Dear Gareth Morgan,

Thank you for your Freedom of Information (FoI) request received on 23 April. You wrote:

“A number of schemes exist which allow employees to access funds before their payday. Such schemes are described in a number of ways, including Earned Wage Access and FlexiWage. Providers of these schemes include Earnd, Wagestream, Hastee and others.

These schemes allow employees to receive a payment linked to the notional earnings accrued since the last payment of earnings. This is then deducted, with a charge, from the earnings due on the normal payday.

Wagestream states on its website that “…it is not an advance. According to the Financial Conduct Authority, EWA is not a loan and should not be considered a form of credit.”

Hastee states on its website “Access your pay immediately. No credit check. No debt. It's your earned day. No interest. This isn't a loan.”.

How is this payment taken into account for means-tested benefits? Specifically:

1) Is this payment treated for benefit purposes as earnings, income or capital?

2) Is it considered to be a loan or an advance of earnings?

3) On what date is this payment taken into account?

4) For Universal Credit, is the date the payment is made the relevant date for the assessment period?

5) Is this payment included in the RTI data received from HMRC for the date the payment is made?”

DWP Response

It may be helpful if we explain the role of the FoI Act. It provides a legal right of access to recorded information held by a public authority like the DWP, subject to certain exemptions that may apply. The Act does not oblige a public authority to create new information to
answer questions; nor does it require a public authority to give advice, opinion or explanation, generate answers to questions, or create or obtain information it does not hold.

If you ask a question, rather than requesting recorded information, we will provide you with the recorded information that best answers the question. Once we have provided the recorded information, we have met our obligations under the Act; interpreting the information provided is up to you.

Your request asks questions which you want us to respond to. This would need new information to be created.

However, you may find the following explanation useful. We have provided this outside our obligations under the FoI Act.

The way that Universal Credit receives and uses income and earnings information in the calculation of the Universal Credit amount for each assessment period can be found in the Universal Credit Regulations 2013. Please see the link below.

https://www.legislation.gov.uk/uksi/2013/376/contents

In particular, in part 6 – Calculation of Capital and Income, Chapter 2 covers earned income. Regulation 55 explains what is included in the amount of a person’s employed earnings in respect of an assessment period.

Regulation 61 covers information for calculating earned income including that received via Real Time Information.

Yours sincerely,

DWP Central Freedom of Information Team
Department for Work and Pensions

--------------------------------------------------------------------------------------------------------

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.gov.uk or by writing to: DWP Central FoI Team, Caxton House, 6-12 Tothill Street, London, 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.
Website: ICO Contact Information or telephone 0303 123 1113.