

Press Release

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FAMILIES WARNED OVER TAX CREDIT SCHEMES

Families receiving working tax and child tax credits have been warned that they risk getting into serious debt if they spend money paid to them in error.

Lincolnshire and East Yorkshire solicitors Bridge McFarland say the extra money might seem like a windfall – but spending it could lead to big financial difficulties later.

Bridge McFarland partner Jacqui Skelton, who is head of the firm's family department in Lincoln, said the system for calculating and administering the credits was proving so shambolic that many people in the region were receiving incorrect payments.

"Sometimes, that's because they have not informed the Inland Revenue of a change in circumstances but we are also seeing plenty of cases where the Revenue have simply made mistakes or have been properly informed of a change and have done nothing about it," she said.

"Although the Revenue can write off debts when it is responsible for the error, there are no guarantees and overpayments are likely to be clawed back, especially when the claimant has not reported a change in income. This is hitting some of the poorest families in the region and leaving them in debt.

"If people think they may be being overpaid, our strong advice is to put the extra money aside, preferably in an interest earning account, until the situation can be sorted out. Don't spend the money now and risk having to pay it back later out of reduced income."

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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