



Department  
for Work &  
Pensions

# Third Party Payments Creditor/Supplier Handbook

DWP Finance Group, Payment Resolution Service

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# The aim of this handbook

The aim of this handbook is to provide an overview of how the Third Party Deductions Scheme works for organisations and individuals (referred to as Creditors or Suppliers) who receive Third Party Payments.

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

The payment procedures are complex because of the requirement to manage millions of different transactions each year. The following pages aim to improve understanding of the procedures and help ensure that payments are made on time and are for the correct amount in all cases.

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

**Please have your Creditor/Supplier Number ready when contacting the Third Party Payments Contact Centre as you will be asked for this as part of our security check. This can be found on the first page of your payment schedule.**

**We will be unable to proceed with your query without this information.**

**The Third Party Payments contact centre telephone number is:**

**0345 600 2859**

## **Opening Hours**

Monday to Friday, 8.30am to 4.30pm

All calls made to the Third Party Payments contact centre are recorded for training, quality and monitoring purposes.

# Introduction

DWP customers in receipt of certain benefits or credits may have deductions taken from their benefit and paid direct to a Creditor/Supplier under the Third Party Deduction Scheme. Third party deductions will only be made when it is considered to be in the interest of the customer or the customer's family. The actual payment of monies owed to you, the Creditor/Supplier, and paid on behalf of the DWP customer is known as a **Third Party Payment**.

The Third Party Deductions Scheme is operated in accordance with the Social Security (Claims & Payment) Regulations 1987, Regulation 35(1) and Schedule 9 and the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013, Regulation 60 and Schedule 6.

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

**Deductible benefits are:**

Income Support / Pension Credit

Jobseeker's Allowance / Employment Support Allowance

Universal Credit

For more information about Universal Credit visit GOV.UK - <https://www.gov.uk/universal-credit-toolkit-for-partner-organisations>

# Types of arrears recovered from benefit

## Arrears that can be recovered under the scheme include:

- Housing costs (for customer's current address)
- Fuel costs (for customer's current provider)
- Council Tax or Community Charges
- Unpaid fines or compensation orders
- Water and sewerage charges (for customer's current provider)
- Child Maintenance

Please note that under Universal Credit we will not deduct an amount for current consumption costs of fuel or water where the household does not have arrears.

Third party deductions are made according to a priority order. The amount you receive will depend on whether other deductions we make have a higher priority. Please note that a maximum of three third party deductions are made from each payment of benefit.

The priority order for third party deductions under Universal Credit differs from the priority order under other benefits. The provisions for the priority order under Universal Credit are in the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013, Schedule 6, paragraph 5.

Priority Orders can be found here - <http://lawvolumes.dwp.gov.uk/docs/a14-6701.pdf>

# How the scheme operates

## Payments

Once payments are set up on the third party payments system, you, the Creditor/Supplier, will normally receive payment every 28 days and will be 28 days in arrears. Creditors will usually expect to receive the first payment for a customer on your next payment schedule within six weeks from the date deductions have commenced.

Those Creditors/Suppliers receiving third party deductions from customers on Universal Credit will receive 12 payments in a calendar year. This is because assessment periods for Universal Credit are calendar monthly – so we assess what deductions can be made from Universal Credit 12 times each year at the end of each assessment period. Consequently there will always be one 28 day payment cycle each year that does not align with the assessment of deductions from Universal Credit. When this is will depend on the date of the assessment period for a particular customer and the specific dates that apply to the creditor for a particular debt: the date of the assessment period depends on the date of the claim

For Universal Credit please note that the payment you receive may change from month to month depending on what other deductions are made according to the priority order.

A BACS (Bank Automated Clearing System) payment will be made into the bank account nominated by you, the Creditor/Supplier.

A small number of customers are paid their benefit quarterly (13 weekly); this will affect the third party payment as this will also be paid quarterly. If this is inconvenient, please discuss this with us when requesting deductions to be set up.

Once deductions have been set up, you will be sent a notification. Please check the details contained in the notification to ensure they are correct and notify us of any discrepancies or amendments required at the earliest opportunity. The contact details can be found on the top right hand corner of the notification.

