

## 2.3 Analysis of complaints by Business Units

We are aware that the Agency has introduced a number of initiatives to improve the service it offers to its customers. We welcomed the introduction of Positive Client Contact and Closer Working to speed up the maintenance assessment process. Improvements have also been made to provide a more accessible service to customers. In the past customers of the Agency complained of the difficulties in contacting their case officer, and the introduction of the Direct Dial facility has addressed this issue.

This year we are using the data from cases investigated to identify and report trends that has developed within individual Business Units.

We hope that this will help to ensure that good practices are not geographically isolated, but spread throughout the Agency.

Each Business Unit is represented below and examples of all practices identified are drawn from completed investigations during the year.

Details of our findings are shown at Annex B.

### ■ Eastern

Plus points:

- Awards most deferred debt – indicates that the Business Unit recognised the delays and errors that occurred.
- Second least likely to cause error within an assessment or review.

Minus points:

- Generates 29 per cent of ICE caseload. (Linked with programme of updating old cases.)
- Has the highest percentage of complaints upheld.

### ■ Wales & North West

Plus points:

- Least delay completing an assessment/review.
- ICE satisfied with the redress offered to customers.

Minus points:

- Most instances where escalation is required to resolve a complaint.
- Low number of cases where ICE commented that the Business Unit had taken all appropriate action possible to resolve a complaint.

#### ■ **Midlands**

Plus points:

- Generate least complaints when communicating with customers.
- Most complaints cleared by resolution.

Minus points:

- Most errors in completion of assessments/reviews.
- Low number of cases where we commented that the Business Unit had taken all action possible to resolve complaint.

#### ■ **Scotland & North East**

Plus points:

- Most complaints not upheld.
- Low number of errors when collecting maintenance.

Minus points:

- Most problems involving communications with customers.
- ICE least satisfied with the redress offered by this Business Unit.

#### ■ **South East**

Plus points:

- Least errors when completing assessments/reviews.
- Lowest proportion of ICE cases.

Minus points;

- Most errors with collection of maintenance.
- Most delay/error when awarding compensation.

### ■ South West

Plus points:

- Least escalation required to resolve a complaint.
- Most cases where ICE found that the Business Unit taken all action possible to resolve complaints.

Minus points:

- Most collection problems with self-employed customers.
- Too many examples of customers encountering both error, and delay, within assessment/review.

It is considerably quicker to clear a case by resolution than it is by full report. All Business Units have implemented arrangements to try to resolve cases before they emerge as complaints to the Independent Case Examiner. Some find it easier to respond to our suggestions for resolution than others and thus the following table describes a differential performance in this area. There is anecdotal evidence to suggest that the cases we accept from the South East Business Unit are less likely to present opportunities for resolution as they have a well developed process of mediation.

Comparison of resolution and full report clearances by Business Unit			
	Total number cleared	% resolution	% full report
Agency	595	52	48
Wales & North West	68	51	49
Midlands	104	65	35
Scotland & North East	100	54	46
South East	64	41	59
South West	85	39	61
Eastern BU	171	53	47
NICSA	3	33	67

## 2.4 Areas for improvement

In last year's report we commented favourably on the progress the Agency had made in nine areas of customer service.

The Independent Case Examiner sought to build on the progress made last year and met senior managers in the Agency to review the areas of the Agency's business that could be improved prior to the introduction of Child Support Reforms. Three key elements were identified which embraced most of those within the nine from 1999/2000. These were:

- i. Evidence that the Agency is learning from mistakes.
- ii. Improved complaints handling.
- iii. Improvements in compliance.

This office and the Agency monitored the areas for improvement. Our findings are shown below:

### i. Evidence that the agency is learning from its mistakes

#### ■ Document Retention

Last year we emphasised the importance of good record keeping and acknowledged that the Agency was revising its guidance on Document Retention. We said we would monitor this issue and provide a review in this year's report, giving notice that we would be looking for improvements to have been made in this area.

#### **Progress during 2000/01**

The Agency completed its Document Retention Policy and Requirements in June 2000 and produced a Document Retention guide for its staff. The guide categorised documents and clearly specified timescales for their retention. The guide also recognised the need for discretion to retain some papers beyond specified time limits. The example given was cases that may be subject to retrospective investigation. However, the guide noted that it would be difficult for staff to identify such cases.

This year our criticisms of the Agency with regard to record keeping has been limited and cases in which we have identified premature destruction of documents have been few. The problems we have identified have focused on occasions when the Agency has lost clients' case papers and the Agency's failure to record information in the first instance, rather than failure to retain documents. We will continue to highlight such cases to the Agency and monitor their numbers.

