator of delay is longer for the linked benefit than for the qualifying benefit, consider payment for delay in the normal manner on the qualifying benefit. Apply the indicator of delay for the linked benefit from the date of claim of the qualifying benefit. Where this is breached consider payment for delay in respect of the linked benefit. (Please also see paragraphs 67-68 regarding loss of statutory entitlement to linked benefits).

Additional special arrangements for the Child Support Agency

149. Additional special arrangements apply to Child Support Agency clients who have experienced delay as a result of maladministration. These are described at paragraph 200 et seq.

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Ex Gratia – Consolatory Payments

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Overview

160. A consolatory special payment may be considered in very exceptional circumstances, where maladministration has had a direct adverse effect on the life of the customer or, much more exceptionally, on the life of another person, for example the customer's spouse or another family member. For example, where official error has resulted in
- gross inconvenience resulting from persistent error (see paragraphs 166–176)
 - gross embarrassment, humiliation or unnecessary personal intrusion (see paragraphs 177–185)
 - severe distress which has significantly impacted on a customer's physical or mental health (see paragraphs 187–197).
161. The customer does not have to demonstrate that he or she suffered any financial loss and the special payment should be considered regardless of whether or not any other form of redress payment has been made.
162. It should be remembered that all dealings with the Department, regardless of whether or not errors occur, do take time. Complying with the law can be frustrating or inconvenient and sometimes stressful. It is also natural for customers to feel

annoyed, angry or upset at any mistake, even a relatively trivial mistake. But, regrettably, mistakes do happen.

163. **This background inconvenience and frustration is not the context in which the Department would normally consider a consolatory payment.** Nevertheless, in very exceptional circumstances a consolatory payment may be appropriate.
164. A consolatory payment will not be appropriate if the actions of the Department were reasonable and therefore do not constitute maladministration, given
- the circumstances of the case and
 - the processes officials must necessarily undertake to establish or verify, benefit entitlement or child support maintenance liability.
165. Any consolatory special payment is to acknowledge and apologise for the way that we have treated the person. These payments, which are not intended to put a value on the distress suffered, will usually range from £25 to £500 but bigger payments may be made in appropriate circumstances. In extreme cases a much higher payment may be considered but is unlikely to exceed £2,000. Where the agency or business area considers consolatory payments that would in total exceed £2,000 are justified they should refer the case to DSD Finance and Planning Unit for agreement.

Gross inconvenience resulting from persistent error

Overview

166. A consolatory payment under this category is intended to cover situations where the errors made were so persistent and over such a protracted period of time as to cause the customer gross inconvenience in the pursuit of benefits, child support maintenance or pursuing a justified complaint about DSD matters. It is not intended that a payment should be made for general inconvenience arising from normal dealings with the Department, even when errors occur. These payments are exceptional and are intended to cover the more serious cases.

What is gross inconvenience?

167. It is difficult to give examples of specific situations that would give rise to payment under this category. Each case should be considered on its own merits. However, as a guide, it would be expected that the customer would have experienced a combination of some of the following:
- very frequent and unnecessary disruptions to payments
 - unwarranted repetitive requests for the same information by the same agency
 - repetitive loss of information by the same agency
 - excessive use of customer's time (where there is no actual financial loss – as this comes within its own separate category)

- gross mishandling of complaints (sometimes referred to as 'botheration').

This list is not exhaustive but the examples above are the most significant.

Gross inconvenience – factors to be taken into account

Has there been persistent error? If so, how serious were the errors?

168. Whether errors can be regarded as persistent as in paragraph 166, depends upon the regularity of the errors and the individual circumstances of the case.

How long have the errors persisted?

169. Whether the circumstances constitute persistent error may depend on the severity of the impact of the errors. Therefore there is a need to look at the overall circumstances of the case before deciding whether the errors have persisted for a sufficiently long period to warrant consideration of a consolatory payment.

Examples:

Individual errors in 1996/1999/2002 might be regarded as regular but not persistent.

In benefit cases, repeated delays in the receipt of the payment due to error over a period of two/three months might be regarded as persistent.

Repeated failure to deal with correspondence fully.

Cases may combine more than one issue such as benefit being frequently paid late and the complaint may not have been handled properly.

In cases of delay, has there been contact from the customer?

170. If a customer regularly contacts the Department to progress an issue and the Department fails to act upon that contact to progress the matter, the resulting delay may be considered as persistent error.

Full regard should be given to the individual circumstances of each case when deciding if there has been persistent error.

What is the impact of the error?

171. The impact of errors can differ in its severity. For example, failure to reply fully to a query may not have as severe an impact as the failure to make payment of income support timeously.

Taking into account the severity of impact when deciding on how much to award

172. The severity of the impact should also be taken into account when deciding upon the scale of the award.

Relationship of severity of impact of the errors to level of their persistency

173. The greater the severity of the impact of error on a customer's life, the less persistent the error needs to have been and/or the shorter a period over which error occurred is required before a consolatory payment would be considered.

Has the customer contributed to the situation?

174. There may be situations where the customer has contributed to the problems on a case by a lack of co-operation. Take this into account when assessing the size of the award.

How much should be paid?

175. If the circumstances of an individual case indicate that there has been persistent error it will be necessary to decide on the scale of the award. The factors to be considered are:
176. the size of awards in similar cases (to ensure, as far as possible, equity of treatment)
177. the persistence and longevity of errors (to recognise the effects on the particular case)
178. the seriousness of the impact of the errors (to judge the case on its individual merits).

Gross inconvenience – delegated limit

179. Cases where a consolatory payment is considered appropriate **must** be referred to DSD Finance and Planning Unit except where the agency has been delegated the necessary authority to approve the award. A consolatory payment for gross inconvenience will normally be in the range of £25 to £250. The vast majority of payments would be expected to be within this range. However, each case should be decided on its own merits. In very exceptional cases a higher award of up to £500 may be appropriate.

Gross embarrassment, humiliation or unnecessary personal intrusion

Overview

177. This category of consolatory payment covers the situations where, through the action (or inaction) of the Department, a customer is unnecessarily placed in a position likely to cause gross personal embarrassment. This may have been caused either by error or failure on the part of the Department or may have arisen through an unnecessary personal intrusion.

What constitutes gross embarrassment?

178. Gross embarrassment, humiliation or unnecessary personal intrusion is best illustrated through some examples:

Examples:

- wrongful arrest
- wilful misuse of information or position by officers of the Department
- wrongful issue of a summons or a bailiffs order/summons
- negligent action leading to incorrect identification of alleged parents (see paragraph 216)
- disclosure of sensitive information to a third party
- unnecessary gathering of personal information
- insensitive information gathering
- inappropriate methods of information gathering.

The above list is not exhaustive. Each claim made under this category will be considered on its own merits, taking into account the full circumstances and facts of the case.

Gross embarrassment, humiliation or unnecessary personal intrusion – factors in considering payment

Has there been error?

179. As with any other category, before a special payment is appropriate, the Department must have made an error.

Has embarrassment been caused by error?

180. It is necessary to look at the circumstances of the case to establish whether it is likely that embarrassment has been caused by the error. If not, another category of consolatory payment may be appropriate, such as for severe distress. Establish whether the case comes under one of the examples at paragraph 178 above, thus causing humiliation or unnecessary personal intrusion. Remember that the examples at paragraph 178 are not exhaustive.

How serious is the impact?

181. The amount of embarrassment caused can vary greatly according to the situation. For instance, it is likely that, in most cases, incorrect arrest and detention by the police would have a greater impact than disclosure of benefit information to a third party. Always consider the circumstances of the individual case.

What is the likely duration of the impact?

182. Depending upon the circumstances of the individual case, the duration of the impact of an error can vary. An incident where the error is discovered, properly handled and corrected quickly would probably have an impact of a shorter duration than circumstances where highly personal information is disclosed to a third party who has long term contact with the customer.

Has the customer contributed to the situation?

183. There may be instances where the customer has deliberately sought publicity as a result of an error. A decision on the special payment should be based upon the impact of the error rather than the impact of the publicity. There have also been instances of a customer deliberately informing another party of an error and then claiming that the error has caused embarrassment.

How much should be paid?

184. The factors outlined in paragraphs 179 to 183 should be taken into account when deciding whether a special payment should be made and the amount of that payment. Payments made in similar cases should be considered when deciding on the amount.

Gross embarrassment - delegated limit

185. Cases where a consolatory payment is considered appropriate **must** be referred to DSD Finance and Planning Unit except where the agency has been delegated the necessary authority to approve the award. When, in exceptional cases, an agency or business area considers a consolatory payment for gross embarrassment, humiliation or unnecessary personal intrusion, payment will normally be up to the maximum limit of £750. It is expected that the vast majority of cases will be within the limit. However, each case must be decided on its own merits.

Severe distress which has significantly impacted on a customer's physical or mental health

What constitutes severe distress?

186. A payment for severe distress should be very exceptional and considered only when there has been a significant deterioration in a customer's physical or mental health as a direct result of Departmental maladministration. In very rare cases, the severe distress may be experienced by another person, for example, a spouse or other family member, as well as, or rather than by, the customer.

Factors in considering payment for severe distress

Has there been error?

187. As in any other claim for a special payment it has to be established that there has been official error.

Has there been a serious impact upon health as result of the error?

