

DWP Central Freedom of Information Team

e-mail: [freedom-of-information-request@dwpgsi.gov.uk](mailto:freedom-of-information-request@dwpgsi.gov.uk)

Our Ref: 2596

DATE: 21 June 2013

Dear Glenys Harriman,

Thank you for your Freedom of Information request dated 6<sup>th</sup> June 2013. You asked;

**When information on Universal Credit payments first came out, it was said that claimants would NOT be able to have their UC paid into a Post Office Card Account but they WOULD be able to use certain Credit Union current accounts.**

**However, the list of who can claim UC in the pathfinders states the opposite.**

**Can you;**

**(a) Confirm whether Post Office Card Accounts will continue to be available for UC payments beyond the pathfinders?**

The majority of Universal Credit claimants will continue to be paid into a mainstream bank or building society account. A bank account will enable claimants to manage their money and make regular payments for rent and other bills by direct debit.

It will be possible for Universal Credit to be paid into a Post Office card account or by Simple Payment during the UC Pathfinder and as UC is rolled out nationally. However, the Post Office card account was designed to be a basic service for the payment of benefits and pensions only. It does not offer any transactional services like direct debits, so may not be suitable for claimants managing monthly payments of Universal Credit.

The Post Office card account contract expires in 2015, with an option to extend for two years. We will work with claimants to help them to use a bank account but some claimants may continue to use a Post Office card account until the contract comes to an end.

**(b) Confirm whether UC will be payable into those Credit Union accounts that work like current accounts?**

Universal Credit will be payable into Credit Union current accounts. During pathfinder a claimant must have a valid bank, building society or Post Office card account to apply for Universal Credit.

The Pathfinder is a time for us to test our end to end processes with a small sub-set of the unemployed. We want to understand the claimant experience, learn from our

experiences and test business and IT functionality in a live environment before rolling Universal Credit out to wider claimant groups.

**(c) Confirm whether there will be any way that Post Office Card Accounts will either be altered or linked with the new Post Office 'basic' bank account to allow payments by Direct Debit or other means to be paid out of these accounts for example to pay rent and bills?**

The Post Office card account does not have a direct debit facility because it was designed to be a very simple account solely for the payment of benefits and pensions. Adding features such as direct debits would fundamentally change the nature of the Post Office card account and state aid, competition issues and contract variation costs would arise if fundamental changes were made to the services currently provided.

If you have any queries about this letter please contact me quoting the reference number above.

Yours sincerely,

DWP Central FoI Team

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**Your right to complain under the Freedom of Information Act**

If you are not happy with this response you may request an internal review by e-mailing [freedom-of-information-request@dwp.gsi.gov.uk](mailto:freedom-of-information-request@dwp.gsi.gov.uk) or by writing to DWP, Central FoI Team, Caxton House, Tothill Street, SW1H 9NA. Any review request should be submitted within two months of the date of this letter.

If you are not content with the outcome of the internal review you may apply directly to the Information Commissioner's Office for a decision. Generally the Commissioner cannot make a decision unless you have exhausted our own complaints procedure. The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow Cheshire SK9 5AF [www.ico.gov.uk](http://www.ico.gov.uk)