

Housing & Council Tax Benefits:

A Guide to Overpayments & Repayments

A guide to Overpayments

This leaflet is designed to explain the following:

- What an overpayment is.
- How you will know whether you have an overpayment.
- The process involved in repaying the overpayment.
- What happens if the overpayment is not repaid.
- How to repay your overpayment.
- Contacts for further advice.

What is an overpayment?

An overpayment of benefit happens when you are paid benefit to which you are not entitled. An example of when this happens is when you have not told us straightaway of a change in your circumstances.

How will I know if I have been overpaid?

The Council can recover all overpayments under Housing Benefit Regulations unless they are caused by an official error and we could not reasonably expect you to know you were being overpaid. All money owed to the Council affects the services we can offer with the budgets we have and ultimately the level that our Council Tax is set at each year. The Council is committed to the collection of overpaid Housing Benefit. We will take all necessary recovery action to ensure the money owed is repaid.

If you have been overpaid, the Council will write to you and let you know if you have been overpaid. In the letter we will give you full details of the overpayment including:

- The reason for the overpayment;
- The period that the overpayment covers;
- The total amount of the overpayment;
- Information about your appeal rights;
- Who the overpayment is to be recovered from; and
- The method of recovery.

How are overpayments recovered?

If you are still eligible to receive Housing Benefit, we will make deductions from your weekly entitlement to reduce your overpayment, this is known as clawback. With effect from 1st April 2012 claimants receiving Income Support or Jobseekers Allowance, the basic recovery rate is £10.65 per week.

For working claimants we can take a minimum deduction of £10.65 per week. For fraud overpayments the minimum rate of recovery is £17.75 per week.

Where we are making deductions from your Housing Benefit entitlement and you feel the deduction is causing you extreme hardship, you can request us to reconsider the level of deduction we are taking by completing an income and expenditure form.

If you no longer receive Housing Benefit we will send you an invoice for repayment. If you cannot afford to clear the overpayment in one lump sum you are invited to contact us to discuss repayment by instalments. When coming to an arrangement to repay the overpayment with you, we will consider your household incomes and outgoings and other debts you are repaying or commitments you have. We may ask you to complete a financial statement to tell us about your circumstances.

Landlord Recovery

If you are a landlord that owes an overpayment and you receive Housing Benefit for any other tenants, we will recover your overpayment from the benefit payable in respect of another. Where recovery is made from another tenant's benefit, that tenant will be deemed to have paid rent to the value of that recovery.

How to pay back your Housing Benefit Overpayment

• Direct Debit

Direct Debit payments can be taken on the 1st, 10th, 15th 20th or 25th of each month. A direct debit mandate must be completed and returned to us. Note: if you wish to pay by direct debit a downloadable form can be found on our website www.southend.gov.uk/benefits or by calling the overpayment team on 01702 215241.

• Allpay Card

You can use the Allpay swipecard to repay your overpayment at any shop displaying the Paypoint logo or at a Post Office. Contact the Overpayments Team on 01702 215241 to request a card.

• Online

Payments can be made on line via our website www.southend.gov.uk Please quote your invoice number. Note: with effect from 2nd April 2012 there will be a 1.5% surcharge on all credit card transactions.

• Internet banking

To use home banking service with you will need to quote our bank account number 20145904, our sort code 20-79-73 and your invoice number.

• Standing Order

To set up a standing order please quote our bank account number 20145904, our sort code 20-79-73 and your invoice number.

• Telephone using a Credit or Debit Card

Call 01702 215241 during normal office hours or call 08702 406650 24 hours a day and use our automated system to make repayment under the Housing Benefit Option number 6. Note: with effect from 2nd April 2012 there will be a 1.5% surcharge on all credit card transactions.

• Post

Cheque or postal order (no cash) made payable to Southend-on-Sea Borough Council. Please include your invoice number with the payment.

• Post Office Giro Using the form on your Invoice.

• Bank Giro Using the form on your invoice, free at any Barclays Bank within the Borough.

What will happen if I do not make an arrangement to repay?

You will be contacted by telephone or visited by a member of the Overpayments team. Your debt could be passed to an outside agency for them to collect the debt on our behalf.

The Council can apply to the Department for Work and Pensions to make deductions from certain State Benefits you may receive. From some Benefits we can deduct up to a third of your income to recover our overpayment.

We are also able to register your overpayment in the County Court. Once registered, we will hold an order to recover against you, which can be enforced by the Court. Enforcing the Judgement can mean you will be summoned to Court to examine your finances and to fix an appropriate instalment arrangement. Failure to comply with the Court order will result in the Court Bailiff being instructed under a warrant of execution. We can apply for an attachment of earnings which means we will recover this debt from your salary / wages.

We can also apply for a charging order on your property or a third party order to recover money from your bank or building society account. If we register your overpayment in the County Court and then proceed to enforce the Order to recover, you will be liable for the extra costs incurred. These will be added to your original debt.

Please note that failure to repay or make an arrangement to repay your Housing Benefit overpayment may result in CCJ's (County Court Judgements) and this will adversely affect your credit rating.

REMEMBER

- Do not ignore any letters sent to you.
- Inform the council of any changes in your circumstances immediately.
- If you cannot afford the repayment speak to a member of staff who will happily discuss other options with you.