188. There has to be a direct link between the error made and the impact upon health. Bear in mind that there can be situations where the very involvement of the Department can be a cause of stress. Such cases would not merit a special payment unless the stress is severe and can be directly linked with a Departmental error.

Customer claiming to be upset, angry or distressed by an error is not sufficient

189. The fact that a customer may claim to be upset, angry or distressed by an error is not sufficient in itself to justify a special payment for severe distress. The impact must be serious.

Is there objective evidence of the impact?

190. The customer should normally be asked to provide objective evidence of the impact of the error on their physical and/or mental health. This may take the form of a report from a GP or evidence from an employer that the customer has been unable to work as a direct result of health problems arising from an error. Please note that other forms of objective evidence can also be accepted.

Cases where objective evidence may not be needed

191. In some circumstances it may not be necessary to obtain objective evidence. This will be where it is clearly self-evident that the error would have caused severe distress. An example of this is where a parent may be incorrectly informed of the death of their child. Such cases should be few and far between. It will often be to the customer's advantage to obtain evidence of the impact in his or her case in order that any award can reflect the individual circumstances of the case.

What is the degree of impact of the error?

192. An error will impact upon the health of different people to a different extent. For special payment purposes, it is the degree and duration of the impact that is normally more important than the scale of the error. The more serious the impact, the greater the payment to be considered, subject to the following paragraphs.

Are there factors, other than Departmental error, affecting the customer's health?

193. There will be cases where the objective evidence indicates that there have been other factors, such as personal problems, that have also affected the customer's health. It

will be necessary to decide the relative importance of these other factors and the error of the Department when reaching a decision on the special payment.

Is there a pre-existing health condition?

194. In many cases the customer may have a pre-existing health condition that has been affected by the errors of the Department. This does not preclude consideration of payment. The error may have caused a delay in recovery from illness or worsened the condition. In such cases, it will be necessary to ascertain the extent to which the errors have affected the pre-existing condition when deciding whether a special payment is due and how much should be paid. In doing so the agency should ordinarily establish the state of the customer's health prior to the error, during the error and the likelihood of the customer's health improving following resolution of the error.

What is the duration of the impact of the error upon the customer's health?

195. Once it has been established that there has been a serious impact upon health as a result of error, it is necessary to consider the duration of the impact when deciding on the scale of payment.

Example:

The same degree of impact that lasts for two years would warrant a higher payment than a case where the customer has recovered three months later.

How much should be paid?

196. In deciding how much to award remember the following points:
- payment is only considered in exceptional cases
 - take into account the range of payment available
 - consider the degree of culpability of the Department, any pre-existing health conditions and scale and duration of the impact as described above.

Severe distress - delegated limit

197. Cases where a consolatory payment is considered appropriate **must** be referred to DSD Finance and Planning Unit except where the agency has been delegated the necessary authority to approve the award. These payments are not intended to put a value on the distress suffered, and will usually range from £25 to £500. However, payment can be made up to the maximum delegated limit of £2,000. The vast majority of payments are expected to be within the normal range. However, each case will have to be decided on its own merits.

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Child Support Cases²

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Issue of a MEF to a person wrongly identified by the PWC as the non-resident parent of the child(ren) concerned	214-215
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Imposition of defective or invalid interim maintenance assessment (IMA) (extra-statutory payment)	235-236
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Categories of payment

200. The Child Support Agency, as an executive agency of DSD, is subject to the guidance contained in this Guide. However, because of the differing nature of its business additional categories of cases exist where special payments may be appropriate. Examples of the circumstances where the Agency may consider a special payment are as follows:

² For ease, throughout this section we refer to a parent with care as female (which the majority are) and a non-resident parent as male but the guidance applies equally to either gender.

Note: This section has been developed for cases dealt with under the Child Support (Northern Ireland) Order 1991. Some cases will be dealt with under the Child Support Reforms, but this guidance will initially be applied equally to them. This will be reviewed as these reforms roll out.

- unreasonable delay in the issue of a maintenance application form (MAF) to the parent with care (PWC) – paragraphs 201-206
- unreasonable delay in the issue of a maintenance enquiry form (MEF) to the non-resident parent (NRP) – paragraphs 207-213
- inappropriate issue of a MEF to a person – paragraph 214-216
- delay in assessing child support maintenance – paragraph 217
- advance payments of child support maintenance to the parent with care – paragraphs 218-220
- court order incorrectly superseded where the Agency has no jurisdiction – paragraphs 221-222
- court order cases – delay in assessment of liability resulting in loss of child support maintenance – paragraphs 223-226
- unreasonable delay or error in enforcement action – paragraphs 227-229
- delay in reviewing maintenance liability has led to an overpayment of maintenance by the NRP – paragraph 230-234
- defective or invalid interim maintenance assessments (IMAs) made before 16 February 1995 (referred to as IMA gap cases) – paragraphs 235-236.

The above list is not exhaustive.

Unreasonable delay in the issue of a maintenance application form (MAF) to the parent with care (PWC)

201. A delay in the issue of the MAF to the PWC puts back the point at which the application for child support maintenance can be made. This in turn puts back the effective date from which the non-resident parent's liability for child support maintenance commences. The issue of a MAF should not therefore, be unreasonably delayed.
202. Since 1 April 1996³ the Agency has accepted that if (without good cause) a MAF is not issued within a month of it being requested then redress should be considered.
203. Although not legally required to do so, the Agency is willing to do this because undue delay in issuing the MAF to the PWC in turn delays its return and the commencement of action to establish any liability for child support maintenance that the non-resident parent may have.

³ In recognition of the unexpected demands on the Child Support Agency in its early days three months was allowed where the request for a MAF was made before 1 April 1996.

204. The Agency recognises that unreasonable delay in these early stages can cause the PWC to miss the opportunity to obtain some child support maintenance that she might otherwise have received. In recognition of this the Agency will make good any loss caused by its failings by way of a special payment.

Example 1: unreasonable delay in the issue of a MAF to the PWC

Mrs A requested a MAF on 28 October 2002. The Agency should have issued one by 28 November 2002, but without good cause did not issue one until 19 December 2002 (three weeks late).

It is reasonable to assume that had the MAF been issued three weeks earlier Mrs A would have returned it and her ex-partner (the NRP) would have become liable for child support maintenance three weeks earlier.

If his first liability was assessed to be £25 a week Mrs A could have expected to receive £75 from the NRP in the three weeks concerned and the Agency would make good that loss.

205. If the NRP had made any payments during that period the PWC will only have lost the difference between the amount that she might have received from the NRP and the amount that she actually received from him. In those cases the special payment will be the amount actually lost.

Example 2: delayed issue of MAF, NRP making payments meanwhile

In example 1 above Mrs A was calculated to have been due £75 in the three weeks concerned. If in each of those three weeks the NRP had paid her £15 voluntarily, she would have received £45 in total rather than the £75 that she might have received from him. In this example the Agency would pay £30 to Mrs A to make good the shortfall.

206. Similarly, if the PWC was receiving any benefit that would have been reduced if the NRP paid child support maintenance then the special payment will be adjusted to make sure the PWC's position is properly restored to the position that it would have been but for the Agency's failing.

Example 3: delayed issue of MAF, PWC receiving benefits at the time that would reduce when child support maintenance is paid.

If Mrs B was calculated to have been due £50 a week for five weeks the Agency would consider that she had potentially lost £250.

But, if during those five weeks she had been receiving income based Jobseeker's Allowance (JSA (IB)) and the amount of the MA is more than the JSA (IB) that had been paid, the loss will be equal to the difference between the amount of the assessment and the benefit in payment.

If the JSA (IB) would have been reduced by £30 a week, Mrs B would have stood to gain only £20 a week by the NRP paying child support maintenance (rather than the full £50 a week). In those circumstances the Agency would pay her the five weeks at £20 a week to make good her losses.

Consideration would be given to adding interest for loss of use of the sum (paragraph 237 et seq)

Unreasonable delay in the issue of a maintenance enquiry form (MEF) to the non-resident parent (NRP)

207. A delay in the issue of the MEF to the NRP can put back the effective date from which the non-resident parent's liability for child support maintenance commences. The issue of a MEF should not therefore, be unreasonably delayed. Once the MAF is received from the PWC, the Agency needs to make checks of it before a MEF can be issued. The time needed at this initial stage will depend on whether further action is required and whether or not a court order for child maintenance is already in place.
208. Since 1 April 1996⁴ the Agency has accepted that where no existing court order is in place for child maintenance and no further action is required on the MAF, a MEF should be sent to the NRP within a month of receipt of the MAF (unless the NRP's whereabouts cannot be established).
209. The Agency has accepted that if in such cases—and without good cause—a MEF is not issued within a month then redress should be considered.

Example 4: unreasonable delay in the issue of a MEF to the NRP – no court order in place

The Agency received a MAF from Mrs C on 28 October 2002. There was no existing court order for child maintenance and no further action was required on the MAF.

The Agency should have sent a MEF to the NRP within a month, that is by 28 November 2002, but did not issue one until 19 December 2002 (three weeks late).

It is reasonable to assume that had the MEF been issued three weeks earlier her ex-partner (the NRP) would have become liable for child support maintenance three weeks earlier than he did.

