



Attitudes and behaviours of self-employed child maintenance clients and barriers to paying child maintenance

By Caitlin Connors and Emily Fu

Executive summary

This research explored the attitudes and behaviours of Department for Work and Pensions (DWP's) 'self-employed' child maintenance paying parents towards the payment of child maintenance. It presents findings from two waves of qualitative research with paying parents, conducted between November 2013 and February 2014.

The child maintenance system is in a critical time of change, as the Child Support Agency (CSA) closes its cases and cases open in the new Child Maintenance Service (CMS). The CMS has introduced a range of charges, alongside other system changes, in order to promote more compliant payment within the statutory system, and to promote considerations of alternative arrangements such as Direct Pay and family-based arrangements. Specifically, the CMS system introduces:

- **application charges:** consisting of a one-off fee of £20 for parents wishing to set up a new statutory child maintenance arrangement through CMS;
- **collection charges:** involving a 20 per cent fee for paying parents and a four per cent fee for receiving parents, to be deducted from each child maintenance payment; and
- **enforcement charges:** applied at a flat rate for each enforcement action.

TNS BMRB was commissioned by DWP to provide insight on:

- what drives CSA self-employed paying parents to be non-compliant; and
- the likely effects of the new CMS system upon the attitudes and behaviours of this audience.

Research also explored potential communications and support needs to smooth the introduction of the new system and support positive behaviour change.

Background

Findings by other Government departments indicate reduced levels of understanding in relation to financial obligations among the self-employed, compared to the general population, and in some cases normalisation of non-compliant attitudes – for example, regarding poor timeliness of tax filing with Her Majesty's Revenue and Customs (HMRC).

It is hoped that the changes to the child maintenance system will help to:

- **prevent the growth of arrears** by making paying on time the norm;
- **reduce the potential for arrears** by helping parents to make regular, on-time payments, and providing swift enforcement for those who deliberately avoid their responsibilities;

- **support a move towards independence** via flexible, family-based arrangements and Direct Pay options; and
- **improve the client experience**, by introducing targeted communications such as payment reminder services and guides to help parents understand the statutory maintenance system.

Methodology

Using a behavioural insight approach, research explored both current attitudes and behaviours around the CSA and likely responses and behaviour under the CMS. Findings are based on a mixed-method qualitative study, including 47 total respondents (both 'compliant' and 'non-compliant'), conducted iteratively over two stages of fieldwork. Qualitative individual and paired depth interviews were conducted, as well as trios and small focus group sessions.

The rationale for selecting the sample was not to recruit a statistically representative sample of the target audience, but to ensure diversity of coverage across certain key variables (purposive sampling). Whilst research can provide evidence around the range of issues that may affect compliance for this audience, it is thus not appropriate to draw conclusions about prevalence of these in the wider audience of self-employed, child maintenance paying parents.

Key findings

Self-employment

This research found that for child maintenance purposes, paying parents self-categorised their self-employment status. This has led to the miscategorisation of some individuals on the DWP child maintenance database; some paying parents who DWP believed to be self-employed were in fact essentially unemployed, or working very few hours per month. Barriers to compliance for self-employed parents were thus not just around variation in income but also around having very low income flow, and lack of affordability.

As income was a key driver of non-compliance for some, it is possible that non-compliance amongst the self-employed audience may be partially explained by income alone. Further investigation on the self-employed sample is required to determine the size of low income/unemployed in this group.

There was also some minimal evidence of 'strategic unemployment', with individuals choosing to register as self-employed for child maintenance purposes in order to have more control over their maintenance liability.

Reasons for using the statutory system

Perhaps unsurprisingly, conflict and communication breakdown between parents and ex-partners were key drivers for the need for statutory services. This was based on mistrust about how the child maintenance paid by the paying parent was being spent by the receiving parent. Or it was linked to disputes around payment amount or frequency of payment. The statutory system was viewed by many paying parents as a punishment from their ex-partner, for example, following disputes. This background of conflict and tension underplays paying parents' responses to the statutory system itself – as their relationships with ex-partners could influence their response to the CSA/CMS, potentially reducing motivation to comply.