# Responsibilities

## As a Creditor/Supplier, you are responsible for:

- Contacting us to apply to set up deductions from the customer's benefit.
- For Income Support and Jobseekers Allowance you should contact the Third Party Deduction team at the relevant local DWP Benefit Delivery Centre or Pension Centre.
- For customers on Universal Credit you can write to us at :  
FREEPOST RTEU-LGUJ-SZLG  
Universal Credit  
Post Handling Site B  
Wolverhampton  
WV99 1AJ
- Checking that the details contained in the notification are all correct. Please notify us of any discrepancies or amendments required - contact details will be on the top right hand corner of the notification.
- Informing us of any changes and requesting any amendments to deductions from benefit i.e. to end or change deduction amount required - contact details will be on the top right hand corner of the notification. **Failure to do so could result in unnecessary over deductions from the customer's benefit.**
- Informing DWP Third Party Payments Team in Blackpool of any amendments required to a Customer Reference Number.
- Allocating all payments to the correct customer account(s) promptly on receipt of your payment schedule and ensuring that any unidentified payments are dealt with as soon as possible; and certainly within 12 months. **It is important to note that we are unable to deal with queries raised relating to anything older.**
- Notifying the DWP Benefit Delivery/Pension Centre/Universal Credit of any overpayment of deductions from benefit.
- Informing DWP Third Party Payments Team in Blackpool promptly of any changes to your name, address or bank account details. **Failure to do this may result in payments being made into an invalid/closed account.**

## The local Third Party Deduction team or Universal Credit Service Centre in DWP will:

- Agree to third party deductions with the creditor and customer and obtain relevant details to set up new Creditors/Suppliers on the third party payments scheme.
- Set up, amend, and terminate deductions from benefit on behalf of customers and Creditors/Suppliers.
- Calculate and pay any underpayment/missing payments of deductions from benefit to the Creditor/Supplier.
- Calculate and recover any overpayment of deductions from benefit made to the Creditor/Supplier.
- Deal with any queries from benefit customers relating to third party deductions.

**The DWP Third Party Payments Team at Blackpool will:**

- Allocate a Creditor/Supplier Number to all new Creditors/Suppliers set up by the Third Party Deduction Team within the Benefit Delivery/Pension Centre/Universal Credit Service Centre.
- Maintain the Creditor/Supplier records with address, contact and bank account details.
- Pay deductions from customer's benefit to the Creditor/Supplier, on behalf of the Third Party Deduction team.
- Deal with queries from Creditors/Suppliers relating to payment schedules.
- Refer Creditor/Suppliers to the relevant Third Party Deduction team to resolve queries regarding the setup of deductions.
- Recover any overpayments of deductions from benefit made to Creditor/Suppliers on behalf of the Third Party Deduction team.



# Payment adjustments

An adjustment becomes necessary when we are not notified of a change in deductions until after the relevant payment has been made to you, the Creditor/Supplier.

Occasionally deductions may change depending on other deductions and their respective priorities.

**It is your responsibility to notify us if:**

- **a debt has been fully recovered or if there is any change that affects the amount of debt that we were originally asked to recover.**
- **an overpayment is made or monies are paid to you in error (i.e. not one of your customers).**

For customers on Universal Credit you can write to us at:

FREEPOST RTEU-LGUJ-SZLG  
Universal Credit  
Post Handling Site B  
Wolverhampton  
WV99 1AJ

For Income Support and Job Seekers Allowance you should contact the Third Party Deduction team at the relevant local DWP Benefit Delivery Centre or Pension Centre. They will then make the necessary adjustment to both the customer's and your accounts.

**Please do not:**

- Repay this money to us by cheque
- Repay money to us via Bank Transfer (by exception only)
- Repay any money to your Customer.
- Transfer the money to another organisation where you deem the money should have been paid.

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

# Changing a customer reference number

The payment schedule you receive will show the customer's reference number. This is the number you have allocated to the customer.