### ■ Use of ICE reports and recommendations to inform improvements

The Independent Case Examiner also called for the Agency to demonstrate that it used our reports to inform improvements. During the course of the year we have made 20 systemic recommendations.

Two of the recommendations that have been implemented are:

*ICE asked the Agency to consider amendments to the form CSA 801 (arrears notifications) to improve the clarity of the information given.*

*ICE recommended that the DNA testing leaflet be rewritten to include information on all aspects of the disputed paternity process in a customer friendly format.*

Two of which have been accepted for implementation are:

*ICE recommended that the specification for the new Child Support Agency System included capacity to retain instructions which need to be carried forward. For example, contact information or welfare messages. The Agency have agreed to incorporate a new positive customer contact screen in the new system.*

*ICE recommended that any case linked to another assessment unit was identifiable from any Child Support computer screen, to ensure any action that was taken impacted on all relevant cases. The Agency assured ICE that this recommendation would be included in the new system.*

Of the 20 recommendations made 13 are currently being considered, 2 have been accepted for implementation, 5 have been withdrawn in light of the Child Support Reform Programme and current Agency procedures, after discussion with this office. We are pleased that the Agency takes action or discusses why a particular recommendation might not be reasonable and offers alternative arrangements when appropriate.

Throughout the past year the Independent Case Examiner has visited all the Agency's Business Units on at least two occasions. She was pleased to find that

some units have begun to use the findings contained within our reports to improve their service to customers. This is an initiative that we welcome and is one we recommend that is adopted across all Business Units.

In last year's report we said that our findings and reporting of trends would help the Agency improve its service to clients. Senior managers of the Agency have welcomed our analysis and are currently in discussion to decide how best this information can be used.

We are encouraged by the scope of the initiatives undertaken locally and across the Agency. It is hoped when further analysis is completed that the sharing of best practices will result in tangible improvements, reflected in the Agency's standards of customer service.

## **ii. Improved complaints handling**

We were pleased to be afforded the opportunity to comment on the Agency's Complaints Improvement Programme. We welcomed many of the 61 recommendations, and look forward to remaining involved in the development of this initiative. The Agency has assured us that our views will be sought through the implementation process and our next report will feature comments on the progress made.

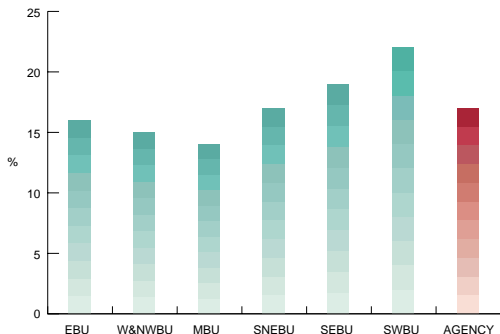
### **Progress in 2000/01**

Last year the Independent Case Examiner called for the Agency to improve upon the number of occasions where staff recognise customers problems and make efforts to resolve them before they reach us.

To help the Agency monitor its progress our office has maintained statistical information of complaints received where our investigation has proved that the Agency has done everything possible to resolve a client's complaint.

The following information shows the percentage of completed investigations where all possible action had been taken by the Agency before our action began. Some Business Units have recognised that they can rebuild customer confidence, if they are able to resolve the issues which triggered the complaint to the Independent Case Examiner, during the period between us accepting the case and our beginning the investigation. The Agency average is 16 per cent, however, the South West and South East Business Units are clearly achieving better results.

### All possible action completed before ICE investigation



#### Abbreviations

EBU	Eastern Business Unit	SNEBU	Scotland & North East Business Unit
W&NWB	Wales & North West Business Unit	SEBU	South East Business Unit
MBU	Midlands Business Unit	SWBU	South West Business Unit

Further details can be found at Table 3 in Annex A.

The following example shows how the Agency resolved a client's complaint without recourse to full report by this office:

*Miss N advised that for the last year, she has suffered financial hardship due to the Agency not taking effective measures to secure payment from her ex-partner.*

*Prior to our investigation, the Agency accepted that there had been delay in rescheduling the accounts following the calculation of a full maintenance assessment, and also in enforcing payment from the non-resident parent. A deduction from earnings order was subsequently imposed and payments were now being received regularly under the order. The Agency agreed to award Miss N a consolatory payment of £100, due to the delays and Miss N informed us that the Agency had now taken sufficient action to resolve her complaint, and her case was closed with this office.*

Resolution can also be difficult to achieve and it sometimes takes time for the Agency to recognise the opportunity, even with our help.