If his first liability was assessed to be £30 a week Mrs C could have expected to receive £90 from the NRP in the three weeks concerned and the Agency would make good that loss.

⁴ In recognition of the unexpected demands on it in its early days, before April 1996 the Child Support Agency allowed:

- three months for the issue of a MEF in cases where no court order for child maintenance was in place and
- six months where a court order for child maintenance was in place.

210. In the same way, where either a court order for child maintenance is already in place or further action is required on the MAF a MEF should be sent to the NRP within two months of receipt of the MAF. See paragraph 224 for the overall time allowed for assessing court order cases.

Example 5: unreasonable delay in the issue of a MEF to the NRP – court order case

The Agency received a MAF from Mrs D on 4 September 2002. She already had an existing court order for child maintenance at £25 a week. No further action was required on the MAF.

The Agency should have sent a MEF to the NRP within two months that is by 4 November 2002, but did not issue one until 16 December 2002 (six weeks late).

It is reasonable to assume that had the MEF been issued six weeks earlier her ex-partner (the NRP) would have become liable for child support maintenance three weeks earlier than he did.

If the maintenance assessment was not made within 20 weeks (paragraph 224) and his first liability was assessed to be £35 a week, Mrs D could have expected to receive £210 from the NRP in the six weeks concerned but the NRP will only have been liable for £25 a week those six weeks under the court order. So he will only have been liable for £150. The Agency would make good the £60 lost.

211. Where both a court order for child maintenance is already in place and further action is required on the MAF a MEF should be sent to the NRP within four months of receipt of the MAF.
212. In some cases the PWC will have been receiving a benefit that would have been reduced if the NRP paid child support maintenance. In these cases her true loss has been lessened to some extent (sometimes removed altogether) by the Department awarding her more benefit than would have been the case. Any special payment will be reduced to recover the extra benefit that the Department has paid. That is to make sure that the PWC's position is properly restored to the position that it would have been but for the Agency's failing.
213. In example 5 above the Agency calculated that Mrs D had lost the opportunity to receive an extra £10 a week in child support maintenance. If she had been in receipt of an income related benefit which would have reduced by any child support maintenance paid then any special payment will be reduced in the same way.

Example 6: unreasonable delay in the issue of a MEF to the NRP – court order case and PWC in receipt of income-based benefit

If the Agency calculated that Mrs E had lost the opportunity to receive an extra £40 a week in child maintenance it then considers whether that would have affected any benefits paid. If it would any special payment is reduced in exactly the same way.

If, for example, Mrs E would have had her benefit reduced by £30 a week then her loss is the £40 a week less £30 a week (that is £10 a week).

Similarly if her benefit would have reduced by the full £40 a week a special payment will not be made as the lost opportunity to receive child support maintenance has already been made up through the payment of that sum through higher benefits.

Issue of a MEF to a person wrongly identified by the PWC as the non-resident parent of the child(ren) concerned

214. When a PWC applies for child support maintenance she is asked to give details of the non-resident parent of the child (ren) concerned. In the absence of any evidence to the contrary the Agency will accept that information in good faith and will send the alleged non-resident parent a MEF and give him the opportunity to dispute parentage if he has valid cause to do so.
215. Where a PWC has (whether through genuine confusion or for some other reason) given the Agency details of somebody who is not the father and the Agency acts on this in good faith that is not maladministration and a special payment will not be appropriate.

Issue of a MEF to a person wrongly identified by the Agency as the non-resident parent of the child (ren) concerned

216. A consolatory payment of £100 should automatically be paid when a MEF has been issued to the wrong person as a result of an error by the Agency. The £100 is made in recognition of the upset and inconvenience caused by the error. In these circumstances, no objective evidence of impact on health is required to support the claim. The award of £100 does not preclude a higher award, but any claim for a higher consolatory payment should be supported by objective evidence of the adverse effect of the error. For example, when the person indicates that he suffered exceptionally.

Delay in assessing child support maintenance – arrears due when first maintenance assessment or calculation made

217. Under Child Support legislation, when a maintenance assessment or calculation is made the Agency has to determine when the NRP's liability begins. In some cases that date may already have passed and so—unless the NRP has been making payments to the PWC pending the assessment—arrears may well have arisen. The NRP is asked to clear those arrears in a lump sum or, if he is unable to do so, through regular payments along with his regular maintenance. That is a situation clearly envisaged by Parliament and, although it does mean the PWC having to wait for the money due to her, a special payment cannot be made in the absence of maladministration.

Situations where a PWC may be given an advance payment of child support maintenance due to her

218. An advance payment of child support maintenance may be appropriate where
- clear Agency error or delay caused the accrual of child support maintenance arrears of over £100 and
 - it would take more than 26 weeks for the NRP to pay off the debt at his normal payment rate.
219. In each case:
- the Agency must be satisfied that, on the balance of probabilities, the NRP would have complied with the maintenance assessment had it not been for maladministration. In doing so, the Agency looks for evidence that the NRP has established a payment pattern – see paragraph 239
 - the PWC must have shown an interest in the progression of her case, and
 - the PWC must sign a declaration slip agreeing to the Agency's retention of payments or to refund any relevant direct payments.
220. Allowance is made for the normal processing time involved in carrying out a new assessment and for the recovery of any benefits which would not have been made had the maintenance been paid at the correct time.⁵

Court order for child maintenance incorrectly superseded where the Agency has no jurisdiction⁶

221. When the Agency makes a maintenance assessment or calculation in court order cases that causes the automatic supersession of any existing court order for child maintenance. So, where the Agency incorrectly makes a maintenance assessment or calculation even though it has no jurisdiction the PWC may lose child maintenance for a period until such time as the court accepts a reapplication. Should this occur, redress will be given for any financial loss after taking into account any payments made by the NRP and any benefits which would not have been made had the court order continued in force throughout.
222. Any special payment would not normally exceed the amount prescribed by the court, unless the PWC provides evidence that a higher amount would have been awarded but for the Agency's intervention.

⁵ For more information on the Advance Payment of Maintenance scheme see the Child Support Agency's separate guide

⁶ **Note:** This does not include cases where the Child Support Agency has made a defective Interim Maintenance Assessment (IMA) where there is an existing court order and the case was otherwise within jurisdiction. Those cases should be dealt with under paragraph 236 below.

Court Order cases – delay in assessment of liability resulting in loss of child support maintenance

223. When at the time that a PWC applies for child support maintenance a court order for child maintenance is already in place, the effective date of liability for child support maintenance is two days after the date that the assessment is completed. Thus, in court order cases, any unreasonable delay in the maintenance process will put back the effective date of the maintenance assessment or calculation and may lead to a loss of opportunity to receive maintenance or may cause the NRP to pay more than he might otherwise have been required to do.
224. In court cases the Agency is allowed 20 weeks⁷ to make an assessment beginning from the issue of a MAF to the PWC. It anticipates that barring delays or non-co-operation of the PWC or NRP most cases will be assessed within that time. Where this is exceeded and the Agency accepts that the delay in assessing the case was due to its failings, a special payment will be considered.
225. Any special payment is paid at a rate equivalent to the difference between the level of the court order and the maintenance assessment or calculation made by the Agency:⁸
- if the maintenance assessment or calculation would have been higher than the court order, payment is made to the PWC in recognition of her lost opportunity to receive higher support for her child(ren)
 - if the maintenance assessment or calculation would have been lower, payment may be made to the NRP – providing evidence shows that he was complying with the court order. This is in recognition that he lost the opportunity to reduce his liability.
226. In both cases payment is subject to adjustment to take into account any benefits that would not have been made had the NRP's liability been assessed sooner.

Example 7: court order case where delay in assessing the NRP's liability resulted in loss of child support maintenance

The Agency sent Ms F a MAF on 4 March 2002 and received it back on 13 March 2002. She gave details of an existing court order for child maintenance under which Mr X (the NRP) was paying £15 a week. No further action was required on the MAF.

The Agency sent a MEF to the NRP on 26 March 2002, which he promptly returned confirming he was the father of Ms F's child and the court order for £15 a week which he said he was paying.

The Agency failed to act timeously on the application and did not make an

⁷ In 1996/97 and 1997/98, 26 weeks were allowed for the assessment. The time allowed reduced to:

- 22 weeks for 1998/99 and
- 20 weeks from 1999/2000 onwards.

⁸ Note that this arrangement only began from 13 March 1997. Before that date priority was given to those cases where no court order was in place.

assessment until 2 December 2002. Mr X was then found to be liable for child support maintenance of £38 a week from 4 December 2002 and the court order was superseded from that date.

Impact of error

But for Agency error Ms F could have expected the Agency to make that assessment by 22 July 2002. The court order would then have been replaced by a maintenance assessment from 24 July 2002 rather than 4 December 2002.

Mr X would have then been required to pay an extra £23 a week from 24 July 2002. Ms F lost the opportunity to receive that from Mr X and the Agency will make good that loss. A special payment is made

- from 24 July 2002 to 3 December 2002 at £23 a week
- less any benefits that the Department paid to the PWC in that period that would not have been paid if child support maintenance of £38 a week had been in payment at the time.

