

Housing Benefit

What is an overpayment?

An overpayment of Housing Benefit happens when a person is paid too much benefit for a period of time, or when a person is paid benefit for a period when they were not entitled to any benefit at all.

An overpayment can happen for many reasons. Here are some examples:

- your Income Support or Job Seekers Allowance stops
- your income or capital increases
- someone moves in with you
- you move out of the property
- not declaring correct income or someone living with you – fraudulent actions
- we have made a mistake and this leads to too much benefit being paid.

How can I stop overpayments happening?

When you claim benefit the law says you must tell us where you have a change in your personal or financial circumstances and this will change the amount of benefit you receive. You can help stop overpayments occurring by telling us straight away of things that may change the amount of benefit you get.

If you do not tell us about any changes in your personal or financial circumstances and you are overpaid benefit, you will be asked to repay the amount overpaid. Also you may be prosecuted for getting benefit to which you were not entitled.

What happens when Benefit is overpaid?

Before we tell you about an overpayment we must decide on the following:

- The reason for the overpayment.
- The period and amount of the overpayment.
- Whether the overpayment is recoverable.
- Whether we should recover the overpayment
- And if it is recoverable, and who should repay the overpayment back

Once we have worked out an overpayment and decided who repays it, we will write and tell the claimant. Normally, we will recover an overpayment from the person who caused the overpayment. This may be the claimant even if the benefit payments were made to their Landlord. In some circumstance the Landlord may be asked to repay the overpayment.

Recovery from your benefit payments

If you continue to get Housing Benefit after an overpayment has been worked out, we will normally recover the overpaid amount from your ongoing benefit entitlement. We will usually recover the overpayment by deductions of £11.10 per week.

If the overpayment was because of fraudulent action, the recovery amount will be £18.50 per week.

These deductions will continue to be taken until the overpayment has been paid back or until your benefit stops.

Whilst we make these deductions you will be responsible for paying any shortfall to your landlord in addition to any normal rent payments.

If the weekly deductions cause financial hardship you can contact us giving us a financial breakdown of your income and outgoings and we will look again at the recovery level.

Repaying the overpayment if you no longer receive benefit

If Housing Benefit is no longer in payment once an overpayment has been worked out we will send an invoice for the overpaid amount. If you cannot pay it back all at once, you should contact our Income Section Tel 01480 388164 who will be happy to make a repayment arrangement with you.

Recovering the overpayment from your Landlord

If we have paid the Housing Benefit to the Landlord, we will tell them the amount and the dates of any overpayment. We will tell them if we will intend to recover the overpayment from your ongoing payments.

Where benefit entitlement stops and we decide the Landlord should be responsible to repay the overpaid benefit, an invoice will be issued to them. Normally, this will mean the landlord will pay us back the overpaid benefit and the tenant will then have to pay any money owing as rent arrears.

How to get the overpayment reduced – Underlying Entitlement

For certain overpayments we may be able to reduce the amount to be paid back. We can work out what benefit entitlement should have been paid for the period of the overpayment based on the correct circumstances. This is called Underlying Entitlement.

For example:

Your Job Seekers Allowance stops because you started work, we are not told until two months later. We create an overpayment of £300 (£50 x 6 weeks).

Income details are then provided (i.e. Wages, Tax Credit etc) for the period of the overpayment. We work out the amount of benefit that would have been paid using these new details.

This gives underlying entitlement of £20 x 6 weeks = £120.

The amount to pay back will be £300 less £120 = £180.00

We will write to you where Underlying Entitlement can be considered and you will be asked to provide the relevant information we shall need. You will be given one month to give us the details to work out any underlying entitlement. If you do not get the information back to us within one month then full overpayment will be payable.

If you have problems getting the information to us then let us know straight away and we can give you more time.

Appeals and Disputes

If you don't agree with the way we have worked out your overpayment or we are asking you to repay an overpayment, you can ask us to look again at our decision.

You have one calendar month from the date we tell you about the overpayment to make an appeal or dispute. More details on Disputes and Appeals are on our web pages.