


Change - Service Type - To Direct Pay

A change to the service type occurs when the paying parent, the receiving parent or person with care (PeWC) asks to change from collect and pay to direct pay.

Changes to the service type are dealt with by caseworkers wherever the case is located.

Either client can request to change the service type to direct pay, and the request is accepted when:

- A receiving parent requests the change
- A paying parent requests the change, and passes the unlikely to pay check

To carry out a change to service type when the paying parent is making the request proceed to [Unlikely To Pay Check](#). The unlikely to pay check is a discretionary caseworker decision. If the paying parent disputes the decision made, the decision must be checked by a team leader (TL). For more information refer to [Unlikely To Pay Check](#) and the Policy, Law and Decision Making Guidance 

Consideration must be given to any outstanding changes of circumstances. Completing changes which may affect the Maintenance Calculation may impact the decision to either change the service type, following discussion with the client, or the amount of arrears to be collected. If the change of circumstances cannot be completed timeously this should not by default impact the decision to change or reject the request to change service type. For more information on how to handle outstanding changes of circumstances following a request to change the service type, refer to the [Service Type Guide](#).

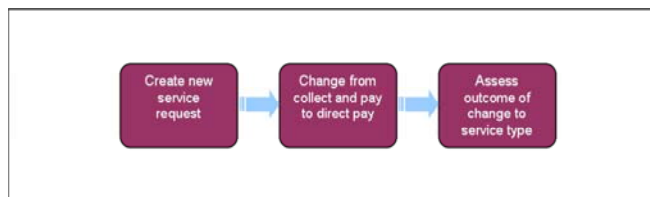
Clients can change service type to direct pay without the need to have any contact with the other client. For more information refer to [Transfer Data Between Clients](#).

When multiple payments have been made directly whilst the service type was collect and pay, clients should consider changing the service type to direct pay. If this is agreed, the change of service type must be made immediately. Then all direct payments made up to the point the request was received are to be recorded as a DP adjustment. This also applies in instances where clients have agreed direct pay and call to notify CMG following their first direct payment. This means collection charges will not be applied for the period of direct payments.

If there has been a request to change service type to direct pay, and clients notify of direct payments made for one-off period/s prior to the date the change was requested, these payments can be considered as direct non scheme payments. This means collection charges will still apply.

The purpose of this process is to establish if a change to the service type can be applied and to log the decision on the system.

For more information refer to the Policy, Law and Decision Making Guidance 



 When speaking to clients always use the new terminology. For more information refer to [Terminology Changes](#).



 This procedure uses the terms receiving parent and paying parent.


The receiving parent is the parent who receives or who is expected to receive child maintenance, known as the parent with care (PWC) or person with care (PeWC) on the system and in legislation. The paying parent is the parent who pays or who is expected to pay child maintenance, known as the non resident parent (NRP) on the system and in legislation.

Please select the relevant section below based on which client has requested the change to service type.

Where possible the request to change service type should be dealt with on the day that it is received.

[Paying Parent Requests Change To Direct Pay](#)

 When the paying parent requests a change to direct pay, the receiving parent does not have to agree in order for the service type to change. Certain criteria must be satisfied in order for the caseworker to accept the request to change the service type. To carry out this process refer to [Unlikely To Pay Check](#). A desk aid has been developed and is available here: [Unlikely To Pay Check desk aid](#). For more information on the unlikely to pay check refer to the Policy, Law and Decision Making Guidance 

 Where an unexpected payment is received, you will need to refund this payment to the paying parent using the [Payment - Non Standard](#) procedure

Receiving Parent Requests Change To Direct Pay

This process should be followed before any of the MOPF - Cancel processes (e.g. Direct Debit - Cancel)

For more information on service types refer to the Policy, Law and Decision Making Guidance 

To help answer any queries the client has regarding direct pay or a future return to collect and pay refer to the [Service Type Guide](#). In addition to direct pay, clients can also opt for family based arrangements. When a change to service type is raised discuss all available options with the client, explaining the benefits of each service type. Rather than promote a particular service type, provide unbiased advice to allow the client to make an informed decision that is suitable for their own individual circumstances.


 For split service type groups i.e. where one case in the casegroup is Direct Pay and the other Calc and Collect, you will need to set up a Manual Allocation Flag so you can refund the proportion for the Direct Pay case, and then let the system allocate the remaining amount to the Calc and Collect case. See the [Payment - Non Standard](#) procedure for information on refunds.