Consideration would be given to adding interest for the loss of use of this sum (paragraph 237 et seq)

Delay or error in enforcement of child support maintenance liability

227. Financial redress can be considered where a client has lost the opportunity to obtain child support maintenance because the Agency has delayed enforcement action when
- there was a reasonable expectation of collecting maintenance and
 - when action is finally taken, the NRP has undergone a change of circumstances and is no longer able to pay maintenance and/or arrears of maintenance.
228. The special payment is calculated by applying the maintenance assessment (or the difference between the court order and the maintenance assessment where paragraphs 223-225 apply) that would have applied to the number of weeks/months falling within the period of lost opportunity, less the waiting period.
229. Account is taken of any voluntary maintenance paid by the NRP or social security benefit payment made in this period to which the PWC would not have been entitled had a maintenance assessment been in force.

Delay in reviewing maintenance liability has led to an overpayment of maintenance by the NRP

230. Delay in reviewing a maintenance assessment or calculation, where the NRP continues paying at the rate of the existing assessment, will often lead to the NRP either overpaying or underpaying child support maintenance. This was envisaged in legislation and Parliament provided options for handling such situations.

231. Where such an over/underpayment occurs, the situation is usually corrected by adjusting future payments of maintenance under regulation 10 of the Arrears, Interest and Adjustment of Maintenance Regulations (Northern Ireland) 1992. This allows the NRP to either make good any underpayment or recoup any overpayment over a period of time.⁹
232. However, where any overpayment is large and any revised maintenance liability is too low to effectively allow the NRP to recoup their overpayment in a realistic period of time, the NRP may be reimbursed the amount overpaid under article 38B of the Child Support (Northern Ireland) Order 1991. Such payments, being covered by legislation, are not special payments.
233. However, if the refund covers a period prior to 4 September 1995, then this predates the legislation. A payment can still be made but in this case it is on an extra-statutory basis and should be recorded as such.
234. Where either a statutory or extra-statutory payment as described at paragraphs 232 and 233 is made, it is appropriate to consider an interest payment for delay to redress the customer's loss of use of the money. These interest payments for delay are classed as ex gratia special payments.

Imposition of defective or invalid interim maintenance assessment (IMA) (extra-statutory payment)

235. Since 16 February 1995, there has been provision under Child Support legislation to correct an IMA that is found to be defective. However, where a defective IMA was in place before that date it can only be corrected from 16 February 1995. In such cases the period during which defective IMA has to remain in place is known as an IMA gap. Although the IMA cannot be replaced for that period it cannot be enforced.
236. The Agency will consider making an extra-statutory payment in IMA gap cases providing
- the maintenance is due to be paid to the PWC and not the Department
 - the NRP is complying or has complied with the Agency's assessment (either a full maintenance assessment or an IMA) sufficient to have established a payment pattern or there are good reasons to believe he would have done so, if the Agency had taken steps to collect maintenance

Note: Compensation, in the form of interest, is payable on amounts paid under these procedures.

⁹ Compensation in the form of interest for loss of use of the sums involved is not payable where this occurs.

General matters concerning redress in Child Support Agency cases

Compensation for loss of use of child support maintenance

237. Compensation for the loss of use of child support maintenance can be considered on top of certain ex gratia payments made to provide redress. The compensation takes the form of interest – see paragraph 110 et seq. Examples of situations where interest may be added are
- delay in the issue of MAF/MEF
 - delay in a review leading to overpayment of maintenance by NRP
 - delay leading to lump sum payment of advance maintenance.
238. Interest is not considered in cases where a delay in review has caused an overpayment of child support maintenance by the NRP which is recouped by payments under regulation 10 of the Arrears, Interest and Adjustment of Maintenance Regulations (Northern Ireland) 1992, or a reduction in outstanding arrears. Parliament envisaged such situations when passing legislation and made no provision for the NRP or PWC to pay interest on the sums overpaid or underpaid.
238. Unlike benefit cases, in all Child Support Agency cases of compensation in the form of interest, the NRP/PWC has already had to wait a period of time before the special payment award begins. In view of this waiting period, interest is calculated from the period that the special payment award covers up to the time that the special payment is made.

Payment patterns

239. Financial redress for the loss of opportunity to receive maintenance is normally considered where a payment pattern has been established. In exceptional cases, where there is evidence that, on the balance of probabilities, maintenance would have been forthcoming had the Agency acted timeously, a special payment can be considered without the need to wait for the establishment of a payment pattern.

Notional assessments

240. Normally an ex gratia payment is based on the rate of the maintenance assessment that applies at the effective date. However, in some cases either
- the Agency is unable to determine a properly calculated maintenance assessment or
 - in cases of delayed MAF/MEFs, the NRP's or PWC's circumstances prior to the effective date were significantly different from those in place at the effective date.

241. In these cases, in assessing any financial loss, use of the maintenance assessment rate may not be appropriate. In these circumstances, the Agency may use a notional assessment based on the best evidence available.

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Annex A

Extra-statutory payments

The present guide deals only with extra-statutory payments that may arise from Departmental maladministration, categorised here as loss of statutory entitlement (see paragraphs 60-68). There are other circumstances in which extra-statutory payments can be made **but they are not categorised as special payments and are outside the provisions of this guide**. The following is provided for information and describes circumstances in which other forms of extra-statutory payment could be made.

Defective legislation

These payments are considered to be within the broad intention of the statute or statutory regulation, but go beyond a strict interpretation of its terms.

Pending legislative change, extra-statutory payments can be made with permission from DFP.

Examples

Extra-statutory payments may be considered when:

- a previously unrecognised defect in legislation means that a group of customers are unable to receive a benefit it was intended they should receive; or
- a group of customers were unintentionally excluded from legislation.

Such cases should be referred to the relevant policy and legislation section for consideration (for example – Social Security Policy and Legislation Division [SSPLD]). However, it is important that DSD Finance and Planning Unit is involved in discussions at an early stage where such payments are being considered.

Annex B

Contact details

Assembly Ombudsman for Northern Ireland

Progressive House
33 Wellington Place
Belfast
BT1 6HN

Telephone: 0800 34 34 24

E-mail: ombudsman@ni-ombudsman.org.uk

Website: <http://www.ni-ombudsman.org.uk>

The Assembly Ombudsman for Northern Ireland deals with complaints from members of the public that they have suffered injustice because of maladministration by government departments. A person wishing to have their complaint investigated by the Ombudsman should approach any Member of the Legislative Assembly (MLA), as the Ombudsman can only accept complaints referred to him by an MLA.

Customers may put their complaint to the Ombudsman at any stage irrespective of whether it has been investigated by ICE. However, in practice there is normally an expectation that the complaint has been seen by the Department and pursued through internal complaints procedures, before being referred to the Ombudsman.

The Ombudsman has produced a leaflet on his service entitled *The Northern Ireland Ombudsman*. It explains what the Ombudsman can do and how to complain to him. A copy of the leaflet can be obtained from his office.

The Independent Case Examiner

PO Box1245
Belfast
BT2 7DF

Telephone: 0845 606 0777

E-mail: ice@ukgov.demon.co.uk

Website: <http://www.ind-case-exam.org.uk/>

The Independent Case Examiner (ICE) investigates complaints against the Social Security Agency and the Child Support Agency. Details of the service offered by ICE and advice on how to complain may be found in leaflet ICE 1 or on ICE's website.

Inland Revenue

National Insurance Contributions Office

Beaufort House

31 Wellington Place

Belfast

BT1 6BH

Telephone: 0845 302 1469

<http://www.inlandrevenue.gov.uk>

Annex C1

Indicators of delay – benefit cases¹⁰

Benefit	Delay Indicator (Months)
Attendance Allowance (AA)	8
AA (Special Rules)	1
Bereavement Allowance	5
Bereavement Payment	2
Carer's Allowance ¹¹	8
Disability Living Allowance (DLA)	8
DLA (Special Rules)	3
Incapacity Benefit (IB)	4
Income Support (IS)	2
Industrial Injury Disablement Benefit (IIDB)	12
Jobseeker's Allowance (Contribution Based) (JSA(CB))	2
Jobseeker's Allowance (Income Based) (JSA(IB))	2
Pension Credit ¹²	2
Retirement Pension (RP)	3
Social Fund (SF) (Budget Loans)	1
Social Fund (SF) (Community Care Grants)	2
Social Fund (SF) (Funeral Payments)	2

¹⁰ Child Benefit and Guardians Allowance transfer to the Inland Revenue from 1 April 2003. Accordingly, indicators of delay for those benefits are not shown in this table.

