



Social Security Scotland  
Tèarainteachd Shòisealta Alba

# Social Security Scotland Debt Management Strategy

Dignity,  
fairness,  
respect.

# Overview

Social Security Scotland is an Executive Agency of the Scottish Government.

We have a key role in delivering our part of the social security system for Scotland alongside our colleagues in the Scottish Government who are setting up the policy, process and systems that we will use.

Once fully operational, we will administer 17 benefits and will support 1.8 million children and adults – around one in three people in Scotland. These benefits will be introduced by the Scottish Government in stages. At the end of this process, we will be delivering benefits for people on low incomes, disabled people, carers, young people entering the workplace and benefits to help people heat their homes.

While Social Security Scotland aims to adopt a preventative approach, minimising opportunities for fraud and error as detailed in our [Counter Fraud](#) and [Error Control Strategies](#), overpayments will still occur. As a result, Social Security Scotland has established a debt management service to oversee recovery of outstanding debts and allow recovered monies to be redistributed in line with Scottish public spending priorities.

## Statutory Obligations

Our Debt Management Strategy has been developed to ensure we meet our statutory obligations, are aligned with our [Corporate Plan](#) and [Charter](#) and support Social Security Scotland's core values. We will ensure that respect for people's dignity is at the heart of the social security system and that the service is efficient and delivers value for money.

Chapter five of the [Social Security \(Scotland\) Act 2018](#) refers to recovery of benefits given in error. It outlines that:

- The financial circumstances of the individual will be taken into account
- No individual will knowingly be placed into hardship
- Overpayments resulting from official error will not be recovered, unless in specific circumstances
- People will have the right to challenge whether they are liable to repay money to Social Security Scotland

Social Security Scotland has a statutory responsibility to ensure that resources are used economically, efficiently and effectively, as set out in the Public Finance and

Accountability (Scotland) Act 2000. The [Scottish Public Finance Manual](#) is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It advises that recovery will only proceed where it is economically prudent to do so.

Our debt management service will support the delivery of our Charter by:

- Working with client and stakeholder groups to design processes and develop policies that support treating clients with dignity, fairness and respect
- Providing staff with training and support to ensure policies and legislation are correctly applied to individual circumstances and clients are treated with kindness and understanding
- Developing accessible services and explaining options to clients in clear language, referring to independent organisations and services if additional support is required
- Support continuous improvement through seeking and evaluating feedback, and ongoing monitoring of performance

## Vision

Our vision is to ensure the operation of a fair, sustainable and efficient debt repayment system which will:

- Support clients to make repayments that are appropriate to their individual circumstances
- Provide various repayment methods so clients can select the level of support that meets their needs.
- Ensure that funds are effectively recovered, protecting the public purse in accordance with the Scottish Public Finance Manual

## Objectives

The Debt Management Strategy 2022-25 has 5 key objectives through which Social Security Scotland will develop the service to meet this vision:

- Stewardship and protecting the public purse
- Flexible, responsive service
- Value for Money

- Offering a range of payment channels and payment choices
- Building an exemplar service

## Stewardship and protecting the public purse

**We will appropriately steward the Scottish public purse, managing all our resources economically, efficiently and effectively by setting clear standards, measures and controls. We will have effective financial governance and adhere to the Scottish Public Finance Manual**

We will seek to engage with clients and agree a sustainable repayment plan, where clients do not engage, we will consider individual cases and respond in a proportionate way.

We will encourage clients to engage with us to agree a repayment plan. Where clients have not engaged with us despite repeated attempts by us to establish contact, we will move to enforce recovery either through deduction from ongoing benefits, or through Civil proceedings (both of which have respective routes to challenge available to clients).

Where we enforce recovery, either through deductions from benefit or legal enforcement, we will ensure a clearly defined approach is in place, with set criteria and rationale that include value limits and consideration of individual circumstances as far as they are known.

We will develop staff capability to deliver a professional service with a defined learning plan and skills development, while exploring the possibility of professional accreditation.

We will develop a quality framework to support accurate, consistent decision-making that ensures compliance with legislation and policy, while delivering individually tailored payment plans. We will undertake regular consistency reviews within our teams to provide assurance that public funds are being protected, while meeting statutory obligations.

When a client is unhappy with the level of service, we will follow Social Security Scotland complaints handling procedures to investigate and resolve. Where we identify from complaints that our processes and procedures can be improved, we will make appropriate adjustments.

We will implement systems and processes to monitor volume and value of debt caseload, ensuring robust accounting and reporting. We will regularly review and analyse data to identify any trends and risks, as well as opportunities to refine our service to improve and maximise client engagement and recoveries.

In line with statutory obligations we will not seek to recover official error overpayment, unless there are specific circumstances as detailed in the Social Security (Scotland) Act 2018. Where we do decide to recover official error, we will develop an approach to consider the circumstances of individual cases to ensure appropriateness of any recovery.

## Flexible, responsive service

**Social Security Scotland is committed to delivering a debt management service that is responsive to clients' needs while protecting the public purse. When overpayments occur, Social Security Scotland will seek to engage with clients to discuss their circumstances and agree a payment plan that takes into account individual circumstances.**

We will be open with clients, publicising overviews of options available and offer flexibility over payment amounts and periods. We will use the industry recognised Common Financial Standard tool to structure our affordability assessments for all individual clients. This is to ensure their financial circumstances are taken into account and that no client has been knowingly put into hardship.

