Direct Debit Collection Error Investigation Notes

Summary of Error

The revenues services section is responsible for the collection of council tax for 43,570 council tax accounts, 35,532 of which are payable by Direct Debit. Direct Debit payments are collected on the 1st, 15th, 21st and 28th day of the month; 5436 accounts have opted to pay by Direct Debit on the 15th day of the month.

Direct Debit collection operates on a three-day processing cycle.

- **Day 1: Input**. BACS files are validated and passed to Payment Service Providers (PSPs) including Banks and Building Societies.
- **Day 2: Processing**. PSPs complete processing checks and notify the Council of any Direct Debit Instructions (DDI) that cannot be applied.
- **Day 3: Entry**. Valid payment instructions are applied and payments collected from customers' accounts.

Input, processing and entry can only take place on designated processing days. Saturdays, Sundays and Bank Holidays are not processing days and cannot be used for any stage of the Direct Debit collection process.

The collection date is specified when payment files are submitted through AccessPay to the BACS payment service and ordinarily correspond with the customer's notified instalment date. Where the instalment date falls on a non-processing day, the collection date should be moved to the next working day.

The instalment date of 15th of August fell on a Saturday which is a non-processing day. As a result, the collection date required a manual amendment during the submission process. The collection date was incorrectly set as 14th August rather than the next working day. Consequently, Direct Debit payments were collected one day earlier than the notified instalment date, resulting in affected customer's bank accounts being debited early.

The early collection exposed the council to a number of risks including:

- Potential liability for customer's financial losses where bank charges were incurred.
- Reputational damage.
- Additional administrative costs associated with error investigation, handling customer's enquiries and complaints, and the implementation of corrective actions.

Investigation notes

Stage 1 – Define Error

What happened?

Date:	12th August 2026
Description:	BACS submission for 15th August 2026 payments submitted with incorrect collection date of 14th August 2026, resulting in customer's account being debited early.
Discovery Date:	14th August 2026
People Involved:	Revenue Services Manager Senior Systems Support Officer Financial Support Assistants

What was the Impact?

Financial:	Minimal direct financial impact < £10.00
Customer:	A total of 5,436 council taxpayers who had elected to pay by Direct Debit on 15th of the month had their bank account debited one day earlier than the notified collection date. This exposed customers to the risk of incurring bank charges, overdraft fees or other financial costs. One customer has reported bank charges of less than £2.00 because of the early collection. Arrangements have been made for re-imbursement of charges.
Reputational:	The incident created a risk of reputational damage to the Council by undermining confidence in its ability to administer Council Tax payments accurately and reliably. Customers affected by the early collection may have experienced financial inconvenience, leading to complaints and dissatisfaction with the service. The error also had the potential to attract negative media or social media attention and could diminish confidence among residents, and other stakeholders in the effectiveness of the Council's controls and operational processes.
Operational:	The incident required a significant operational response from Revenue Services and Communications and Marketing Services. Resources were diverted from normal business activities to investigate the cause of the error and assess customer impact. Officers were required to brief elected Members, update customer messaging across communication channels, and notify relevant partners, including local advice agencies, to ensure consistent information and support for affected residents.

Additional work was undertaken to prepare communications and draft press statements, if required later. Customer contact levels remained low, with fewer than five complaints received, staff time was required to manage enquiries, respond to complaints, and arrange reimbursement where financial loss had been identified.

These activities generated additional administrative costs and reduced capacity to deliver routine service priorities during the period of incident management.

Stage 2 – Gather Evidence

To establish the cause of the incident, a review of the Direct Debit collection process was undertaken. This included discussions with the officers responsible for submitting Direct Debit collections and a detailed walkthrough of the end-to-end submission process. The investigation reviewed the Direct Debit collection lifecycle from initial file preparation within the Civica OpenRevenues software through to submission and collection, alongside an examination of existing procedure notes and guidance used by staff. Enquiries were made with supervisory staff within the Revenues Service to determine whether similar incidents had occurred previously and to identify any recurring risks or patterns.

The investigation also considered other potential points of failure within the Direct Debit collection process and supporting systems. Testing was undertaken within the Civica OpenRevenues System to review file formats for BACSTEL submissions, and a walkthrough of the submission within the AccessPay software was completed to validate system behaviour and confirm how collection dates are handled.

In addition, relevant Civica OpenRevenues User Guides, AccessPay system documentation, the BACSTEL-IP User Guide were reviewed to verify system capabilities, processing rules, and the controls governing collection date amendments. The findings from these activities were used to identify the cause of the error and assess the effectiveness of existing controls

Stage 3 – Identifying Contributing Factors

Process

Was there a process?

There are documented procedures for the submission of Direct Debit collections files.

Was the procedure clear?

The procedures outline a narrative description of the Direct Debit collection process and run step by step through the submission process, containing annotations highlighting important points within the procedure and the controls and checks that are to be completed. The annotations include a note to advise that where an instalment date falls on a non-processing date, the collection day must be amended to the next working day.

The procedure does not contain:

1. Document control: Naming the process, setting review dates, author, or approver.
2. Purpose: There is no preamble explaining the procedure and what it aims to achieve.
3. Technical Definitions: A glossary of technical terms is not included in the document.
4. Contents and searchable sections: The procedure is a narrative description of the process to be completed, but it is not broken down into sections and does not include searchable contents, or links to key sections.
5. BACS processing days are published by BACS and can be appended to the procedure, and highlight occasions where collection dates will require adjustment.

Was the procedure accessible?

Procedures are held on shared drive and are accessible by all members of the team responsible for direct debit submissions.

Is the procedure version controlled?

No

Was the procedure current?

The procedure accurately summarises the existing process for DD submissions

Training

Was training provided?