¹¹ Invalid Care Allowance before 1 April 2003

¹² From October 2003

Annex C2

Indicators of Delay – Appeal Cases

Type of Appeal	Delay Indicator (Months)
IS / SF /JSA / IB Appeals	10
Disability Appeals	12
Others	12

Annex C3

CHILD SUPPORT AGENCY WAITING PERIODS

Delays occurring after 1 April 1996

TYPE OF DELAY	WAITING PERIOD
Delayed issue of the MAF where payment pattern established	1 month
Delayed issue of the MEF where no further action on the MAF is required; i.e. it is fully completed.	1 month
Delayed issue of the MEF where no further action on the MAF is required: court order cases	2 months
Delayed issue of the MEF where further action on the MAF is required: normal cases	2 months
Delayed issue of the MEF where further action on the MAF is required: court order cases	4 months

Delays occurring before 1 April 1996

TYPE OF DELAY	WAITING PERIOD
Delayed issue of the MAF where payment pattern established	3 months
Delayed issue of the MEF where no further action on the MAF is required; i.e. it is fully completed.	3 months
Delayed issue of the MEF where no further action on the MAF is required: court order cases	6 months
Delayed issue of the MEF where further action on the MAF is required: normal cases	3 months
Delayed issue of the MEF where further action on the MAF is required: court order cases	6 months

Delays occurring after 13 March 1997

TYPE OF DELAY	WAITING PERIOD
Delay in calculating MA where the Agency knew a court order is in existence.	From the date of receipt of the MAF 1996/97 26 weeks. 1997/98 26 weeks. 1998/99 22 weeks 1999/00 20 weeks

Annex D

EXAMPLE OF SIMPLE INTEREST CALCULATION WHEN DELAY IS LESS THAN 10 YEARS

The example below shows how simple interest is calculated in a theoretical case where benefit was underpaid from 03/02/97 (the date of claim) to 14/09/98, as a result of a Departmental error. £1,749.21 of benefit arrears were paid on 05/01/2000.

The indicator of delay in this example runs from 03/02/97 to 02/04/97 and interest is thus payable on the arrears for the period from 03/04/97 to 05/01/2000.

METHOD

Tax Year	Amount	From	To	Months	Interest rate	Amount of interest
1996/97	£258.30	03/04/97	05/04/97	0.10	3.60%	£0.08
		06/04/97	05/04/98	12	4.552%	£11.76
		06/04/98	05/04/99	12	4.881%	£12.61
		06/04/99	05/01/00	9	3.952%	£7.66
1997/98	£1,010.40	06/04/97	05/04/98	12	4.552%	£45.99
		06/04/98	05/04/99	12	4.881%	£49.32
		06/04/99	05/01/00	9	3.952%	£29.95
1998/99	£480.51	06/04/98	05/04/99	12	4.881%	£23.45
		06/04/99	05/01/00	9	3.952%	£14.24
1999/00	£0.00	06/04/99	05/01/00	9	3.952%	£0.00
Totals	£1,749.21					£195.06

Rules to follow:

1. The arrears of benefit upon which interest is due are allocated to the tax years in which they were due.
2. The interest rates given in Annex E are used to calculate the interest due in each tax year from the day following the end of the period of the indicator of delay up to the date arrears were paid.
3. For any arrears of benefit due in the current tax year
 - the previous years interest rate is used or
 - where an alternative rate has been supplied by DSD Finance and Planning Unit, the alternative rate. An alternative rate is supplied by DSD Finance and Planning Unit if the average of the monthly rates for the current year varies from the rate being used by more than 0.5%.

This example is for illustrative purposes only.

Annex E

RATES OF SIMPLE INTEREST FOR USE WHEN DELAY IS LESS THAN 10 YEARS

Tax Year	Yearly Interest Rate %
86/87	7.740
87/88	7.200
88/89	7.700
89/90	9.550
90/91	10.440
91/92	7.540
92/93	5.690
93/94	4.220
94/95	4.100
95/96	4.040
96/97	3.600
97/98	4.552
98/99	4.881
99/00	3.952
00/01	4.369
01/02	3.551
02/03	2.915
03/04	2.691

Note:

- See paragraph 137
- Example of how to use these simple interest rates is at Annex D.

Annex F

EXAMPLES OF A COMPOUND INTEREST CALCULATION WHEN DELAY HAS LASTED 10 YEARS OR MORE

- The two examples below show how compound interest is calculated in two theoretical cases where benefit was underpaid from 9 June 1988 to 13 March 1993 as a result of a Departmental error. £6,650 of benefit arrears were paid on 29 October 1999.
- There are three stages to the calculation of compensation for delay when the delay has lasted 10 years or more.
- In the first example, the indicator of delay of twelve months runs from 9 June 1988 to 8 June 1989, ending in the second tax year for which the arrears of benefit are due. Interest is payable for the period 9 June 1989 to 29 October 1999, the date of payment of the arrears. All three stages of the calculation are applied.
- In the second example, the indicator of delay of two months runs from 9 June 1988 to 8 August 1988. Interest is therefore payable for the period 9 August 1988 to 29 October 1999, the date of payment of arrears. In this second example the indicator of delay ends within the first year of the arrears and there is no Stage 1 calculation.

FOR BOTH EXAMPLES

- The arrears of benefit are divided into the tax years in which they were due, that is, within periods from 6 April to 5 April:

1988/89	£1,220	(arrears from 09/06/88 – 05/04/89)
1989/90	£1,270	(arrears from 06/04/89 – 05/04/90)
1990/91	£1,340	(arrears from 06/04/90 – 05/04/91)
1991/92	£1,390	(arrears from 06/04/91 – 05/04/92)
1992/93	£1,430	(arrears from 06/04/92 – 13/03/93)
Total	£6,650	

FIRST EXAMPLE: INDICATOR OF DELAY ENDS IN THE SECOND TAX YEAR FOR WHICH THE ARREARS OF BENEFIT ARE DUE.

Stage 1: Interest from the end of the indicator of delay to the end of the tax year: factors at Annex G

Interest from 9 June 1989 to 5 April 1990

1. The Stage 1 calculation shown below is only required when the indicator of delay period ends in the second tax year.
2. It calculates interest on the first year's arrears only.

3. These arrears are treated as payable at the end of the indicator of delay period. The interest from that date until the end of the tax year is calculated by application of the Annex G factor.

Stage 1 calculation:

Arrears from 09.06.88 to 05.04.89	= £1,220
Interest from 09.06.89 (day following the end of the indicator of delay) to 05.04.90	= 10 Months
Annex G factor for 1989/90	= 0.0640
Interest = £1,220 × 0.0640 × ¹⁰ / ₁₂	= £65.07

Stage 2: Interest for complete tax years: factors at Annex H

Interest from 6 April 1990 to 5 April 1999

4. The factors at Annex H are applied in respect of complete tax years after any period for which Stage 1 interest was calculated.
5. In this example, Stage 2 interest is calculated for the period from 1990/91 to 1998/99.
6. Arrears are treated as payable at the end of the tax year in which they were due. The application of the Annex H factor for the tax year in which the arrears were due, calculates compound interest from the end of the tax year in which they were due.

Stage 2 calculation

7. To ensure that interest on the arrears for 1988/89 is compounded, the arrears and interest (from Stage 1) are added to the arrears for 1989/90 and multiplied by the Annex H factor for 1989/90. The calculation is continued as in the table below.

Tax Year to which arrears relate	Amount of arrears	Factor from Annex H	Compensation Payable
1989/90 (including Stage 1)	£2,555.07	0.4867	£1,243.55
1990/91	£1,340.00	0.3967	£531.58
1991/92	£1,390.00	0.3584	£498.18
1992/93	£1,430.00	0.2847	£407.12
Total	£6,715.07	—	£2,680.43

Stage 3: Interest for the final, incomplete, tax year at end of period: factors at Annex I

Interest from 6 April 1999 to 29 October 1999

8. Interest for part of the last tax year is calculated using the factors in Annex I.

Note: if the end of the period coincides with the end of a tax year, then there will be no Stage 3 calculation.

Stage 3 calculation

9. As, in this example, the arrears were paid after the beginning of the 1999 – 2000 tax year, it is necessary to calculate additional compensation for the months from April and October 1999, the month the arrears were paid. All the arrears to the end of the last complete tax year before the arrears were paid, in this example 1992/93, are added to the total amount of compensation arrived at in Stage 2:

Arrears to the end of tax year 1992/93 = £6,650.00

Compensation = £2,680.43

Total payment due = £9,330.43

10. This total is then multiplied by the factor from the relevant column in Annex I and the amount obtained is added to the compensation from Stages 1 and 2:

$£9,330.43 \times 0.0193$ (for October 1999 from Annex I) = £180.08

Total Compensation:	Stage 1	£65.07
	Stage 2	£2,680.43
	Stage 3	£180.08

Compensation payable £2,925.58

This example is for illustrative purposes only.

SECOND EXAMPLE: INDICATOR OF DELAY ENDS IN THE FIRST TAX YEAR.

Stage 1: When the indicator of delay ends in the first tax year there is no Stage 1 calculation

Stage 2: Interest from 6 April 1989 to 5 April 1999: factors at Annex H

11. The factors at Annex H are applied in respect of complete tax years.
12. In this example, Stage 2 interest is calculated for the period from 1989/90 to 1998/99.
13. Arrears are treated as payable at the end of the tax year in which they were due. The application of the Annex H factor for the tax year in which the arrears were due, calculates compound interest from the end of the tax year in which they were due.

Stage 2 calculation

14. The arrears are multiplied by the Annex H factor for the relevant year.

Tax Year to which arrears relate	Amount of arrears	Factor from Annex H	Compensation Payable
1988/89	£1220.00	0.5818	£709.80
1989/90	£1270.00	0.4867	£618.11
1990/91	£1,340.00	0.3967	£531.58
1991/92	£1,390.00	0.3584	£498.18
1992/93	£1,430.00	0.2847	£407.12
Total	£6650.00	—	£2764.79

Stage 3: Interest on benefit for the final, incomplete, tax year at end of period: factors at Annex I

Interest from 6 April 1999 to 29 October 1999

15. Interest for part of the last tax year is calculated using the factors in Annex I.

Note: if the end of the period of benefit coincides with the end of a tax year, then there will be no Stage 3 calculation.

