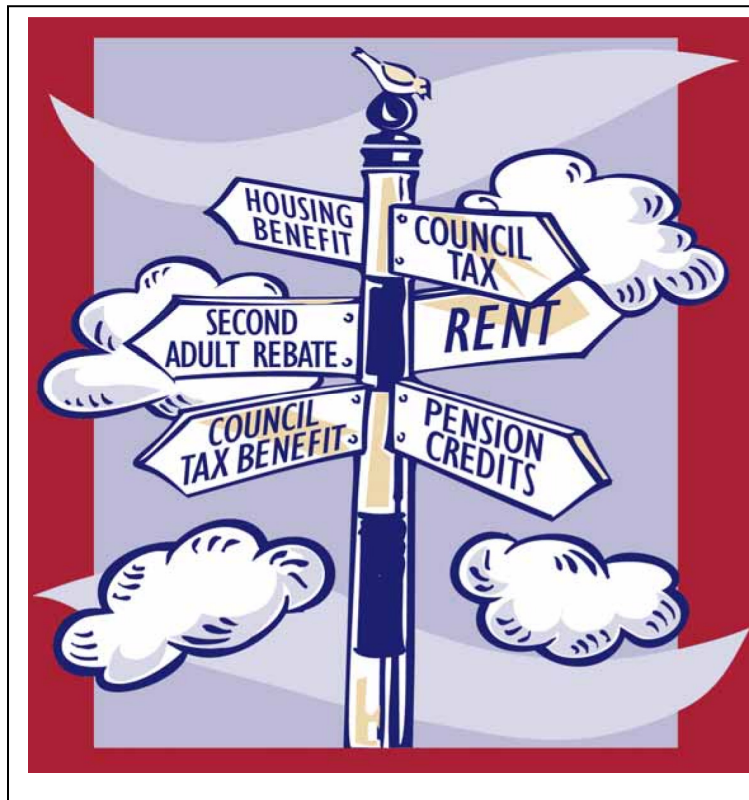


# HOUSING BENEFIT AND COUNCIL TAX BENEFIT



# A guide to Overpayments and Debt



# Housing Benefit and Council Tax Benefit - a guide to overpayments and debt

This leaflet explains about overpayments and debt. The rules are the same whichever area you live in. If you don't know which council covers the area you live in, you can find this information on your Council Tax bill.

## What is an overpayment?

An overpayment is when we pay you or your landlord an amount of Housing or Council Tax Benefit, but you were not entitled to receive it. If we have paid you too much benefit, we will usually ask you to pay back the amount we have overpaid. This is called a 'recoverable overpayment'.

## What is a recoverable overpayment?

We can recover all overpayments, except if they are caused by an 'official error' and which you could not reasonably have known about when you were paid or told about your benefit.

## What is an 'official error'?

An official error is a mistake we, or a person acting for us (including the Department for Work and Pensions (DWP) and Jobcentre Plus), make. It is not an official error if you or a person acting for you contributed to the mistake by not giving us information or by giving false or misleading information.

## Why do overpayments happen?

They happen for various reasons. Here are some examples:

- You may have forgotten to tell us that your income has increased, for example, you have had a pay rise or your tax credit award or pension amount has changed.
- Somebody may have moved into or out of your home.
- You may have moved out of your home and not told us.
- You may have started work or changed jobs.
- If you have other adults living with you, their circumstances may have changed.

You must tell us about any changes and not rely on anyone else to do it for you. Even if you have told the Department for Work and Pensions (DWP) about your change in circumstances, you must still let us know and not leave it to the DWP to tell us.

## How will I know if I have an overpayment?

We will send you a letter giving you the full details of the overpayment. The letter will tell you how the overpayment happened, the amount you were overpaid and the period of the overpayment. It will also tell you how we will recover the overpayment and what to do if you disagree with the overpayment.

## What can I do if I disagree with the overpayment?

If you disagree with the overpayment after reading our explanation you must write to us and ask for a more detailed explanation, or ask for us to look at our decision again. You need to do this within one calendar month of the date on the letter.

The things you can challenge are:

- if we can recover the overpayment or not;
- who we can recover it from;
- how we have worked it out;
- your savings and investments have reduced (only if we overpaid you because your savings and investments had increased); and
- if you had an underlying entitlement (you were actually entitled to receive some of the overpayment), see section 'Can you reduce the overpayment?'.

The things that you cannot challenge are:

- if we 'should' recover the overpayment or not; and
- how we choose to recover the overpayment

## Can I appeal?

If you're not satisfied with our decision or how we explain our decision, you can appeal. You must appeal in writing and sign it. You must make it clear which decision you're appealing against and your reasons for appealing.