If it is incorrect or needs amending you will need to inform the DWP Third Party Payments Team at Blackpool on the relevant customer reference amendment form by emailing it to **[prs.customerreferencetm@dwp.gsi.gov.uk](mailto:prs.customerreferencetm@dwp.gsi.gov.uk)**

Alternatively contact the Third Party Payments contact centre on 0345 600 2859.

# Changing Creditor/Supplier details

If you change address or bank account you will need to inform DWP Third Party Payments Team at Blackpool on the relevant Creditor/Supplier changes form by emailing it to [prs.tppsuppliers@dwp.gsi.gov.uk](mailto:prs.tppsuppliers@dwp.gsi.gov.uk).

Alternatively contact the Third Party Payments Contact Centre on 0345 600 2859.

If you take over, or merge with, another company and wish your customers to appear on only one schedule, you must take the following action:

- Contact the TPD section at the DWP Benefit Delivery Centre/Pension Centre or contact Universal Credit;
- Ask them to end deductions under the old Creditor/Supplier Number;
- Ask them to set up the deductions under the chosen Creditor/Supplier's details for each customer affected;
- Once all your customers have been transferred, you must email the DWP Third Party Payments Team at Blackpool at [prs.tppsuppliers@dwp.gsi.gov.uk](mailto:prs.tppsuppliers@dwp.gsi.gov.uk) and ask them to close the account.

For customers on Universal Credit you can write to us at

FREEPOST RTEU-LGUJ-SZLG  
Universal Credit  
Post Handling Site B  
Wolverhampton  
WV99 1AJ

For customers on Income Support and Jobseeker's Allowance, you should contact the Third Party Deduction team at the relevant local DWP Benefit Delivery Centre or Pension Centre.

# Payment schedules

Payment schedules are produced and issued by post or electronically (if setup for electronic schedules). Schedules provide the total direct payment that will be made and contain a full breakdown of each customer's account due for payment. **If you currently receive your monthly schedule by post, you should allow 5 working days from receipt of payment into your bank account for your schedule to arrive.**

(We are unable to request a re-print of the schedule until after this period of time). After that period, if the schedule has still not arrived, you should contact the Third Party Payments Contact Centre on 0345 600 2859 to report non-receipt of the schedule. We will then arrange for a duplicate schedule to be issued to you.

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

## Information found on the payment schedule includes:

- **Owning Office Ref:** The DWP Identification Number
- **Our Ref:** National Insurance number of customer
- **Customer Ref:** This is the number allocated by you, the Creditor/Supplier, and can be a maximum of 18 alpha numeric characters.
- **Period:** The dates the deduction relates to.
- **Amount (£): For IS/JSA -** The total payment due; i.e. number of weeks x the weekly payment (£) **For Universal Credit -** The total payment due; i.e. number of Assessment Periods x the monthly payment (£)

At the end of the schedule the following paragraph may appear if any recoveries have been made:

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

Specific details, similar to those provided for the original payment, are given for each transaction being recovered. Therefore the amount of the payment due, less any recovery being made, will equate to the payment credited to your bank account.

**Your Creditor/ Supplier Number will be quoted on the first page of your schedule.**

# Electronic payment schedules

The facility to send payment schedules securely electronically is available. Please contact our Third Party Payments Contact Centre on 0345 600 2859 for further information if you would like to be considered.

# Data protection

- Data Protection restrictions prevent us from providing you with certain customer information.
- We are only able to confirm but not provide customer address details, National Insurance Numbers, dates of birth. We are unable to provide or confirm if the customer is in receipt of benefit or what benefits.
- We are able to provide you with a customer's full name and contact telephone numbers for their DWP Benefit Delivery Centre, Pension Centre or Universal Credit address.
- Also please be aware that Data Protection restrictions and DWP security procedures prevent us from providing you with the bank account details or address we currently hold for your organisation. It is your responsibility to ensure that you hold a full record of all the bank account details that you have provided us with. This procedure is to protect and safeguard against any bank account details being given out to an inappropriate person or organisation.
- The payment schedule that we issue is for your company use only and due to the customer information it contains, it should not be shown to the benefit recipient or any other outside party