 Ensure that all Service Requests are completed with a satisfactory outcome of **Accepted** or **Rejected**. Do not cancel these SRs.

1. Explain how direct pay works. Key messages to explain to the client are:

- Direct pay is where the clients manage payments directly with each other once we've worked out a child maintenance amount. We will issue a schedule of when payments should be made.
- Inform the client that it will be a statutory liability, which means that it will be a set amount calculated by the Child Maintenance Service.
- The receiving parent and the other party need to arrange payments between themselves to ensure the payment schedule is met. Both clients are expected to work together to make the arrangement work. The Child Maintenance Service can transfer bank details and other personal information to help facilitate the arrangement. For more information, refer to [Transfer Data Between Clients](#).
- Clients should keep a traceable record of payments received in case there is a dispute at a future date.
- Clients should wait 5 working days before advising of a missed payment to allow sufficient time for bank clearance times etc. We will not investigate a missed payment until 5 working days has elapsed from the scheduled payment date.
- If either party has any concerns about maintaining direct pay with regards to the other party finding out their location from the sort code inform them many banks and building societies offer accounts that use a 'central' or 'national' sort code instead of one linked to the local branch where the account was opened. This means that the account details won't give any clue about where the clients live. Clients can also receive payment through money transfer services such as PayPal or Moneygram. For more information refer to [Transfer Data Between Clients](#).

2. Ask the client if they have transferred bank details with the other party to allow payments to be made.

- If no bank details have been provided advise the clients that we can pass details (including bank details) between clients using the CMSL0405/CMSL0406. Refer to [Transfer Data between clients](#) for more information. For more information on payment types while on direct pay refer to Policy, Law and Decision Making Guidance. 
- If the receiving parent has concerns about the paying parent finding out their location from their bank account's sort code issue letter **CMSL9660** which provides details of accounts with non-geographic sort codes. For more information refer to **Procedural Exceptions - Non-Geographic Sort Codes**.

3. In the receiving parent's contact screen, select the SR tab. From the drop down lists select:

- **Process = CofC**
- **Area = Change Method of Payment**
- **Sub Area = Change to Service Type**
- **Source = PWC**
- **Subject = PWC**
- **Add the clients last name**



4. Assign the SR to the case and update the **Status** to **In Progress** and save the record. The system creates an activity plan displaying a list of tasks to complete.

5.  Send **CMSL6161** to the paying parent to advise them of the receiving parent's request to change service type and what this means for them.


Change from collect and pay to direct pay

6. Before completing the SR, check if any payments are about to be received, or if any have recently been received but not yet allocated:

- Check the Online Statement. If a payment has been received within the past seven days check if the funds have allocated yet. If not advise the client we will have to await the payment and allow it to pay out to the receiving parent and the associated charges before completing the change. Wait until five working days after the due date before checking the payment has allocated
- If the current MOPF is direct debit, check the schedule to see when the next payment is due. If a payment is due within the next two working days, the money will already have been requested. Advise the client we will have to await the payment and allow it to pay out to the receiving parent before completing the change to direct pay. After the payment is received, wait until 5 working days after the due date before checking the payment has allocated