Send your appeal to us (our address is on your Council Tax bill). You must do this within one month of the decision you are appealing against. Your appeal will be heard by a tribunal run by the Tribunals Service, who are independent of us.

You can formally challenge some decisions about overpayments if you think that they are wrong. You can also get more information or ask us to explain our decision.

## How do you recover the overpayment?

- If you are still getting Housing Benefit, we may reduce your benefit each week to recover the overpayment.
- If you pay us rent and your rent account is in credit, we may use this credit to pay back. If we are not paying your Housing Benefit, we may send you a bill and you should make arrangements to pay us.
- If we paid your landlord your benefit, we may ask the landlord to repay the overpayment in certain circumstances.
- We can ask the Department for Work and Pensions to take money out of your social-security benefits to collect the overpayment. In cases where you have moved out of the area, they can take money from any Housing Benefit paid to you by another council.
- If we overpaid your Council Tax Benefit, we will add the amount of the overpayment to your Council Tax bill. Our Council Tax office will collect the overpayment by increasing your monthly payments.

**We will not recover overpayments we have paid you for Housing Benefit from your Council Tax or overpayments for Council Tax from your Housing Benefit**

## Can you reduce the overpayment?

In some circumstances we may reduce the amount we overpaid you if you tell us about your correct circumstances throughout the period of the overpayment. If we give you benefit for the period you were overpaid it is called 'underlying entitlement'. If you do have an underlying entitlement (which means you were actually entitled to receive some of the benefit), we will use this to reduce the overpayment.

We may ask you to fill in a new form to explain your circumstances and give us documents as proof (such as details of your income and bank statements for the period) before we work out your underlying entitlement. If we find that you are entitled to any benefit for this period we can only use this amount to reduce what we have overpaid you, it is not an award of Housing Benefit or Council Tax Benefit.

### What should I do if I cannot afford to pay you what you take from my Housing Benefit?

If you want us to change the amount we take from your Housing Benefit or your payments, contact us straight away.

### What should I do if I am having difficulties paying my Council Tax because you have added a Council Tax Benefit overpayment to it?

If you have a problem paying you must contact us to make an arrangement. Our contact details are on the Council Tax bill. If you don't pay or contact us, we may give you a court order or send bailiffs to recover the amount you owe. We will add these costs to the amount you owe us.

### What should I do if you send me an invoice for the overpayment and I can't afford to pay it all back at once?

If you cannot pay the full amount, we can arrange for you to pay it back in instalments. Before arranging to pay by instalments, you will need to give us details of your income and outgoings. If you do not contact us to arrange to pay, we may register your debt with the county court and ask them to force you to pay it back. This is the same as having a court order against you and it will affect your credit rating. We will also add these costs to the amount you owe us.

## How can I get help with my debts?

You can help to solve your problems by contacting the people you owe money to. Many companies will be helpful if you talk to them. You can't ignore your debts so arranging to pay small amounts is better than paying nothing at all. If organisations won't accept what you offer to repay, get advice.

You can get help from lots of organisations to sort out your debt problems.

You could contact one of the following.

- **Citizens Advice** – they give free, confidential and unbiased advice on debt. Your nearest bureau is on 0845 1203756 or visit : 119 Broad Street, Barry, CF62 7TZ
- **National Debtline** – this is a free helpline for people with debt problems. Phone 0808 808 4000 or visit [www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)
- **Advice UK** – you can contact independent advice agencies through Advice UK at: Advice UK  
12th Floor, New London Bridge House 25  
London Bridge Street, London SE1 9ST.  
Phone: 020 7407 4070 (outside London) or  
020 7407 6611 (London only) or, visit  
[www.adviceuk.org.uk](http://www.adviceuk.org.uk)
- **Consumer Credit Counselling Service** – they give a free, confidential service to help you work out realistic solutions to your debt problems, avoid becoming bankrupt and learn how to manage your money.  
Phone 0800 138 1111 or visit [www.cccs.co.uk](http://www.cccs.co.uk)

## Where can I get more advice?

If you want more help or advice, contact us on:

01446 709244 or visit if write to us at : Housing and Council Tax Benefits, Civic Offices, Holton Road, Barry, CF63 4RU

## Other formats

You can get the information in this booklet in large print, in Braille and in other languages. There is also an audio version on-line. Visit our website [www.benefit-leaflets.org](http://www.benefit-leaflets.org) for more information.