Stage 3 calculation

16. As, in this example, the arrears were paid after the beginning of the 1999 – 2000 tax year, it is necessary to calculate additional compensation for the months from April and October 1999, the month the arrears were paid. All the arrears to the end of the last complete tax year before the arrears were paid, in this example 1992/93, are added to the total amount of compensation arrived at in Stage 2:

Arrears to the end of tax year 1992/93	= £6,650.00
Compensation	= £2,764.79
Total payment due	= £9,414.79

17. This total is then multiplied by the factor from the relevant column in Annex I and the amount obtained is added to the compensation from Stage 2:

$$£9,414.79 \times 0.0193 \text{ (for October 1999 from Annex I)} = £181.71$$

Total Compensation:	Stage 1	£0.00
	Stage 2	£2,764.79
	Stage 3	£181.71
Compensation payable		£2,946.50

This example is for illustrative purposes only.

Annex G

TABLE 1 FACTORS

1915/16	0.0252	1940/41	0.0353	1965/66	0.0398	1990/91	0.0645
1916/17	0.0252	1941/42	0.0353	1966/67	0.0404	1991/92	0.0282
1917/18	0.0252	1942/43	0.0353	1967/68	0.0423	1992/93	0.0574
1918/19	0.0252	1943/44	0.0353	1968/69	0.0498	1993/94	0.0425
1919/20	0.0252	1944/45	0.0353	1969/70	0.0506	1994/95	0.0413
1920/21	0.0252	1945/46	0.0353	1970/71	0.0506	1995/96	0.0407
1921/22	0.0252	1946/47	0.0353	1971/72	0.0500	1996/97	0.0363
1922/23	0.0252	1947/48	0.0353	1972/73	0.0512	1997/98	0.0460
1923/24	0.0252	1948/49	0.0353	1973/74	0.0721	1998/99	0.0494
1924/25	0.0252	1949/50	0.0353	1974/75	0.0764	1999/00	0.0399
1925/26	0.0252	1950/51	0.0353	1975/76	0.0721	2000/01	0.0442
1926/27	0.0252	1951/52	0.0226	1976/77	0.0721	2001/02	0.0358
1927/28	0.0252	1952/53	0.0252	1977/78	0.0657		
1928/29	0.0252	1953/54	0.0252	1978/79	0.0695		
1929/30	0.0252	1954/55	0.0252	1979/80	0.0929		
1930/31	0.0252	1955/56	0.0281	1980/81	0.1045		
1931/32	0.0252	1956/57	0.0328	1981/82	0.0922		
1932/33	0.0252	1957/58	0.0353	1982/83	0.0781		
1933/34	0.0252	1958/59	0.0353	1983/84	0.0712		
1934/35	0.0252	1959/60	0.0334	1984/85	0.0712		
1935/36	0.0252	1960/61	0.0347	1985/86	0.0800		
1936/37	0.0252	1961/62	0.0366	1986/87	0.0611		
1937/38	0.0252	1962/63	0.0379	1987/88	0.0491		
1938/39	0.0252	1963/64	0.0353	1988/89	0.0495		
1939/40	0.0252	1964/65	0.0357	1989/90	0.0640		

Annex H

TABLE 2 FACTORS (Updated April 95)

1915/16	23.6736	1940/41	12.1158	1965/66	4.7649	1990/91	0.1801
1916/17	23.0672	1941/42	11.6686	1966/67	4.5411	1991/92	0.1478
1917/18	22.4757	1942/43	11.2367	1967/68	4.3163	1992/93	0.0855
1918/19	21.8997	1943/44	10.8195	1968/69	4.0642	1993/94	0.0413
1919/20	21.3359	1944/45	10.4165	1969/70	3.8203	1994/95	NIL
1920/21	20.7869	1945/46	10.0273	1970/71	3.5882		
1921/22	20.2514	1946/47	9.6514	1971/72	3.3698		
1922/23	19.7291	1947/48	9.2883	1972/73	3.157		
1923/24	19.2196	1948/49	8.9376	1973/74	2.8775		
1924/25	18.7226	1949/50	8.5988	1974/75	2.6023		
1925/26	18.2379	1950/51	8.2716	1975/76	2.3601		
1926/27	17.7651	1951/52	8.0667	1976/77	2.1342		
1927/28	17.3039	1952/53	7.8439	1977/78	1.941		
1928/29	16.854	1953/54	7.6266	1978/79	1.7499		
1929/30	16.4152	1954/55	7.4146	1979/80	1.5162		
1930/31	15.9872	1955/56	7.1847	1980/81	1.2782		
1931/32	15.5697	1956/57	6.9248	1981/82	1.0859		
1932/33	15.1625	1957/58	6.6546	1982/83	0.9348		
1933/34	14.7653	1958/59	6.3937	1983/84	0.8062		
1934/35	14.3778	1959/60	6.1548	1984/85	0.6862		
1935/36	13.9999	1960/61	5.9149	1985/86	0.5613		
1936/37	13.6312	1961/62	5.6708	1986/87	0.4714		
1937/38	13.2716	1962/63	5.4273	1987/88	0.4026		
1938/39	12.9208	1963/64	5.2082	1988/89	0.3365		
1939/40	12.5787	1964/65	4.9943	1989/90	0.2562		

Annex H

TABLE 2 FACTORS (Updated April 96)

1915/16	24.6751	1940/41	12.648	1965/66	4.9987	1990/91	0.228
1916/17	24.044	1941/42	12.1827	1966/67	4.7658	1991/92	0.1944
1917/18	23.4285	1942/43	11.7333	1967/68	4.5319	1992/93	0.1296
1918/19	22.8281	1943/44	11.2992	1968/69	4.2695	1993/94	0.0836
1919/20	22.2424	1944/45	10.8799	1969/70	4.0158	1994/95	0.0407
1920/21	21.6711	1945/46	10.4749	1970/71	3.7743	1995/96	NIL
1921/22	21.1139	1946/47	10.0837	1971/72	3.547		
1922/23	20.5704	1947/48	9.7058	1972/73	3.3256		
1923/24	20.0402	1948/49	9.3408	1973/74	3.0347		
1924/25	19.5231	1949/50	8.9883	1974/75	2.7484		
1925/26	19.0187	1950/51	8.6478	1975/76	2.4964		
1926/27	18.5267	1951/52	8.4346	1976/77	2.2613		
1927/28	18.0468	1952/53	8.2027	1977/78	2.0603		
1928/29	17.5787	1953/54	7.9765	1978/79	1.8615		
1929/30	17.1221	1954/55	7.7559	1979/80	1.6183		
1930/31	16.6767	1955/56	7.5166	1980/81	1.3706		
1931/32	16.2422	1956/57	7.2462	1981/82	1.1705		
1932/33	15.8184	1957/58	6.9651	1982/83	1.0133		
1933/34	15.405	1958/59	6.6936	1983/84	0.8795		
1934/35	15.0018	1959/60	6.445	1984/85	0.7546		
1935/36	14.6085	1960/61	6.1954	1985/86	0.6247		
1936/37	14.2249	1961/62	5.9414	1986/87	0.5312		
1937/38	13.8507	1962/63	5.688	1987/88	0.4596		
1938/39	13.4857	1963/64	5.46	1988/89	0.3908		
1939/40	13.1297	1964/65	5.2374	1989/90	0.3072		

Annex H

TABLE 2 FACTORS (Updated April 97)

1915/16	25.6053	1940/41	13.1425	1965/66	5.2159	1990/91	0.2726
1916/17	24.9514	1941/42	12.6603	1966/67	4.9746	1991/92	0.2377
1917/18	24.3135	1942/43	12.1946	1967/68	4.7322	1992/93	0.1706
1918/19	23.6913	1943/44	11.7448	1968/69	4.4603	1993/94	0.1229
1919/20	23.0844	1944/45	11.3103	1969/70	4.1974	1994/95	0.0784
1920/21	22.4924	1945/46	10.8906	1970/71	3.9471	1995/96	0.0363
1921/22	21.9150	1946/47	10.4852	1971/72	3.7116	1996/97	NIL
1922/23	21.3518	1947/48	10.0936	1972/73	3.4822		
1923/24	20.8024	1948/49	9.7154	1973/74	3.1808		
1924/25	20.2665	1949/50	9.3501	1974/75	2.8841		
1925/26	19.7438	1950/51	8.9972	1975/76	2.6229		
1926/27	19.2340	1951/52	8.7763	1976/77	2.3793		
1927/28	18.7367	1952/53	8.5360	1977/78	2.1710		
1928/29	18.2516	1953/54	8.3016	1978/79	1.9650		
1929/30	17.7784	1954/55	8.0730	1979/80	1.7130		
1930/31	17.3169	1955/56	7.8251	1980/81	1.4564		
1931/32	16.8667	1956/57	7.5449	1981/82	1.2491		
1932/33	16.4276	1957/58	7.2536	1982/83	1.0862		
1933/34	15.9993	1958/59	6.9722	1983/84	0.9476		
1934/35	15.5815	1959/60	6.7146	1984/85	0.8182		
1935/36	15.1740	1960/61	6.4559	1985/86	0.6836		
1936/37	14.7765	1961/62	6.1927	1986/87	0.5867		
1937/38	14.3888	1962/63	5.9301	1987/88	0.5125		
1938/39	14.0106	1963/64	5.6939	1988/89	0.4412		
1939/40	13.6417	1964/65	5.4632	1989/90	0.3546		

