

21.03.02

15 Deputy M.R. Higgins of the Minister for Social Security regarding the discretion available to her in relation to the management of debts owed by Income Support recipients due to overpayments (OQ.52/2021):

Will the Minister advise Members what discretion, if any, she has with regard to the management and cancellation of debts owed by income support recipients due to overpayments, including in which circumstances this discretion has been or may be exercised?

Deputy J.A. Martin (The Minister for Social Security):

I have not exercised discretion for overpayments that are recoverable. It is essential for the fairness of this tax-funded benefit system that households are asked to repay benefits in situations where they are paid more than they were entitled to. According to this principle, officers will seek to recover all payments of income support overpayments.

3.15.1 Deputy M.R. Higgins:

I would like to know if the Minister has exercised the discretion herself rather than delegate it to officers and whether she has exercised a discretion when it is the department's own fault that led to the overpayments which is causing the income recipients hardship at the present time.

[11:45]

Deputy J.A. Martin:

I did clearly say in the first sentence I have not exercised discretion for overpayments that are recoverable, and all payments while people are receiving income support are recoverable. Many of the overpayments are a few hundred pounds in a month and they are paid back straight away. That is the answer.

3.15.2 Deputy R.J. Ward:

Given that some of these overpayments are from 3 or 4 or even further years ago where the Social Security budget has already been spent and accounted for and the repayments may go on for years - I have people I have tried to help whose repayments were going on to 2030 - is there not a situation where discretion would mean that people's lives would be improved and that money has already been spent or recovered? Why are we taking so long to recover that money?

Deputy J.A. Martin:

The Deputy says why are we taking so long to recover that money: because we do look at the family circumstances and we look at the individual circumstances. Often we ask people to pay back at a rate of £3 a day, the problem being that - Deputy Higgins will see in the answer to his written question - outstanding in 2020, a rolling debt admittedly, is £3.78 million. Is the Deputy saying I should write this off? This is more than I would even get to uprate the components where Deputy Southern wants them to be.

3.15.3 Deputy R.J. Ward:

Is it not the case that if a department is that far out in terms of its payments consistently that we need to have a major overhaul of the system? People are having their incomes at the lowest incomes taken away from them over such a long stretch of time that they are trapped in a cycle of poverty because of an overpayment that was not their fault.

Deputy J.A. Martin:

The Deputy says the overpayment was not their fault; that is not always the case. We pay income support in advance, completely different to universal credit where you have to wait a month and borrow your own money and sign up to a repayment scheme before you even have a penny. I cannot explain it any more that people have had the money. Sometimes if people have not informed us of changes, of different circumstances in their household, these monies add up to sometimes a few thousand pounds. That is why we have the discretion to take back at very small amounts.

3.15.4 Deputy G.P. Southern:

Is it not the fact that if you are carrying £3 million of owed money, some of which has been created as overpaid because of the departmental mistake, should you not be encouraging more efficiency in your department by saying that will be lost if you do not correctly assess cases in front of you?

Deputy J.A. Martin:

Again, the Deputy says that the department is not correctly assessing. The department is correctly assessing on the information supplied by the income support family. If this is a week, a month or a few months out, the department makes the overpayment, again because it is always paid in advance. It is not rocket science. We all know what the components are and then the disregards, but it does depend on people telling people if circumstances change in that household. Has somebody moved in? Has somebody started work? Are you doing more hours? That is when the overpayments appear. As I say, the majority of overpayments are paid back that week because the person has earned the £200, they do not need the £200 from income support.

3.15.5 Deputy G.P. Southern:

Does the Minister have an assessment of how many of these overpayments are due to departmental error and how many due to client error?

Deputy J.A. Martin:

I do not because I would have to go back through every single case. That is also in Deputy Higgins' written question, but as I say, the department is very good, Income Support. They assess the claims on the information they are given, then the claim will be changed on the information given. So the majority of people must inform Income Support when circumstances change. I am sorry if that really makes the Deputy cross, but that is what it is.

The Bailiff:

Deputy Alves, I am afraid I had already called final supplementary question when I indicated there was Deputy Southern still to ask, so Deputy Higgins, final supplementary.

3.15.6 Deputy M.R. Higgins:

The department has accumulated debts at least £2 million in 2016 and up to £3.7 million now because of overpayments. Many of those overpayments were by the department and they will not acknowledge and hide behind the law. Will the Minister not accept that the alternative that these people are faced with, some of them are faced with, is to declare themselves bankrupt and then the States will not get the money back? Is the Minister prepared to use her discretion and look at these cases and sort out which ones are genuine errors on the part of the department and not penalise the people?

Deputy J.A. Martin:

This is not the first time this Deputy or other Deputies have asked me to say if it is an error - and if it is an error - of the department would the Minister look at the discretion and write this off. The only way I can put this is we have all been employed. We have all been paid a wage. My boss paid me £400 too much in March; he said to me: "Keep that because you are very good but do not tell anybody else either"? No, he did not, he took the £400 straight out of my wages in April. I really do not understand. This is not my money. The overpayments happen at the department and they only happen, the majority, 99 per cent of the time, when the household has not kept up or told the department quick enough that there has been a change in circumstances.