

# North Tyneside Council Customer Payment Strategy

September 2024



North  
Tyneside  
Council

## Executive Summary

- 1.1 This document defines North Tyneside Council's Customer Payment Strategy for 2024-2029, establishing the framework and direction for how customers can pay for Council services or receive Council money, embracing technology in the process.
- 1.2 The Council has a role to make sure digital payments are as accessible and inclusive as possible.
- 1.3 The strategy outlines how the Council will enhance customer experience and encourage and support customers to use digital channels when making or receiving a payment.
- 1.4 North Tyneside Council is committed to increasing digital inclusion and removing barriers in North Tyneside and the strategy is underpinned by the principles of digital inclusion and the Council's approach to embracing technology.

## **2. Background**

2.1 During 2023/24 there were 1.6 million individual payment transactions made to North Tyneside Council. Approximately 930,000 of those payments are made via Direct Debit leaving 40% of transactions paid via other methods such as Debit Card, Cash, Bank Transfer & Cheques.

2.2 Collection of Face to Face/Manual Payments is an expensive channel in comparison to the cost of payments via digital or automated channels, such as via the website, the councils' automated payments line or direct debit. The below table outlines the cost to the authority for current payment methods:

2.3 As part of our Customer Promise, Digital Strategy and Digital Inclusion Strategy, the Council has committed to providing accessible digital services that enhance the customer experience.

## **3. Aims**

3.1 To make it simpler and more efficient for customers to make and receive payments with the Council.

3.2 To improve digital payment platforms so customers have greater choice

3.3 To adopt a payment upfront approach

3.4 To ensure no-one is disadvantaged or excluded through digital payments

3.5 To support the Council's overall ambition of reducing health inequality in the Borough by supporting residents to be digitally included.