*Mr P complained to this office, in September 1999, after lengthy negotiations and correspondence with the Agency, that they had caused considerable arrears to accrue by incorrectly imposing an interim maintenance assessment in 1994.*

*Our investigation highlighted that a maintenance enquiry form was sent to Mr P in November 1993, and as it was not returned an interim maintenance assessment warning letter was sent two months later. Mr P then wrote to the Agency asking them to confirm that they had jurisdiction, given that he had a court order. The Agency did not reply to the letter, and went ahead and imposed an interim maintenance assessment in January 1994.*

*We considered that the Agency should have answered Mr P's letter before imposing the interim maintenance assessment. In order to resolve the complaint we asked the Agency to accept that the interim maintenance assessment was imposed prematurely. However, they declined and advised that the action was correct.*

*We questioned this and decided to undertake a full investigation of the case, whilst at the same time we invited the Agency to seek advice from their technical experts. While the investigation was under way, the Agency's technical experts agreed that the interim maintenance assessment action was invalid. As a result, the interim maintenance assessment was cancelled in December 2000 and the full investigation stopped as Mr P agreed that the Agency had now taken sufficient action for his complaint to be resolved.*

### iii. Improvements in compliance

This year the Agency has introduced a number of initiatives to improve compliance to ensure that the child receives maintenance.

These initiatives included:

- Closer working with the Inland Revenue
- Revised Enforcement Guide
- Easement Steer
- Arrears reasonableness Steer.

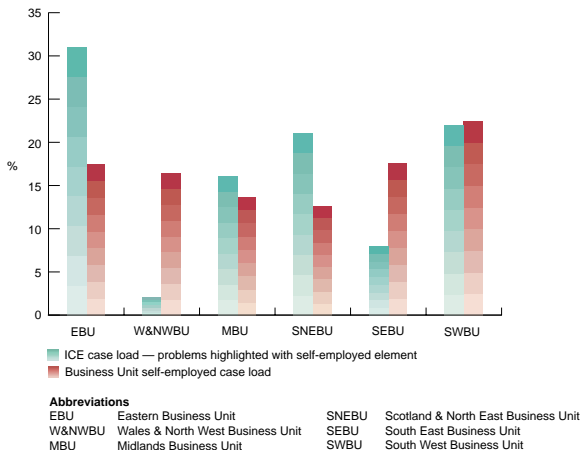
They are described more fully in Chapter 2.2.8.

Throughout the coming year we will be monitoring these areas and will inform the Agency of our findings in an effort to help it to improve the service they provide to customers.

We have seen problems in respect of delay and error in the area of the collection of maintenance from self employed non-resident parents, which affects compliance action.

The graph below provides comparisons between the six Business Units. The average percentage for the Agency is 16 per cent. The graph suggests that the number of problems we see in the three Business Units (Eastern, Midlands and Scotland & North East Business Units) exceed the proportion we might expect when we compare the figures with their share of the Agency load of self-employed cases. Wales and North West Business Unit cases are, by comparison, remarkably low in number in relation to their share of the self-employed load.

### ICE investigations involving self-employed cases



Further details can be found at Table 4 in Annex A.

The Agency has informed us that they expect to see continued improvements made in the area of compliance with self-employed cases, but these improvements will take time to measure. We look forward to reporting on this next year.

## 2.5 Redress

In previous reports, the Independent Case Examiner has made the point that the payment of financial redress should not be automatically seen as the solution to maladministration. In deciding an appropriate remedy when things go wrong the Agency seek to provide redress that is fair and reasonable based on the circumstances of the particular case. We too seek to achieve that for our clients. It can also be helpful for clients to know that the Agency will change its procedures to ensure that others will not face similar problems or to receive a clear explanation of what went wrong.

Nevertheless, in many of the complaints we investigate, the scale and nature of maladministration justifies some payment of compensation. The issue of financial redress for justified complaints is therefore a significant aspect of our work.

The Agency is governed by a compensation scheme which was last revised in March 2001. The Department of Social Security's scheme, which conforms with guidance issued by the Treasury and has been accepted by the Parliamentary Ombudsman, makes provision for various types of financial redress for maladministration.

