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Planning

UK2 - Preliminary Market Engagement Notice

Department for Work and Pensions

UK2: Preliminary market engagement notice - Procurement Act 2023 - <u>view information</u> <u>about notice types</u>

Notice identifier: 2025/S 000-011609

Procurement identifier (OCID): ocds-h6vhtk-04f71a

Published 27 March 2025, 3:36pm

Changes to notice

This notice has been edited. The <u>previous version</u> is still available.

Detail added

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

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. Group Event will take place Thursday 10 April 10am to 11:30am To register your interest for this event please email clare.woods2@dwp.gov.uk
- 4) One to One supplier events via Teams. These individual calls will take place between Monday 14 April and Friday 09 May. Instructions for how to register for these events will be provided at 10 April session.

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.

Participation

Particular suitability

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

Submission

Publication date of tender notice (estimated)

10 July 2025

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

Contact name: Louise Rice

Email: Louise.rice@dwp.gov.uk

Website: http://www.gov.uk

Region: UKD42 - Blackpool

Organisation type: Public authority - central government