Annex H

TABLE 2 FACTORS (Updated April 98)

1915/16	26.8322	1940/41	13.7944	1965/66	5.5026	1990/91	0.3311
1916/17	26.1481	1941/42	13.2900	1966/67	5.2501	1991/92	0.2946
1917/18	25.4808	1942/43	12.8028	1967/68	4.9965	1992/93	0.2244
1918/19	24.8299	1943/44	12.3322	1968/69	4.7121	1993/94	0.1745
1919/20	24.1950	1944/45	11.8777	1969/70	4.4370	1994/95	0.1280
1920/21	23.5757	1945/46	11.4387	1970/71	4.1752	1995/96	0.0839
1921/22	22.9717	1946/47	11.0146	1971/72	3.9288	1996/97	0.0460
1922/23	22.3825	1947/48	10.6050	1972/73	3.6888	1997/98	NIL
1923/24	21.8078	1948/49	10.2094	1973/74	3.3735		
1924/25	21.2472	1949/50	9.8272	1974/75	3.0631		
1925/26	20.7004	1950/51	9.4581	1975/76	2.7899		
1926/27	20.1670	1951/52	9.2270	1976/77	2.5351		
1927/28	19.6468	1952/53	8.9757	1977/78	2.3172		
1928/29	19.1393	1953/54	8.7305	1978/79	2.1017		
1929/30	18.6443	1954/55	8.4914	1979/80	1.8381		
1930/31	18.1615	1955/56	8.2320	1980/81	1.5696		
1931/32	17.6905	1956/57	7.9389	1981/82	1.3527		
1932/33	17.2311	1957/58	7.6342	1982/83	1.1823		
1933/34	16.7830	1958/59	7.3399	1983/84	1.0373		
1934/35	16.3459	1959/60	7.0704	1984/85	0.9019		
1935/36	15.9196	1960/61	6.7998	1985/86	0.7611		
1936/37	15.5038	1961/62	6.5245	1986/87	0.6597		
1937/38	15.0982	1962/63	6.2498	1987/88	0.5821		
1938/39	14.7025	1963/64	6.0027	1988/89	0.5075		
1939/40	14.3166	1964/65	5.7614	1989/90	0.4169		

Annex H

TABLE 2 FACTORS (Updated April 99)

1915/16	28.2040	1940/41	14.5237	1965/66	5.8229	1990/91	0.3967
1916/17	27.4862	1941/42	13.9944	1966/67	5.5580	1991/92	0.3584
1917/18	26.7860	1942/43	13.4832	1967/68	5.2919	1992/93	0.2847
1918/19	26.1031	1943/44	12.9894	1968/69	4.9935	1993/94	0.2324
1919/20	25.4369	1944/45	12.5125	1969/70	4.7049	1994/95	0.1836
1920/21	24.7871	1945/46	12.0518	1970/71	4.4302	1995/96	0.1374
1921/22	24.1533	1946/47	11.6068	1971/72	4.1717	1996/97	0.0976
1922/23	23.5351	1947/48	11.1770	1972/73	3.9199	1997/98	0.0494
1923/24	22.9321	1948/49	10.7619	1973/74	3.5891	1998/99	NIL
1924/25	22.3439	1949/50	10.3609	1974/75	3.2634		
1925/26	21.7701	1950/51	9.9736	1975/76	2.9767		
1926/27	21.2104	1951/52	9.7311	1976/77	2.7093		
1927/28	20.6645	1952/53	9.4674	1977/78	2.4807		
1928/29	20.1320	1953/54	9.2102	1978/79	2.2546		
1929/30	19.6126	1954/55	8.9593	1979/80	1.9780		
1930/31	19.1060	1955/56	8.6871	1980/81	1.6963		
1931/32	18.6118	1956/57	8.3795	1981/82	1.4687		
1932/33	18.1298	1957/58	8.0597	1982/83	1.2899		
1933/34	17.6596	1958/59	7.7508	1983/84	1.1377		
1934/35	17.2010	1959/60	7.4680	1984/85	0.9957		
1935/36	16.7537	1960/61	7.1841	1985/86	0.8479		
1936/37	16.3174	1961/62	6.8952	1986/87	0.7415		
1937/38	15.8918	1962/63	6.6069	1987/88	0.6600		
1938/39	15.4766	1963/64	6.3476	1988/89	0.5818		
1939/40	15.0716	1964/65	6.0944	1989/90	0.4867		

Annex H

TABLE 2 FACTORS (Updated April 2000)

1915/16	29.3683	1940/41	15.1425	1965/66	6.0948	1990/91	0.4524
1916/17	28.6219	1941/42	14.5921	1966/67	5.8193	1991/92	0.4126
1917/18	27.8938	1942/43	14.0605	1967/68	5.5426	1992/93	0.3360
1918/19	27.1836	1943/44	13.5470	1968/69	5.2323	1993/94	0.2816
1919/20	26.4909	1944/45	13.0510	1969/70	4.9322	1994/95	0.2308
1920/21	25.8152	1945/46	12.5720	1970/71	4.6465	1995/96	0.1827
1921/22	25.1561	1946/47	12.1093	1971/72	4.3777	1996/97	0.1413
1922/23	24.5132	1947/48	11.6624	1972/73	4.1158	1997/98	0.0912
1923/24	23.8861	1948/49	11.2307	1973/74	3.7718	1998/99	0.0399
1924/25	23.2744	1949/50	10.8137	1974/75	3.4332	1999/00	NIL
1925/26	22.6778	1950/51	10.4109	1975/76	3.1351		
1926/27	22.0958	1951/52	10.1588	1976/77	2.8571		
1927/28	21.5281	1952/53	9.8846	1977/78	2.6194		
1928/29	20.9744	1953/54	9.6171	1978/79	2.3842		
1929/30	20.4343	1954/55	9.3562	1979/80	2.0966		
1930/31	19.9075	1955/56	9.0732	1980/81	1.8037		
1931/32	19.3936	1956/57	8.7533	1981/82	1.5671		
1932/33	18.8924	1957/58	8.4208	1982/83	1.3812		
1933/34	18.4035	1958/59	8.0996	1983/84	1.2230		
1934/35	17.9266	1959/60	7.8055	1984/85	1.0753		
1935/36	17.4614	1960/61	7.5102	1985/86	0.9216		
1936/37	17.0077	1961/62	7.2098	1986/87	0.8110		
1937/38	16.5651	1962/63	6.9101	1987/88	0.7263		
1938/39	16.1334	1963/64	6.6404	1988/89	0.6449		
1939/40	15.7123	1964/65	6.3771	1989/90	0.5460		

Annex H

TABLE 2 FACTORS (Updated April 2001)

1915/16	30.7133	1940/41	15.8575	1965/66	6.4093	1990/91	0.5165
1916/17	29.9338	1941/42	15.2828	1966/67	6.1216	1991/92	0.4750
1917/18	29.1735	1942/43	14.7277	1967/68	5.8326	1992/93	0.3950
1918/19	28.4319	1943/44	14.1915	1968/69	5.5085	1993/94	0.3382
1919/20	27.7085	1944/45	13.6736	1969/70	5.1951	1994/95	0.2852
1920/21	27.0029	1945/46	13.1733	1970/71	4.8968	1995/96	0.2350
1921/22	26.3146	1946/47	12.6901	1971/72	4.6160	1996/97	0.1918
1922/23	25.6432	1947/48	12.2234	1972/73	4.3425	1997/98	0.1394
1923/24	24.9883	1948/49	11.7726	1973/74	3.9833	1998/99	0.0858
1924/25	24.3495	1949/50	11.3371	1974/75	3.6296	1999/00	0.0442
1925/26	23.7264	1950/51	10.9165	1975/76	3.3183	2000/01	NIL
1926/27	23.1187	1951/52	10.6532	1976/77	3.0279		
1927/28	22.5259	1952/53	10.3668	1977/78	2.7796		
1928/29	21.9477	1953/54	10.0874	1978/79	2.5340		
1929/30	21.3837	1954/55	9.8149	1979/80	2.2336		
1930/31	20.8335	1955/56	9.5194	1980/81	1.9277		
1931/32	20.2969	1956/57	9.1854	1981/82	1.6806		
1932/33	19.7735	1957/58	8.8382	1982/83	1.4865		
1933/34	19.2629	1958/59	8.5028	1983/84	1.3213		
1934/35	18.7649	1959/60	8.1957	1984/85	1.1671		
1935/36	18.2791	1960/61	7.8874	1985/86	1.0066		
1936/37	17.8053	1961/62	7.5737	1986/87	0.8911		
1937/38	17.3431	1962/63	7.2607	1987/88	0.8026		
1938/39	16.8923	1963/64	6.9791	1988/89	0.7176		
1939/40	16.4525	1964/65	6.7041	1989/90	0.6143		

Annex H

TABLE 2 FACTORS (Updated April 2002)