It has been accepted by government that where maladministration has led to a direct and quantifiable financial loss, departments and agencies should seek to set redress at a level which would return the complainant to the position he or she would have been in if the maladministration had not occurred. The primary aim is therefore to meet any financial loss that arises out of maladministration including compensation for the loss of use of the sums involved. Examples of situations where a payment can be paid are where there has been unreasonable delay in assessing, reviewing or enforcing liability. Over and above those payments for actual losses, consolatory payments can be made in exceptional circumstances where an official error has had a direct adverse effect on the life of a customer. These payments are typically in the range of £50 to £250 but higher payments can be made where justified. For example, in exceptional cases where an error has had a serious detrimental affect on a person's health (such as through stress). These payments can be for more substantial sums up to £2,000. There are, however, no limits to the amount and each case is decided on its individual merits.

Full details of the scheme can be found in the Department of Social Security's *Financial Redress for Maladministration* guide. The guide is available at DSS offices and certain libraries. It can also be purchased through Corporate Document Services. It can be accessed using the publications section of the internet site at: [www.dss.gov.uk/publications](http://www.dss.gov.uk/publications)

While the Independent Case Examiner is able to recommend that the Agency consider a payment in respect of financial redress, she cannot recommend how much should be paid. This is for the Agency to decide. However, she would comment on any inconsistency in applying the scheme. Indeed, she can investigate complaints that are only about the amount of compensation the Agency has awarded. In particular she can investigate complaints about the way requests for compensation have been handled.

In recent years, there has been an increase in the total amount of compensation paid by the Agency. The Agency's major programme of work in updating cases that have experienced long periods of inaction and an increasing willingness to recognise and acknowledge past mistakes has undoubtedly contributed to the increase.

### **Deferred debt**

In addition to payments under the compensation scheme, the Agency has recourse to other forms of financial redress. It is able to defer collection of some arrears owed by a non-resident parent in certain circumstances. Originally, this provision only existed for arrears arising due to the Agency's delay in calculating an initial maintenance assessment. However, in 1998, after much discussion between Ministers, the Independent Case Examiner and the Parliamentary Ombudsman, there was a welcome extension to the deferment scheme. Since then, the Agency has been able to defer debts that have arisen because of its delays in completing certain types of reviews. However, this only encompassed reviews under Section 17 of the Child Support Act 1991 (changes of circumstance) and Section 16 (periodic reviews). (Section 16 has since been repealed and periodic reviews have been replaced by periodic case checks. As these case checks are never backdated, the question of deferred debt does not arise.)

### **Further extensions to the deferred debt scheme**

The Independent Case Examiner has been in discussion with the Department of Social Security for some time about the possibility of extending the deferred debt scheme to include wider areas of the Agency's business. Delays which disadvantage clients occur on other areas of the Agency's work and we were pleased that the

Department of Social Security extended the scheme to include cases where more than six months arrears of maintenance have arisen as a result of:

- delays in handling appeals within the Agency – both delays in passing an appeal for tribunal consideration and delays in implementing tribunal decisions;
- delays in handling departure applications; and
- delays in completing reviews not currently covered by the existing scheme.

The reviews to which the deferred debt arrangements will additionally apply are those conducted under sections 18 and 19 of the Child Support Act 1991 before the introduction of the Decision Making and Appeals processes. (Reviews under sections 18 and 19 concern requests by clients for the assessment to be changed because it is wrong, or corrections by the decision-maker.)

The Agency has advised us that deferred debt will be considered on those cases where the effective date is prior to the introduction of the Decision Making and Appeals process, 1 June 1999. The DMA process means that delays should be minimised. The deferred debt provisions will cease to be available from April 2002.

The Independent Case Examiner has expressed her concerns that if no problems are expected to arise; it would be better to let the deferred debt scheme wither on the vine. If the scheme is ended in 2002 and problems continue to arise, arrangements will be needed to develop another scheme to address the problems. Having received the Agency's assurance that the provision can be extended if necessary, we must reserve judgement.

The deferred debt scheme has offered a valuable form of redress to our clients and had the effect of encouraging future compliance as illustrated by the following cases:

#### **Example 1**

*Mr Q was unhappy with the rate of his maintenance assessment and amount of arrears deduction. He was concerned that the Agency had failed to complete a maintenance assessment for over 12 months and then failed to offer deferred debt on the arrears that had accrued.*

*Following our involvement the outstanding reviews were brought up to date, which reduced arrears from £2,554.43 to £1,486.95. Deferred debt of £1,815.86 applied to the remaining arrears, reducing them to nil. We asked the Agency to consider refunding the difference between £1,815.86 and £1,486.95 to the client as a financial loss, and a payment of £328.91 was subsequently made. The deduction from earnings order was amended to collect regular maintenance only and a letter of apology was issued from the Agency.*