Reasons for non-compliance under the current system (CSA)

Although reasons for non-compliance included income or issues arising from self-employment, many other reasons were also observed. Barriers to compliance included:

- inability to afford payments due to low or fluctuating income;

- prioritisation of other bills (e.g., related to 'survival' such as rent and heating, work-related expenses, or bills with high costs for non-compliance). This seemed linked to a perception that the cost of non-compliance was low; respondents felt that response from the CSA after non-payment was often delayed or unpredictable;
- a perception that liability calculations and payment schedules were unfair and did not adequately take into account other factors such as income flow, periods of sickness, support provided outside the statutory system, system errors, etc. Clear (written and verbal) communication and explanation about how liability is calculated could help reduce barriers around illegitimacy. More transparent procedures around how to adjust (perceived) incorrect liability amounts are also required;
- a perception that child maintenance payments were not being spent on the child – at times resulting in complete rejection of statutory maintenance obligations. Paying parents wished to see measures or communications in place to alleviate their concerns;
- resentment about a government 'interfering' in personal affairs and focusing only on financial child support. This can result in a framing of child maintenance payments as merely 'paying the CSA' rather than linking it with supporting their child;
- negative experiences with the CSA including system errors, perceived disorganisation or inflexible and 'judgmental' tone of staff further undermined its legitimacy for some;
- a perception that paying parents were 'treated as criminals' and assumed to be at fault, even when they were willing to pay. Many parents thus felt morally justified in 'fighting back' with non-compliance.

Responses to CMS and likely behaviour under the new system

The key windows of opportunity around the CMS seem to centre around the ability of charges to combat a sense of **limited cost of non-compliance**, inspiring more loss aversion via the desire to avoid collection or enforcement charges. This may help **disrupt current habits of non-compliance** and result in greater prioritisation of child maintenance for those who can afford to pay. However, **charges also raise risks in terms of amplifying some of the existing barriers to compliance** as outlined above.

Respondents were positive about the introduction of an **application fee**, but did not think it was high enough to deter many receiving parents, particularly if respondents felt the system was being used by ex-partners to 'punish them'.

Collection charges intensified the perception that child maintenance payments were paid to a government service rather than benefiting their child. Respondents expressed keenness to avoid collection charges under the CMS system in theory, but given poor relationships with ex-partners doubted whether they would be able to move to Direct Pay or family-based arrangements without support or mediation.

Parents who would be willing but unable to pay via Direct Pay or make family-based arrangements thus felt they would be being 'forced' into a statutory system and 'punished' through collection charges. Additional charges (including enforcement charges) not only raised real concerns about ability to pay but aggravated perceptions that the system would unfairly penalise fathers. Some respondents stated that their frustration would cause them to stop payment outright or to find ways to 'game the system' and minimise their liability calculation.

Clear and explicit guidance about how to set up Direct Pay or family-based arrangements when communication with ex-partners is poor will thus be key in enabling parents to do so.

Experiences of the CMS so far

Understanding and direct experience of the CMS was fairly limited within the research sample. Many of those transitioning from the CSA were not aware that they had been moved into a 'new' system or what was different about this, and most of those with new cases had only limited contact with the system thus far. Any communication that works to 'rebrand' or distance the CMS from the CSA system could help dissociate CMS from the negative reputation of the CSA.

Amongst the limited numbers of those who had interacted with the CMS, there was some positive feedback about improved communications, as CMS staff had adopted a more positive and encouraging tone, leading to positive views of the system. Continuing this tone of flexibility and helpfulness will be strongly beneficial to shifting parents' relationships with CMS and attitudes to compliance.

Amongst those in the CMS, the research found evidence of resentment around feelings of being 'forced' into a statutory system despite being willing to pay directly, and being unable to do so due to relationship-based issues and communication difficulties with ex-partners.

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