3.6 To reduce payments requiring officer intervention

3.7 To promote digital payments where possible

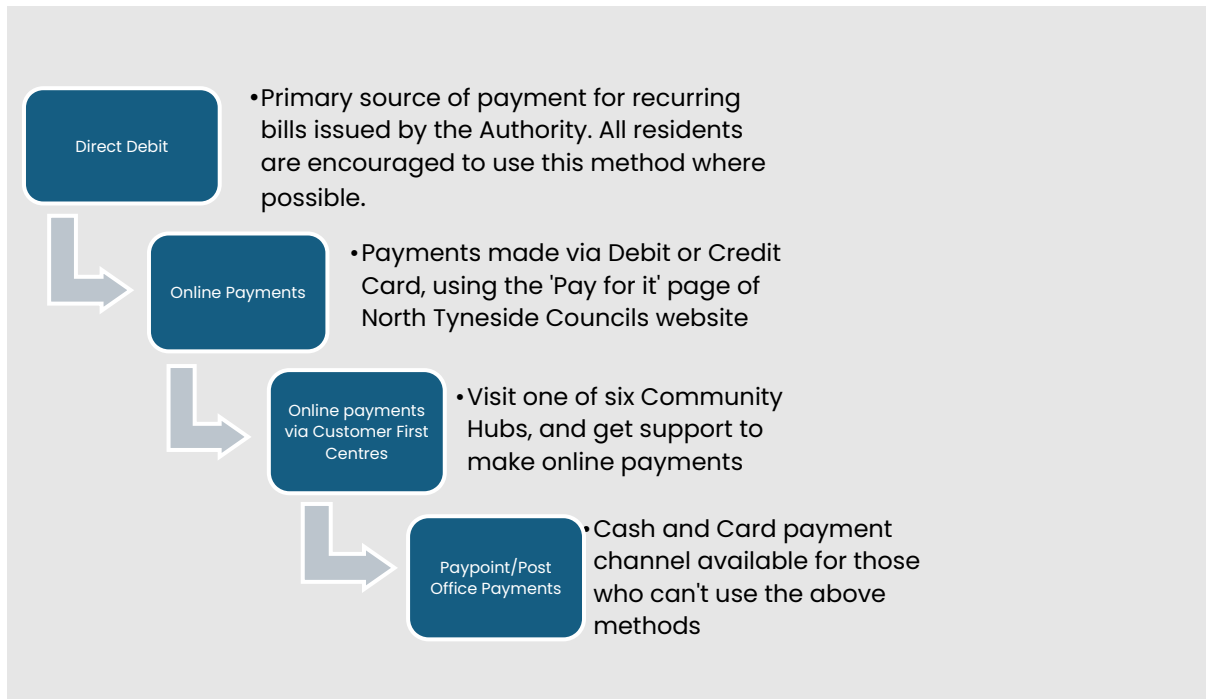
## 4. Objectives

4.1 The strategy is based upon the following key objectives, where the Council will:

- Encourage and support customers to pay for service(s) in advance and set up automated payment methods, e.g. direct debits, for recurring bills and services, and discount this payment method where appropriate
- Encourage digital payment methods by explaining the benefits of each payment method, their cost-effectiveness from most to least, and how they will help the Council deliver the strategy
- Develop and enhance digital payment methods to provide accessible on demand services that can be available easily and are accessible to all
- Support customers and businesses to move to digital payment channels wherever possible
- For reasons of security and transit costs the Authority will reduce the amount of cash payments that require manual reconciliation; cash payments will be accepted through partner outlets such as Pay Point and The Post Office to reduce manual procedures within the Authority and provide efficiencies
- Substantially reduce the number of payments taken by officers over the telephone and divert these to more cost effective digital methods, such as, automated touch tone and internet payments, etc
- Provide sufficient choice of payment methods to ensure collection rates are maximised and any customer groups are not discriminated against
- Ensure Payment Card Industry (PCI) compliance and that The Authority access, remediate and report on their PCI compliance on an annual basis

## 5. Types of Payments

5.1 The payment methods available to customers are explained below in the flowchart and descriptions, in preference according to this strategy.



If there are any instances where the above methods are not available, there is the option to telephone our customer contact centre: 0345 2000 107.

### 5.2 Direct Debits

Payment by Direct Debit is the most efficient way for customers to make payment to the councils. Recurring payments both reduce customer and council effort to process transactions.

#### To deliver this we will:

- Promote payments via Direct Debit, highlighting the benefits of switching (being in control of payment dates, or possible incentives for specific services where uptake is low)

- Identify all recurring payments and encourage transfer these customers to automated payment methods.

### 5.3 Online payment via Council Website:

Customers can pay their bills for services via the 'Pay for it' section of the Council's Website. This method is encouraged for any Council invoice that cannot be paid via Direct Debit, such as fines, school meals, service charges and one-off events hosted by The Authority.

#### To deliver this we will:

- Advise customers they can pay for their bills online, using a Debit or Credit Card either by using the 'Pay for it' page, or via payment link
- Use Content Management System, to allow ease of updating the 'Pay for it' page with all relevant services provided by the council, whether that be regular or one off.

### 5.4 Online payment via Customer First Centres:

Customers can use our internet and devices, with support if needed, at one of our Customer First Centres to make their payment online with their Debit or Credit Card via the Authority's Website.

#### To deliver this we will:

- Advise customers they can pay for their bills online, using a Debit or Credit Card by using the 'Pay for it' page on a Council device at one of our Centres.
- Have at least one device in each centre to allow residents to use.
- Have trained staff available to help residents with the technology, if required.

### . 5.5 Cash and Cheque Payments

Payments by cash or cheque have fallen by £1.5m for the 23/24 financial year, compared with 22/23.

Paying for a bill via cash or cheque directly to the Authority is an expensive and labour-intensive payment channel in comparison with automated or digital channels and requires additional security and insurance measures.

We understand that there are still some customers who do not wish to make online payments, therefore we offer the option to pay using cash or cheque via Pay Point or Post Office methods.

To deliver this we will:

- Advise customers who wish to pay via Cash or Cheque to visit to the nearest Pay Point or Post Office Outlet.
- Review and develop a QR code generator that will allow a QR code to be generated to make payment for ad-hoc services.
- Offer training delivered by our Banking Provider, Barclays, to help residents move to Digital Channels.