1915/16	31.8464	1940/41	16.4598	1965/66	6.6737	1990/91	0.5708
1916/17	31.0391	1941/42	15.8645	1966/67	6.3758	1991/92	0.5278
1917/18	30.2516	1942/43	15.2895	1967/68	6.0765	1992/93	0.4449
1918/19	29.4835	1943/44	14.7341	1968/69	5.7409	1993/94	0.3860
1919/20	28.7342	1944/45	14.1977	1969/70	5.4163	1994/95	0.3311
1920/21	28.0034	1945/46	13.6796	1970/71	5.1073	1995/96	0.2791
1921/22	27.2905	1946/47	13.1791	1971/72	4.8165	1996/97	0.2343
1922/23	26.5952	1947/48	12.6957	1972/73	4.5332	1997/98	0.1801
1923/24	25.9169	1948/49	12.2288	1973/74	4.1611	1998/99	0.1246
1924/25	25.2553	1949/50	11.7778	1974/75	3.7948	1999/00	0.0815
1925/26	24.6100	1950/51	11.3422	1975/76	3.4724	2000/01	0.0358
1926/27	23.9805	1951/52	11.0695	1976/77	3.1717	2001/02	NIL
1927/28	23.3665	1952/53	10.7729	1977/78	2.9146		
1928/29	22.7676	1953/54	10.4836	1978/79	2.6603		
1929/30	22.1834	1954/55	10.2014	1979/80	2.3492		
1930/31	21.6136	1955/56	9.8953	1980/81	2.0324		
1931/32	21.0578	1956/57	9.5493	1981/82	1.7765		
1932/33	20.5157	1957/58	9.1897	1982/83	1.5754		
1933/34	19.9869	1958/59	8.8423	1983/84	1.4043		
1934/35	19.4711	1959/60	8.5242	1984/85	1.2445		
1935/36	18.9680	1960/61	8.2048	1985/86	1.0783		
1936/37	18.4772	1961/62	7.8798	1986/87	0.9587		
1937/38	17.9985	1962/63	7.5556	1987/88	0.8671		
1938/39	17.5316	1963/64	7.2639	1988/89	0.7791		
1939/40	17.0761	1964/65	6.9791	1989/90	0.6721		

Annex H

TABLE 2 FACTORS (Updated April 2003)

1915/16	32.8089	1940/41	16.9715	1965/66	6.8987	1990/91	0.6169
1916/17	31.9779	1941/42	16.3588	1966/67	6.5920	1991/92	0.5726
1917/18	31.1673	1942/43	15.7670	1967/68	6.2839	1992/93	0.4873
1918/19	30.3767	1943/44	15.1954	1968/69	5.9384	1993/94	0.4267
1919/20	29.6055	1944/45	14.6432	1969/70	5.6043	1994/95	0.3702
1920/21	28.8532	1945/46	14.1099	1970/71	5.2863	1995/96	0.3167
1921/22	28.1194	1946/47	13.5948	1971/72	4.9870	1996/97	0.2706
1922/23	27.4037	1947/48	13.0972	1972/73	4.6954	1997/98	0.2148
1923/24	26.7056	1948/49	12.6166	1973/74	4.3124	1998/99	0.1577
1924/25	26.0246	1949/50	12.1524	1974/75	3.9354	1999/00	0.1133
1925/26	25.3604	1950/51	11.7040	1975/76	3.6035	2000/01	0.0662
1926/27	24.7125	1951/52	11.4233	1976/77	3.2940	2001/02	0.0294
1927/28	24.0805	1952/53	11.1180	1977/78	3.0293	2002/03	0.0000
1928/29	23.4641	1953/54	10.8202	1978/79	2.7675		
1929/30	22.8628	1954/55	10.5297	1979/80	2.4473		
1930/31	22.2763	1955/56	10.2146	1980/81	2.1212		
1931/32	21.7042	1956/57	9.8585	1981/82	1.8578		
1932/33	21.1462	1957/58	9.4883	1982/83	1.6508		
1933/34	20.6019	1958/59	9.1307	1983/84	1.4747		
1934/35	20.0710	1959/60	8.8033	1984/85	1.3103		
1935/36	19.5531	1960/61	8.4746	1985/86	1.1392		
1936/37	19.0479	1961/62	8.1401	1986/87	1.0161		
1937/38	18.5552	1962/63	7.8064	1987/88	0.9218		
1938/39	18.0746	1963/64	7.5062	1988/89	0.8312		
1939/40	17.6058	1964/65	7.2130	1989/90	0.7211		

Annex H

TABLE 2 FACTORS (Updated April 2004)

1915/16	33.7292	1940/41	17.4606	1965/66	7.1134	1990/91	0.6606
1916/17	32.8756	1941/42	16.8312	1966/67	6.7984	1991/92	0.6151
1917/18	32.0430	1942/43	16.2233	1967/68	6.4820	1992/93	0.5275
1918/19	31.2308	1943/44	15.6361	1968/69	6.1271	1993/94	0.4653
1919/20	30.4386	1944/45	15.0689	1969/70	5.7839	1994/95	0.4072
1920/21	29.6659	1945/46	14.5211	1970/71	5.4572	1995/96	0.3522
1921/22	28.9122	1946/47	13.9919	1971/72	5.1498	1996/97	0.3049
1922/23	28.1770	1947/48	13.4808	1972/73	4.8503	1997/98	0.2476
1923/24	27.4599	1948/49	12.9871	1973/74	4.4569	1998/99	0.1889
1924/25	26.7604	1949/50	12.5102	1974/75	4.0696	1999/00	0.1433
1925/26	26.0781	1950/51	12.0496	1975/76	3.7287	2000/01	0.0950
1926/27	25.4126	1951/52	11.7612	1976/77	3.4107	2001/02	0.0572
1927/28	24.7634	1952/53	11.4476	1977/78	3.1388	2002/03	0.0271
1928/29	24.1302	1953/54	11.1417	1978/79	2.8699	2003/04	0.0000
1929/30	23.5125	1954/55	10.8433	1979/80	2.5410		
1930/31	22.9100	1955/56	10.5196	1980/81	2.2060		
1931/32	22.3223	1956/57	10.1538	1981/82	1.9354		
1932/33	21.7491	1957/58	9.7735	1982/83	1.7228		
1933/34	21.1900	1958/59	9.4062	1983/84	1.5419		
1934/35	20.6446	1959/60	9.0699	1984/85	1.3730		
1935/36	20.1126	1960/61	8.7322	1985/86	1.1973		
1936/37	19.5937	1961/62	8.3886	1986/87	1.0708		
1937/38	19.0875	1962/63	8.0458	1987/88	0.9739		
1938/39	18.5938	1963/64	7.7374	1988/89	0.8808		
1939/40	18.1122	1964/65	7.4363	1989/90	0.7677		

Appendix I

TABLE 3 FACTORS

	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
APR	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
MAY	0.0036	0.0030	0.0032	0.0042	0.0033	0.0036	0.0033	0.0025	0.0023	0.0025
JUN	0.0072	0.0060	0.0067	0.0085	0.0065	0.0072	0.0065	0.0050	0.0046	0.0051
JUL	0.0108	0.0090	0.0103	0.0128	0.0097	0.0109	0.0097	0.0075	0.0068	0.0078
AUG	0.0144	0.0119	0.0141	0.0172	0.0129	0.0146	0.0129	0.0099	0.0089	0.0106
SEP	0.0179	0.0148	0.0180	0.0216	0.0161	0.0183	0.0160	0.0123	0.0110	0.0135
OCT	0.0212	0.0177	0.0220	0.0260	0.0193	0.0220	0.0190	0.0147	0.0131	0.0163
NOV	0.0245	0.0206	0.0260	0.0302	0.0225	0.0257	0.0218	0.0171	0.0152	
DEC	0.0278	0.0236	0.0300	0.0342	0.0258	0.0294	0.0245	0.0195	0.0175	
JAN	0.0308	0.0267	0.0341	0.0379	0.0291	0.0330	0.0270	0.0219	0.0198	
FEB	0.0338	0.0298	0.0382	0.0414	0.0325	0.0366	0.0295	0.0243	0.0221	
MAR	0.0368	0.0329	0.0424	0.0447	0.0361	0.0401	0.0320	0.0266	0.0246	

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Annex J

INTEREST FOR DELAY – OVERVIEW

1	Check that arrears are £100 or more.	Paragraphs 112 & 114
2	Check that period of delay exceeds relevant indicator.	Paragraphs 115–118
3	Check that maladministration has occurred.	Paragraph 117
4	If maladministration has occurred is the delay arising out of the maladministration significant	Paragraphs 129 & 130
5	Apportion the arrears to the tax years in which they fell due.	Paragraphs 136–138 Annex D and F
6	If the delay in payment of benefit has been less than 10 years from either the date of claim or first contact, whichever is the later, calculate the compensation as simple interest.	Annex D
7	If the delay in payment of benefit has been 10 years or more from either the date of claim or first contact, whichever is the later, calculate the compensation as compound interest.	Annex F
8	If it is necessary to deduct any overpayments from the compensation payment ensure recovery is completed before the payment is issued.	Paragraphs 36–41
9	Do not pay compensation if the result of the calculation is less than £10.	Paragraphs 112 & 114

You may find the examples in Annex D and F helpful.