



Sarah C

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Tēnā koe Sarah C

On 4 August 2021, you emailed the Ministry of Social Development (the Ministry) through the FYI website requesting, under the Official Information Act 1982 (the Act), the following information relating to people making regular payments to repay their debt to the Ministry:

On 1 September 2021, the Ministry advised you of the need to extend the due date of your request to 22 September 2021. The reason for the extension is that consultations necessary to make a decision on the request are such that a proper response to the request cannot reasonably be made within the original time limit.

For people making regular payments to repay their debt to the Ministry,

- 1) *What is the letter template that the MSD sends when the regular payment is missed? Can I please have a copy of the letter wording template?*
 - a) *When was the content of this letter template last reviewed?*
 - b) *Does it ever be edited to be personalised beyond the client name, date and amount?*
 - c) *Is the letter automatically generated and sent by the system after a trigger is met? What is the trigger?*
- 2) *If there's no such letter template, what would the key message be when the MSD follows up on the missed payment by a written letter?*
 - a) *Is there a guideline on how to communicate with the client in such situations where they miss the regular payment due to various reasons? If there is a documented guideline, I would like to see a copy of it.*
- 3) *Has the MSD conduct any internal research/investigation on the best practice of pursuing client debt? I've seen some examples from other ministries but cannot recall seeing any report from the MSD. If you have done so in the past, please send me a copy of your findings*

For the sake of clarity, your questions will be answered in turn.

Please note, the Ministry is responding in relation to the process for recovery of non-current debt such as, debt owed by clients who are no longer receiving a main benefit.

Furthermore, debt for clients on a benefit is recovered from their ongoing benefit payments.

1) *What is the letter template that the MSD sends when the regular payment is missed? Can I please have a copy of the letter wording template?*

Please find the document titled 'Example – Repayments stopped letter_Aug2021' attached to this response. This document is the template used for letters sent to a client when their regular payment is missed.

a) *When was the content of this letter template last reviewed?*

The letter was last reviewed and updated in December 2018.

b) *Does it ever be edited to be personalised beyond the client name, date and amount?*

When a regular payment is missed, a letter is sent automatically by the Ministry's debt system. Ministry staff will write manual letters if the automatic letter is not fit for purpose.

c) *Is the letter automatically generated and sent by the system after a trigger is met? What is the trigger?*

An automated letter is sent when the expected payment is not received. Clients are given three days of leniency for payments before the automated letter is sent. For example, if the client is paying on a weekly basis and no payment has been received 10 days after the previous payment, the repayment stopped letter will be sent. The same is true 17 days after the last fortnightly payment, and 33 days after the last monthly payment.

2) *If there's no such letter template, what would the key message be when the MSD follows up on the missed payment by a written letter?*

Please see the information provided above regarding the letter template used by the Ministry to when a payment is missed by a client.

a) *Is there a guideline on how to communicate with the client in such situations where they miss the regular payment due to various reasons? If there is a documented guideline, I would like to see a copy of it.*

Over the last three years MSD's focus in recovering debt has moved away from a limited focus on getting people repaying their debt as quickly as possible once they leave benefit, towards a broader focus on sustaining repayments. This involves encouraging clients to repay based on their current circumstances. For some clients, this may mean placing recovery of their debt on hold until they are able to sustainably afford repayments. At the same time we are increasingly using these conversations with clients to discuss non-beneficiary and in-work support assistance.

Once a sustainable payment arrangement has been agreed upon, this is noted in the system, which will then issue letters/reminders as needed, if the regular payments stop.

3) *Has the MSD conduct any internal research/investigation on the best practice of pursuing client debt? I've seen some examples from other ministries but cannot recall seeing any report from the MSD. If you have done so in the past, please send me a copy of your findings*

The Ministry continually looks to review and improve its processes for managing debt recovery.

The principles and purposes of the Act under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government
- to increase the ability of the public to participate in the making and administration of our laws and policies
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response regarding the process for when clients miss a regular debt payment, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely



George van Ooyen
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