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Planning

Payment Exception Service - 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 000-033798

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

Published 19 June 2025, 3:47pm

Scope

Reference

PA23 PES

Description

DWP is procuring a Supplier to create and operate a system (the "Payment Exception Service") which will allow benefit and pensions recipients (which DWP refers to as "Customers") without bank accounts to receive payment of entitlement through an alternate method of payment.

The service is required to fulfil the Secretary of State obligation to pay benefit and pensions payments on time, on the due date, to the correct customer.

Customers will need to be able to access their payments in cash at a wide range of geographical locations. Suppliers will need to ensure comprehensive coverage, which DWP will further define in the Tender Notice.

The geographical scope of the Payment Exception Service will be for Great Britain and Northern Ireland.

Benefit payments are usually paid weekly, monthly or 4 weekly.

This will be a "Payment Service" as defined by the Payment Services Regulations 2017.

Recent market engagement and 1-2-1 sessions identified new technology and innovation in the market, this has allowed DWP to reflect on their business requirements. DWP has carefully considered whether new technologies will meet the needs of our most vulnerable customers. At the present time DWP considers that a simple and robust delivery model is the best way to ensure that particularly vulnerable customers can access their payments.

To meet the Governments mission-led focus, DWP's ambition is to ensure that only customers that should be on the service are relying on PES over the coming years, to help support them to become financially included. Consequently, it is intended that DWP will include within the specification Lot 1 business requirements which will have as their aim the lowering the number of people depending on the PES. For this reason, DWP will no longer be pursuing the procurement of Lot 2, as described in previous PME notices.

DWP estimate the date for suppliers to submit Tenders in this Competitive Flexible Procurement will be early to mid September 2025 (Tender Submission Date.) It is not envisaged that there will be a separate "Request to Participate" stage.

Conditions of Participation will be set out in the Tender Notice and bids will be assessed based on legal, financial capacity and technical ability.

DWP strongly advise that potential suppliers review the Conditions of Participation and the fundamental requirements carefully before compiling a full bid as failure to meet these requirements may result in your bid being excluded.

Tender Documents may be obtained via DWP e-procurement system. Further details will be provided at Tender stage.

The Preliminary Market Engagement Notice linked to this procurement stated that Market Engagement would include Conditions of Participation. This was an error. Any Conditions of Participation that DWP require will be added to the Tender Notice (currently scheduled for 31 July 2025)

Total value (estimated)

- £15,945,022 excluding VAT
- £19,134,026 including VAT

Above the relevant threshold

Contract dates (estimated)

- 13 July 2026 to 12 July 2029
- Possible extension to 12 July 2031
- 5 years

Main procurement category

Services

CPV classifications

- 66000000 - Financial and insurance services

Contract locations

- UK - United Kingdom

Engagement

Engagement deadline

6 May 2025

The engagement was carried out before this notice was published.

Engagement process description

Market Engagement events occurred between 10 April and 06 May 2025

Participation

Particular suitability

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

Submission

Publication date of tender notice (estimated)

31 July 2025

Contracting authority

Department for Work and Pensions

- Public Procurement Organisation Number: PJCP-7274-TLRQ

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