**Example 2**

*Mr R complained about the Agency's handling of his case and in particular the lack of response by Agency staff to bring his case to a conclusion.*

*The Agency delayed in taking the appropriate action on Mr R's initial case and did not complete an initial assessment within the 26-week charter standard.*

*Following our involvement Mr R was given deferred debt of £108.63 from the initial payment period and a compensation payment of £165 (consisting of £150 consolatory payment for gross inconvenience, and £15 costs).*

**Example 3**

*Mr S' representative complained that the Agency's deferred debt scheme had only been applied for the period 1997 to 1998 rather than from 1994. He also said that Mr S' case merited a compensatory payment.*

*We established that there had been delays in undertaking reviews and a consolatory payment of £100 for gross inconvenience had already been awarded. Deferred debt of £6,305.02 was awarded.*

In addition to the welcome extensions to the deferred debt scheme, we have for some time been seeking improved redress for clients affected by the Agency's mistakes. Previous annual reports have drawn attention to cases where arrears have built up because of errors made by the Agency's staff which, when identified after a period of delay, have led to an increased liability. Our view has been that these arrears should be treated in the same way as those affected by review delay, where all but the last six months may be deferred, providing the non-resident parent pays the remainder. However, when Parliament agreed to extend the deferred debt scheme it did not embrace cases where errors emerged after considerable delays. It is argued that non-resident parents have had the use of money to which they are not entitled and as a remedy repayment can be spread over a period of time to suit individual circumstances. It was considered that meeting the non-resident parent's debt for the support of the qualifying children from public funds could not be justified. The Department has said, however, that it will seek to provide suitable redress in these cases through its normal compensation scheme. It is difficult to

explain the distinction between those arrears caused by delays and arrears caused by Agency error to our clients. Both types of debt have accrued as a result of the Agency's maladministration and, our clients feel they should attract similar redress.

Reluctantly, we must accept that further progress in extending the deferred debt scheme is unlikely, but we will continue to draw attention to those cases adversely affected by the Agency's mistakes.

Two examples are shown below:

### **Example 1**

*Mr T was a non-resident parent who complained that although he had provided the Agency with information that a court order was in place, the Agency decided that this had no effect on the effective date of the assessment.*

*Prior to our investigation, the Agency accepted that the court order did have an effect on the effective date of this case. As a result, they calculated that Mr T had overpaid maintenance of £5,708, and reduced his future payments accordingly. They also discovered that incorrect voluntary payments had been allowed and that phasing\* had been applied to the case incorrectly. Compensation for gross inconvenience of £150 was awarded.*

*Our investigation highlighted that a further error had occurred with regard to the phasing issue and as a result arrears of £2,113 had accrued. We asked the Agency what action they proposed to take to rectify this error and the Agency explained that as the arrears had accrued due to their error the scheme did not allow them to compensate Mr T for the amount. However, the Agency agreed to award Mr T a further gross inconvenience payment of £50 and agreed to review his case if the scheme was extended to include error.*

\*Phasing – When a non-resident parent who has previously paid maintenance via a court order which was lower than the Child Support liability assessed – the increase in payments is gradually introduced over a period of time.

**Example 2**

*Mr V was a non-resident parent who complained that he was liable for arrears of £4,850, which accrued because the Agency had incorrectly closed his case and subsequently reopened it following an Appeal Tribunal.*

*Our investigation highlighted that the Agency had requested information from the parent with care, in order to review the case. The case was subsequently closed, as the parent with care failed to reply to Agency correspondence.*

*The parent with care then appealed against the decision to close the case as she said that she had returned the relevant papers prior to closure. The Appeal Tribunal found that the case had been closed in error, as the requested information had been returned. As a result the case was reopened one year later, and arrears of £4,850 were calculated for the period of the closure.*

*We asked the Agency to consider deferring all but the last six months arrears on this case, but as there was no provision within the existing scheme for Agency error, our request was declined. A consolatory payment of £100 for gross inconvenience was awarded to Mr V.*

**Advance payment of arrears**

The Agency is able to make an advance payment of arrears owed to a parent with care, if they have arisen because of its maladministration. Such payments can only be made where there is a reasonable prospect of the Agency recovering the arrears from the non-resident parent. Consequently, stringent criteria have to be met before an advance payment can be made. The following two examples are of advance payments made by the Agency where the criteria had been met.

**Example 1**

*Ms W complained that the Agency had failed to take promised action in her case as the Agency had only managed to secure two maintenance payments for her in a period of over two years.*

*We found delays taking enforcement action, in particular a delay of five months from referring the case to the local office to conduct an interview under*