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Planning

Payment Exception Service - Planned Procurement Notice

Department for Work and Pensions

UK3: Planned procurement notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-034109

Procurement identifier (OCID): ocids-h6vhtk-055108 ([view related notices](#))

Published 20 June 2025, 2:53pm

Scope

Description

This is a new procurement to supersede the previous Payment Exception Service Procurement (identifier (OCID): ocids-h6vhtk-04f71a) which has now been abandoned. Please refer to previous Notices if necessary.

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.

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 who genuinely need the service are relying on PES over the coming years. Customers who are able to should be paid by alternative means, to help support them to become financially included. Consequently, it is intended that DWP will include within the specification business requirements which will have as their aim the lowering of the number of people depending on the PES.

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.

DWP will not be conducting any further Market Engagement in respect of this procurement, as DWP has recently conducted Market Engagement in respect of the services to be included in this procurement. This was completed in the previous procurement as detailed above.

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

Description of possible extension:

Allow the safe transition across to a replacement service and provides payment continuity to customers.

Main procurement category

Services

CPV classifications

- 66000000 - Financial and insurance services

Submission

Publication date of tender notice (estimated)

31 July 2025

Enquiry deadline

28 August 2025, 11:59pm

Submission type

Tenders

Tender submission deadline

11 September 2025, 11:59pm

Languages that may be used for submission

English

Award decision date (estimated)

26 January 2026

Procedure

Procedure type

Competitive flexible procedure

Contracting authority

Department for Work and Pensions

- Public Procurement Organisation Number: PJCP-7274-TLRQ

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Organisation type: Public authority - central government