

Press Release

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FAMILIES LET DOWN BY TAX CREDIT SCHEMES, SAYS LAW FIRM

A warning that the system for calculating working tax and child tax credits would lead to serious confusion and leave many of Lincolnshire's poorest families worse off has proved all too accurate, according to Solicitors Bridge McFarland.

The firm warned publicly last year that many people would be left without sufficient income or find themselves having to repay large sums because of the way the credits were being calculated.

Bridge McFarland wrote to clients to alert them to the potential problems but the firm's family lawyers are still seeing cases where people are facing large bills for overpaid credits.

Bridge McFarland partner Jacqui Skelton, who is head of the firm's family department in Lincoln, said the situation was still very concerning but she emphasised that people should not be put off from applying for the credits.

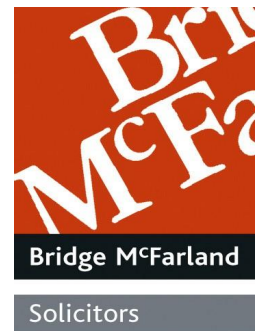
"It gives me no pleasure to say it but our prediction of confusion and errors is coming true and some of the families who most need this money are being hit," she said.

"People do not realise that working tax and child tax credits are based on estimates of each family's likely income for the tax year. Actual income is eventually checked against the estimate and, in many cases, money is then reduced or clawed back.

"Even where claimants correctly report changed circumstances or increased earnings, the Revenue sometimes takes so long to reassess their cases that they are left facing a significant loss of income.

"One of our clients, a mother of two very young children, was wrongly told she would have to repay £1,700 because she had increased her hours at work after her husband left her, even though she had properly informed the Revenue of the change on several occasions.

"In fact, she had actually been overpaid by only £700 and the Revenue now says it will write that off because it was not her fault. However, her weekly payments have



been reduced by £50 a week and she went through an extremely worrying time, which meant that she had to delay sorting out the ownership of her house.

“The important message to get across is that claimants of working tax and child tax credits must inform the Inland Revenue as soon as possible of any change in circumstances and then keep pressing for the changes to be processed. People affected by Revenue errors should also be aware that there is now a mechanism for writing off any resulting debts and they should insist on this happening.”

Bridge McFarland has clients throughout Lincolnshire and the Humber region. The firm has offices in Lincoln, Louth, Grimsby, Mablethorpe, Market Rasen and Hull.

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Press release issued by Forest Communications for Bridge McFarland.

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