To deliver this we will:

- Look to provide the option of payment via a secure link, which sends an email to residents can make payment using cards, bank transfer or other local payment methods, allowing the customer to be in control of putting their card details in.
- Allow customers use of the open banking method, which sends a request directly to the customers online banking, which can then be accepted transferring payment directly to the Authority's chosen bank account.

5.7 Payment Card Industry (PCI) compliance for Debit and Credit Card payments:

The adoption of consistent technical and operational data security requirements to ensure PCI Data Security compliance and to protect the card holder. The Authority follows internal security policies to ensure compliance.

Should the Authority suffer a card data breach and is not PCI compliant, North Tyneside Council would be liable for any fraudulent activity, the costs of reissuing and monitoring affected cards and any investigation costs imposed by our acquiring bank.

To deliver this we will:

- Ensure PCI DSS compliance of existing payment methods.
- Ensure the Authority assesses, remediates and reports their PCI compliance on an annual basis.

- Ensure staff are trained in taking card payments and understand their responsibility to comply with PCI.

## **6. Payments to Customers**

7.1 Payments to customers, for example refunds, should be made to all customers using the original payment method used. In limited exceptions where this is not possible, officers should endeavour to gather and confirm bank details to facilitate a refund. Only as a last resort should payments be made via cheque.

7.2 Refunds will follow an agreed process for each payment method used. In instances where payments have been taken via PayPoint or likewise, attempts will be made to obtain and confirm customer bank details to allow for refunds to be made via BACS.

### To deliver this we will:

- Use the bank details provided on our bank statements to ensure a seamless process for the customer, whereby a BACS payment can be made, and no further contact is required
- Provide relevant training to staff members who are issuing refunds to know how to use the appropriate method of payment.
- Ensure that managers understand the process and the Payment Strategy policy is always adhered to.

## **7. Internal Payments within the Authority:**

Internal payments made by the Authority should be using the most cost-effective digital method. The accepted method would be BACS/Digital payments. Cheques and pay point payments will no longer be acceptable as this does not offer value for money to the Authority.

## **8. Future Development:**

Developing digital self-service / customer service process which captures bank details for customers

Developing the mechanism where bank details can be used by officers to facilitate BACS refunds as a priority over cheque refunds.



Where credits have been returned to the council, credit to remain on account until customer has made contact and bank details collected.

## 9.Support and Communication

9.1 We will strive to support and educate our customers to move to digital payment channels wherever possible including those payments that are taken by officers via telephone.

9.2 We will support the move with a targeted communications plan for residents and officers.

### To deliver this we will:

- Promote the roll out of digital technologies and increase uptake in these channels to enhance the customer experience.
- Encourage customers to use alternative methods that are personalised, flexible, cost-efficient, save customers time and allow the customer to transaction how, when and where they like.
- Continue to work with our Customer First locations across the boroughs where customers can access the internet to allow them to make payments online.
- If new payment streams are identified, they should be signed off via Treasury before being sent to Governance
- Partner with Barclays to provide digital inclusion training in the community to assist customers where appropriate.
- Deliver communication to promote digital payment methods and their benefits to both the customer and the council.

## **10. Frequently asked questions**

### **Why are you doing this?**

To make it easier and more efficient for customers to pay or receive money for Council services.

### **Do I have to make digital payments?**

No. Nobody will be made to move to digital payments.

### **Why is it better to pay online or with direct debit?**

Online payments and direct debits are both convenient and secure. You can save yourself time by paying online. You'll only need to set up your Direct Debit once and there's no need to remember payments each month and eliminates the risk of a missed payment.

### **How safe is it to pay online?**

It is very safe to pay online via our website as we are PCI compliant, and your details remain safe. In the UK, Direct Debits are protected under the Direct Debit Guarantee.

### **Will you be able to help me set this up?**

If you need help setting up a Direct Debit or online payment, please use our Contact Centre helpline, where our team will be happy to assist you.

### **Can I still pay in person?**

Yes, our staff at Customer First Centres will be able to help you make payments like direct debits or online payments using our internet or devices. You will be able to pay in person at your nearest Pay Point or Post Office.

### **Can I still pay via cheque or cash?**

Yes you can still pay for council services by cheque or cash at a Pay Point or Post Office.