- If the method of payment is DEO, potential future deductions will have already requested but not yet received. Advise the client that we will have to refund the amounts once received from their employer. Where the paying parent has more than one case, a manual allocation flag may need to be set to ensure that payments for other cases aren't refunded. For more information refer to [Manual Allocation Flag - Set Up or Payment - Non Standard](#)
 - If the method of payment is deduction from benefit (DfB), some deductions made may be received after the change to Direct Pay. If a refund is legitimate, the benefits agency are responsible for completing this. Send form CMSF2015 and ensure the benefit end date is the same as the change to direct pay effective date. The benefits agency will then make a request for the return of the money to refund the paying parent. For more information refer to [DFB - Cancel](#)
 - If collection fees have been paid out in error, these amounts will need to be refunded. Scenarios where an allocation to charging error may have occurred are; the switch to direct pay was delayed and further payments were received and allocated instead of refunded, or the case was incorrectly switched back to collect and pay to release a payment. A MP219 collection fee refund will need to be applied. For more information refer to [Payment - Non Standard](#)
7.  Call both parents to confirm whether any of the arrears held on the case have already been paid. Advise them to keep records of their payments at all times during the direct pay period. Evidence will be required should either parent choose to change the service type back to collect and pay and a missed payment dispute arises.
-  When contacting a paying parent, ask if they can make a one-off card payment to cover any period of arrears. For more information refer to [Credit/Debit Card - One off Payment](#).
-  In addition to contacting the parents by telephone consider issuing an SMS. For further guidance refer to [SMS Text](#).
8. If payments have been made direct to the receiving parent, the action to take depends on the period the payments were for. If the amounts paid direct are for:
- A one off period prior to the change to service type being requested, record the payment as a direct non scheme payment. Refer to [Direct Non Scheme Payment \(Collect and Pay\)](#). The direct non scheme payment SR must be completed prior to completion of the change to service type. Collection charges will still apply
 - A continuous period i.e. single payment made immediately before, or a number of payments made up to the date the change was requested, record these as a DP adjustment. Perform this after the change to service type has been completed. This is because where there are regular, successful direct payments while the service type is collect and pay, Policy confirms this is supported and considered as a direct pay arrangement. Refer to [Direct Pay Overpayment/underpayment](#). Collection charges will not apply
 - Paid to cover the liability for a period between the date the change to service type was requested and the SR completion date, record the payment as a DP adjustment after completion of the change to service type. Refer to [Direct Pay Overpayment/underpayment](#). Collection charges will not apply
9. Change the **New Service Type Details** to **Direct Pay**, update all fields with appropriate values and then update the **Reason for Service Type Preference** dropdown.
10. Record the **Effective Date** in **SR details**. This is the date that the change is completed, even if the change was reported earlier.
11.  Call the paying parent to request payment of any non-CMG related debt, e.g. DNA test fees. Discuss the direct pay payment frequency and collection date, advising them of the receiving parent preferences if known. If the paying parent has more than one case then the **Payment Frequency** must align, but the collection date can differ. Update both the **Payment Frequency** and the **Payment Day** fields. If you are unable to contact the paying parent update these fields with the current payment frequency details. Non-CMG debt will need to be suspended if unable to be collected.
12. Update the SR **Sub Status** to **MD Confirmed**. The system will generate a new activity plan.
-  A MOPF needs to be in place to complete the change to service type process. If the MOPF is DEO/DER replace it with standing order to allow the promise to pay schedule to expire. For more information refer to [DEO - Cancel](#).

Complete change and issue P2P

13. Select **Get Arrears Balance**. Any arrears to be collected are scheduled on the new P2P schedule, this will also include any 1993/2003 scheme arrears held on 2012 system and owed to the receiving parent. If a negotiation of arrears is required refer to [Arrears Negotiation and Missed Payments](#). Arrears owed to the Secretary of State must be suspended. For more information refer to [Suspend/Unsuspend Liabilities](#).
14.  Update the **Sub Status** to **CoC Accepted**. Issue **CMSL9617** to the receiving parent and **CMSL9618** to the paying parent to confirm that the service type has changed to direct pay. Change the **Resolution Code** to **CoC Accepted**. The system generates a **Perform Calculation SR**. For more information refer to [Calculation - Post Initial](#). The Perform Calculation SR will not generate for Arrears Only cases, see below warning triangle for information where SR is not generated automatically.

If there are direct non scheme payments to record for payments made direct between the date the change was requested and the date the change was completed, cancel the letters from the **Perform Calculation SR** at this stage. Do not close the **Perform Calculation SR** until the process is complete i.e. the new P2P schedule has generated.

From the **Perform Calculation SR**, issue **CMSL4080** to the paying parent and **CMSL4081** to the receiving parent.

 If the **SR Status** goes Error Technical when changing the **Resolution Code** to **CoC Accepted** and does not generate the Perform Calculation SR automatically, raise a **child SR** with the following values to cancel the current MOPF:

- **Process = Payments**
- **Area = Method of Payment From**

■ Sub Area = Amend Existing MOPF

Once the MOPF has been made inactive, create a new **Change Client Data** Calculation SR and select the **Calc Effective Date** as the date the error occurred. For more information refer to [Calculation - Post Initial](#).



If the P2P schedule contains debt not owed to the receiving parent, letter **CMSL4081** must be clerically issued.