Initial training was provided to all relevant staff, and training needs are discussed in annual one-to-ones and team meetings.

Workload

Was workload reasonable? Were deadlines achievable?

There are internal temporary resource pressures within the Admin and Control team, attributable to sickness absence and annual leave. There are periods where one of four Financial Support Assistants were available to complete scheduled tasks. The resource pressure may have contributed to a desire to complete tasks quickly, and limited oversight and operation of procedural checks and controls

Systems

Did systems contribute to the failure?

The Direct Debit collections process is completed within two separate systems. Civica OpenRevenues which is used for the administration of council tax accounts, and from which a BACS submission file is produced. The BACS file can be produced in several formats. The file can either be formatted to contain

- single lines for each DD payment.
- Headers and Footers containing submission dates, service user number (SUN), file totals, and single lines for each DD payment.

The format currently used does not include headers and footers and this limits the ability to utilise validation and automation within access pay.

The AccessPay system is used to submit the files produced by OpenRevenues to the BACS payment service. AccesPay can be configured to include controls which automatically determine processing day from the submitted files. These validations are not active as the output from OpenRevenues does not currently include headers detailing submission date and SUN.

AccesPay provides a submission summary report. The documented procedure instructs the submission summary to reviewed to confirm that the processing date and monetary value of the file are correct. Incorrect submissions can be cancelled on input day but cannot be amended from submission day onwards.

Were controls effective?

The process experienced a *normalization of deviance*, whereby established controls gradually eroded due to complacency arising from the perception that “nothing had gone wrong”. Specifically, AccessPay submission reports were not reviewed as required. As non-compliance with the control did not appear to result in any adverse outcomes, adherence to the control weakened over time.

Behaviour

Was there an intention to follow the process?

Yes, there was an intention to adhere to the procedure, however, the format and presentation of the guidance can make the specific checks and actions difficult to identify within the guidance. The officer completing the submission was aware of the need to adjust the collection date when it fell on a non-processing day. However, the officer confused the instruction with a separate procedure for the submission of Housing Benefit payment runs.

The procedure for Housing Benefit payment runs requires the collection/payment date to be brought forward to the nearest processing day, whereas the Direct Debit submission procedure requires the collection date to be moved to the next working day. As a result, the incorrect action was taken despite the intention to follow the documented process.

Was the deviation deliberate?

No. There is no evidence to suggest that the deviation was deliberate. The officer intended to follow the process and recognised the need to amend the collection date when it fell on a non-processing day. However, the officer confused the requirements of two similar procedures, resulting in the incorrect action being taken

The non-adherence of control checks was not deliberate. While the requirement to review AccessPay submission reports was understood, the control was not routinely undertaken. As the omission of the control had not previously resulted in any identified issues, confidence in its necessity reduced over time and adherence gradually declined. This represents a normalization of deviance rather than an intentional disregard of the control requirement.

Root cause

The collection date in AccessPay was amended incorrectly from 15 August 2026 to 14 August 2026 because the officer applied the rule from the Housing Benefit payment process (move to the previous processing day) rather than the Direct Debit process (move to the next working day).

Contributing factors

- The Direct Debit procedure is lengthy, narrative in style, and does not clearly highlight key decision points and mandatory actions.
- The procedure is not version controlled and lacks a structured format.
- Resource pressures may have encouraged task completion without full review.
- AccessPay validation controls are not enabled because of the file format produced by OpenRevenues.
- The required review of the AccessPay submission report was not being routinely completed. This review functions as a critical control acting as a final review of the processing and collection dates where errors are identified files can be stopped and amended before the BACS processing day.
- A *normalization of deviance* had developed around the control check because previous omissions had not resulted in adverse consequences.

Root Cause

The error resulted from a weakness in process design and the effectiveness of controls. The DD procedure did not sufficiently distinguish the date amendment requirements from similar payment processes, leading to the incorrect collection date being selected. The error was not detected prior to processing day because a key control, review of the AccessPay submission report, was not operating effectively.

Failure category

Primary Factor: Process Inadequacy

Secondary Factors: Inattention
Process Complexity

The error occurred despite an intention to follow the process. The Direct Debit procedure did not clearly distinguish steps within the process. The error was not identified before submission because a key detective control, the review of the AccessPay submission report, was not operating effectively. There is no evidence of deliberate deviation, misconduct, or lack of competence

Fairness Test outcome

System and control weaknesses identified. Formal management action against an employee would not be appropriate. Actions should be taken to improve procedural guidance, strengthen controls and liaise with software suppliers to identify improvements to process design.

Immediate corrective action

- Brief Admin and Control team on the outcome of investigation.
- Re-affirm importance of the review of AccessPay submissions summary.
- Provide team with reference to non-processing days; identifying dates where adjustment to collection date is required, and the required collection date.

Long-Term Improvement Action

1. Liaise with software suppliers to review the Direct Debit procedure and investigate the use of headers and footers within the OpenRevenues output files, and the implementation of AccessPay validation controls.
2. Implement document control and standard format for Procedure guides.
3. Review, redesign and reissue direct debit operating procedures to meet standard format, and to clearly identify critical processing rules and mandatory control checks.

Action Owner

Immediate actions

Action	Owner	Completion Date
Brief Admin and Control Team	Senior System Support Officer	6th September 2026
Re-affirm importance of review of submissions summary	Senior System Support Officer	6th September 2026
Provide non-processing days calendar	Senior System Support Officer	6th September 2026

Long-Term Actions

Action	Owner	Completion Date
Liaise with software suppliers	Revenue Services Manager/ICT	31st December 2026
Implement document control and standard format	Revenue Services Manager	30th September 2026
Review, Redesign and distribute revised operating procedures.	Senior System Support Officer	31st October 2026

Review Date

31st March 2027