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Planning

## UK2 - Preliminary Market Engagement Notice

Department for Work and Pensions

UK2: Preliminary market engagement notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-011229

Procurement identifier (OCID): ocds-h6vhtk-04f71a ([view related notices](#))

Published 25 March 2025, 5:10pm

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## Scope

## Reference

PA23 PES

## Description

Payment Exception Service is a cash-out over the counter service required to fulfil the Secretary of State obligation to pay benefit and pensions payments on time, on the due date, to the correct customer.

The service supports unbanked customers to receive payment of entitlement through an alternate method of payment.

The new service will include Lots 1) Cash Disbursement Service 2) Supporting Financial Inclusion

## **Total value (estimated)**

- £25,000,000 excluding VAT
- £30,000,000 including VAT

Above the relevant threshold

## **Contract dates (estimated)**

- 25 January 2026 to 25 January 2031
- Possible extension to 7 December 2033
- 7 years, 10 months, 14 days

## **Main procurement category**

Services

## **CPV classifications**

- 66000000 - Financial and insurance services

## **Contract locations**

- UK - United Kingdom

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## **Engagement**

## **Engagement deadline**

25 April 2025

## **Engagement process description**

### General Information

It is mandatory for any interested suppliers to register on the new CENTRAL DIGITAL PLATFORM which is part of the enhanced Find a Tender Service.

This procurement will be progressed using the Competitive Flexible procedure utilising Procurement Act 2023.

A key aspect of the procurement will be based on innovative ideas for assisting customers to move to a simple bank account.

DWP welcomes interest from all suitable suppliers, including SMEs and VCSEs.

Suppliers are able to bid for either / both Lots.

### Outcome Based Specification

DWP needs a new, innovative contracted Payment Exception service for customers who cannot or will not provide a standard bank, building society or credit union account. This must be a nationally accessible service which caters for some of DWPs most vulnerable customers to receive payment. In addition, the service must minimise the volume of customers using the Payment Exception service by supporting the movement to use a standard bank, building society or credit union account.

### Business Requirements (high level for Preliminary Market Engagement Notice only)

#### Lot 1 - Cash Disbursement Service

001 - DWP needs a new, nationwide innovative contracted Payment Exception service for customers with diverse and complex needs who cannot or will not provide a standard bank, building society or credit union account.

002 - The service must be free of charge to the customer

003 - There must be a mechanism to return payments to the paying Department

004 - The solution must not require pre-funding and be able to receive peak transaction volumes of BACs and Faster Payments (circa 250,000 peak BACS payments & circa 25,000 peak Faster Payments per calendar month)

005 - The service must ensure payment continuity for existing customers including during migration / implementation

006 - The supplier must put in place fraud detection, prevention and reporting

007 - The supplier must provide a free to customer service support function 008 The supplier must provide a reporting functionality that will enable daily reconciliations to take place

009 - The supplier must provide regular detailed management information to DWP

010 - The supplier must adhere to all applicable UK laws and regulation. For example, but not limited to, FCA, Security and GDPR.

#### Lot 2 - Supporting Financial Inclusion

001- The supplier must support the DWP's method of Payment and Financial Inclusion policy to minimise the volume of customers using the Payment Exception service by supporting the movement to use a FCA standard bank, building society or credit union account

002 - The supplier must make contact with the Payment Exception service customers who may have diverse and complex needs using a range of methods

003 - The supplier must be FCA accredited

004 - The supplier must provide regular detailed management information to DWP

005 - The supplier must adhere to all applicable UK laws and regulation. For example, but not limited to, FCA, Security and GDPR.

#### Stages - Market Engagement:

1) Initial Conditions of Participation to exclude any suppliers who do not meet regulatory financial requirements, are on Debarment List, are not registered on Central Digital Platform.

2) Conflict of Interest declaration.

3) Group supplier event meeting via Teams.

4) One to One supplier events via Teams.

Stages - Tender:

1) DWP may exclude suppliers based on additional Conditions of Participation.

2) DWP may exclude suppliers based on a design and innovation phase.

DWP reserves the right to add or remove stages throughout the procurement process.

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## **Participation**

### **Particular suitability**

- Small and medium-sized enterprises (SME)
- Voluntary, community and social enterprises (VCSE)

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## **Submission**

### **Publication date of tender notice (estimated)**

10 July 2025

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## **Contracting authority**

### **Department for Work and Pensions**

- Public Procurement Organisation Number: PJCP-7274-TLRQ

Peel Park Control Centre, Brunel Way

Blackpool

FY4 5ES

United Kingdom

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Organisation type: Public authority - central government