15. Follow the relevant procedure to cancel the MOPT, e.g. [Direct Payment - Cancel](#) or [POCA - Cancel](#).
16. Check the **Perform Calculation** child SR is correct and ensure it is closed and completed.
17. Following expiration of the promise to pay schedule, determine whether this is the only Collect and Pay case the paying parent has on the 2012 scheme. Where there are no other Collect and Pay cases end the MOPF using the applicable procedure (e.g. if the MOPF is direct debit use [Direct Debit - Cancel](#), if it is standing order use [Standing Order - Cancel](#) etc).



If all cases in case group are moving to Direct Pay, the MOPF will be automatically cancelled by the system.

18. If a **CMSL9660** was issued to the receiving parent refer to the steps within the **Procedural Exceptions** tab for **Non-Geographic Sort Codes** to complete this procedure.
19. Update the change to service type SR **Status** to **Closed** and the **Sub Status** to **Complete**.
20. If there are any payments paid direct to the receiving parent for a continuous period from before the change to service type being requested up to the date the SR was completed, or the period between the change to service type being requested and the date the SR was completed go to [Direct Pay Overpayment/underpayment](#) to record these payments.
21. If the change to service type has been accepted and the case is currently in enforcement, any ongoing enforcement action must be cancelled. Route the case back to the business as usual segment. For further information refer to [Case Routing Enforcement](#).

Non-geographic sort codes

1. The receiving parent will call the Child Maintenance Service to provide the new bank account details. These should be recorded in the **Non-Geographic Bank Account Details** applet. Include a tick in the domestic violence box. If there is no response from the receiving parent within 14 days of the letter issue date go to **step 3** below to close the SR.
2. Issue letter CMSL9661 to the paying parent which will contain the new bank details and CMSL9662 to the receiving parent to confirm we have passed the details on to the paying parent.
3. Update the Change to Service Type **SR Status** to **Closed** and the Sub Status to **Complete**.

CMSL0405 We need your contact details

Letter to parent who has asked us to pass on their contact details.

CMSL0406 Contact details for other parent

Letter to send contact details of other parent to client.

CMSL0480 Your payment plan for effective date of payment schedule to last payment date of schedule

To paying parent - schedule of payments sent following a change of circs - non liability change

Under 'Your payment plan for..' select the relevant optional paragraph:

- If the arrears balance is on the case group, select paragraph 'Total amount of arrears you owe'.
- If the costs balance is on the case group, select paragraph 'Total amount of costs you must pay'.
- If there is a DEO in place and no other payment method, select the paragraph 'We've arranged to collect child maintenance payments from your earnings.'
- If there is no DEO in place, select the paragraph 'We've arranged to collect child maintenance from you (payment frequency)'.
- If there is a DEO and another payment method also in place, select the paragraph 'We've arranged to collect some child maintenance payments from your earnings'.

Under 'Your payments' select the relevant optional paragraph:

- If there is more than one payment method for the paying parent, select the paragraph 'There are multiple payment dates for the same payment period'.
- If the paying parent is on benefits, use the paragraph 'The monthly payment amounts above are the amounts of child maintenance you owe'.
- If the paying parent is using both collect and pay and private pay, select the paragraph 'Your payment plan only shows the child maintenance payments you are due to make through the Child Maintenance Service'.
- If there are any split care cases in the casegroup with OGM to OGM category, select the paragraph 'The list above shows that your payments have been adjusted because of what we call 'split care'.

- If there are any split care cases in the casegroup with OGM to arrears category, select the paragraph 'The list above shows that your payments have been adjusted because of what we call 'split care'. You and another parent in your case are due to pay amounts of regular child maintenance or arrears to each other'.

Under 'More information' and subsequent sub headings, repeat the option selections as above.

CMSL4081 Your expected payments plan

To receiving parent - schedule of payments sent following a change of circs - non liability change

Under 'Your expected payments plan for..' select the relevant optional paragraph:

- If there is one paying parent and one receiving parent in the case group, select the paragraph 'Although we work out child maintenance as a weekly amount'.
- If there is more than one payment method for the paying parent, select the paragraph 'There are multiple payment dates for the same period'.
- If there is one paying parent and more than one receiving parent in the case group, select the paragraph 'The total amount of regular child maintenance we will collect from'.
- If this is a split care case, and arrears to arrears offset decision has been made, select the paragraph 'Your payments have been adjusted because of what we call 'split care'.
- If this is a split care case, and an OGM to OGM adjustment has been made, select the paragraph 'Your payments have been adjusted because of what we call 'split care. We have written to you separately about this. You and another parent in your case are due to pay amounts of regular child maintenance to each other. Because of this we will only collect the difference between these two amounts.'
- If this is a split care case, select the paragraph 'Your payments have been adjusted because of what we call 'split care'. We have written separately to you about this. You and another parent in your case are due to pay amounts of regular child maintenance or arrears to each other.'
- If the case is arrears only, select the paragraph 'This expected payments plan tells you the dates on which we expect to collect your child maintenance arrears payments'.