We will ensure that clients understand our approach to affordability and what to do if their circumstances change. When client circumstances change, we will review payment plans to determine if they should be changed.

In addition, we will explore whether we can develop flexibility within agreed payment plans to provide the ability to over or underpay and avoid potential client distress by repeated contact and payment plan reviews.

Recognising that some clients will require additional support, Social Security Scotland will work with stakeholders and client representative groups to establish an approach for vulnerable clients. This includes training our debt officers to identify and sensitively handle potential hardship and vulnerable clients, as well as signposting them to support and advocacy groups. We will ensure clients understand their rights to independent advice and that advocacy support can help clients understand the process.

Where the repayment method is voluntary deductions from benefits, we will mutually agree a value with client as part of Affordability Assessment. Where enforced deductions are applied due to client not engaging with us to agree a payment plan, a maximum deduction of 10% of Scottish Benefit Entitlement will be applied unless the overpayment is due to Fraud, in which case a maximum of 15% will be applied.

We will develop system controls to recognise where changes in benefits may result in hardship and where considered appropriate, we will proactively engage with clients to review payment plans.

Social Security Scotland will seek feedback from clients and analyse use of different communication and payment channels to understand clients' preferences. We will offer

alternative, inclusive formats of communication to suit clients' preferred communication methods, including braille and interpreters. We will explore using visual information to explain Debt Management processes, testing with clients to strike the right balance between meeting legal requirements and delivering easy to understand messages.

## Value for Money

**Social Security Scotland recognises that preventing errors and overpayments will promote a value for money service. Our [Error Control Strategy](#) sets out how we will seek to prevent overpayments from occurring. Where overpayments do occur, Social Security Scotland will seek to develop an economic, efficient and effective debt recovery service.**

We will develop forecasting methodology to measure impact on debt referrals and resource of new benefits launching. We will also undertake analysis of repayment plans and wider caseload to understand the most effective way to engage with clients and manage recoveries of public funds.

We will establish unit costs of debt recovery process and regularly review the threshold below which it would be uneconomical to pursue recovery.

We will analyse dispute and complaint data to identify any specific processes or scenarios generating complaints and disputes, working with stakeholders to identify how we can make improvements to our services and communications if necessary.

We will seek to maximise IT capability and automate reporting to allow our staff to engage with clients individually and provide a tailored service that builds positive relationships.

We will promptly respond to telephone and written enquiries and develop a Service Level Agreement which will be available to our clients.

## Offering a range of communication and repayment choices

**Social Security Scotland recognises that its client base is diverse and aims to deliver a service that offers a range of communication and payment options. We will explore new technologies to identify where we can improve our service.**

Social Security Scotland will ensure that it clearly communicates to clients any debts for which they are liable, their payment options and signposts to available support. Some communications will require notification in writing to meet legal obligations.

We recognise that whilst clients may request contact from Social Security Scotland via telephone, they may prefer contact from the debt team to be in writing. Where clients

wish to discuss their case with a debt officer, telephone lines will be free of charge from within the UK.

We will keep accurate and detailed records of previous contacts to avoid clients being required to repeatedly explain their situation.

We will ensure that clients are aware of their right to dispute or appeal a decision and that they are signposted towards independent advocacy support.

In response to user research, we will establish multiple payment channels to provide a 24-hour online option, a supported telephone service or traditional direct debit to meet the needs of diverse client demographics. We will explore opportunities for additional channels and trial new capabilities to identify if they meet clients' needs.

We will ensure our debt management service meets data protection standards and that we hold any client information securely and confidentially.

## Building an exemplar service

**We will work across government to partner and share best practice and knowledge to deliver services to our clients. We will take time to understand the needs of our clients through involving and informing stakeholders to build an effective range of systems, services and processes as outlined in our Stakeholder Engagement Strategy.**

We will develop active partnerships with other agencies and government departments involved in debt recovery to exchange information and better understand our part in the wider system, working collaboratively with others to share best practice.

We will seek to identify where we share clients with other agencies and government departments and explore how we can work together when appropriate.

We will work with the wider debt management industry to identify where technologies or methods are compatible with our approach and would support effective recovery of public funds.

We will engage with user groups and client stakeholder groups to understand a range of viewpoints to support us to test and develop policies and processes that delivers our shared vision of a responsive, flexible service.

We will implement regular feedback opportunities and seek to build long term relationships with stakeholders to ensure we understand how we can improve our service and meet the needs of our diverse client groups.

When issues occur we will be transparent and honest, actively seeking to learn from feedback and collaborating with stakeholders to resolve. We will use learning to improve our service, keeping stakeholders informed on progress and outcomes.

We recognise that some overpayments will result from miscommunications and will seek to work with stakeholders to identify these and feed into wider Social Security Scotland communications discussions.

## Monitoring progress

Social Security Scotland's [Annual Report and Accounts](#), which are laid in Parliament each year and published on our website, will include Debt Management Service data such as value of recoverable debt and write off.

We will initially monitor progress against the delivery of our strategic aims while we develop quantifiable measures that balance our debt management services' dual aims of treating clients with dignity, fairness and respect and protecting the public purse. These measures will be developed as the service matures and caseload increases to allow us to develop an understanding of which targets can be used most effectively to monitor delivery of a fair, sustainable and efficient debt repayment system.

It is recognised that as the Debt Management Service develops, and new benefits are implemented, there may be a requirement to update this strategy to reflect any emerging trends. If this occurs, stakeholders will be consulted.





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