Under 'Your payments' and subsequent sub headings, repeat the option selections as above.

CMSL6161 Important information about your child maintenance case

When receiving parent has requested direct pay, a letter to paying parent to advise what it means for them.

All fields in this letter are system generated, no manual intervention is required.

CMSL6162 We need some information from you

When receiving parent or paying parent has requested direct pay and arrears are extant on the case, a letter to receiving parent to ask what to do with them.

All fields in this letter are system generated, no manual intervention is required.

CMSL9617 Your child maintenance arrangement has changed

Letter to receiving parent to confirm that the service type has changed to direct pay.

All fields in this letter are system generated, no manual intervention is required

CMSL9618 Your child maintenance arrangement has changed

Letter to paying parent to confirm that the service type has changed to Direct Pay.

All fields in this letter are system generated, no manual intervention is required

CMSL9660 We need some information from you

When setting up non-geo bank account during change of service type to direct pay or in separate SR - request to receiving parent for their non-geographic bank account details.

All fields in this letter are system generated, no manual intervention needed.

CMSL9661 New child maintenance payment details

When changed service type to direct pay/new geo bank account details - pass on non-geographic bank account details to paying parent.

All fields in this letter are system generated, no manual intervention is required.

CMSL9662 We've passed on your bank account details

When payment method changed/service type changed to direct pay - passed on non-geographic bank account details.

All fields in this letter are system generated, no manual intervention is required.

Arrears Overview

Arrears Negotiation and Missed Payments

Arrears - Consider Action

Arrears - Write Off

Calculation - Post Initial

Change - Contact Details

Change - Service Type - To Collect and Pay

Direct Debit - Cancel

Direct Non Scheme Payment (Collect And Pay)

DFB - Cancel

Standing Order - Cancel

Direct Pay - Overpayment/Underpayment

Direct Pay - Summary

Direct Payment - Set Up

Manual Allocation Flag - Set Up

Service Type Guide

Suspend/Unsuspend Liabilities

Terminology Changes

Transfer Data Between Clients

Unlikely To Pay Check

Voluntary Payment

What if the receiving parent asks for some arrears or a direct non scheme payment to be written off during the change?

Carry out the change to service type first - advise the receiving parent that you will process the write off after changing the service type. Explain that they will receive a new schedule when you change the service type and then a revised schedule once the payment has been written off.

What if a client has arrears but is on benefit and the service type changes to direct pay?

The change will be completed as normal but the promise to pay schedule will not include the arrears. When the benefit claim ends a new P2P will be issued automatically that will contain the correct arrears balance.

What if the clients do not have contact details for each other?

Contact details and bank details can be passed between clients with permission and there are forms to cover this scenario, however this should not delay completion of the change to service type. For more information refer to [Transfer Data Between Clients](#).

If the receiving parent asks to change the service type to direct pay, does the paying parent need to agree to this?

No, if the paying parent does not agree or cannot be contacted then the change request would still be accepted. Manage the receiving parent's expectations if this happens.

Can a paying parent on direct pay choose to buy items for the child/ren or pay household bills to the value of the maintenance amount?

Yes, but only if the receiving parent agrees to accept this in lieu of child maintenance before any items are bought or bills are paid. If the receiving parent agrees to this then the paying parent should obtain a receipt that makes clear the amount being accepted in lieu of maintenance. If this is reported, suggest that a family based arrangement may be more appropriate.

Can a client request a change to the collection date on their direct pay payment schedule?

Yes, for further information refer to [Change-payment-frequency-collection-date](#)

If the paying parent makes a request to change the service type to direct pay, does the receiving parent need to agree to this?

No, if the paying parent requests to change the service type to direct pay then an unlikely to pay check must be carried out. For more information refer to [Unlikely To Pay Check](#).