

Method of Payment

Obtaining Account Details – Method of Payment Discussion

1. To comply with Government and Departmental policy for claimants to be paid by Direct Payment (DP), claimants should be asked to provide bank / building society account details, during a Method of Payment discussion.
2. When collecting account details, the conversation should focus on the advantages of using a bank / building society account as detailed in the Method of Payment Policy Statement. Only in circumstances where a claimant is unable to provide existing bank / building society account details should other payment options be discussed.
3. A Method of Payment discussion should be conducted on:
 - all new claims where account details have not been provided;
 - all new claims where an existing claimant is receiving payment via cheque or Post Office card account (POCa);
 - all rapid review and renewal claims
 - where the claimant requests a POCa (the discussion **must** take place before a PID is issued);
 - whenever there is any appropriate contact with a claimant being paid into a POCa or by cheque. For example change of circumstances, repeat/renewal claims or when cheque is reported lost/stolen/not received.
4. Details of the discussion and the action agreed must be recorded. Access dialogue JA110: Maintain Notepad and record:
 - the date the Method of Payment discussion took place; and
 - the outcome

Direct Payments

5. Direct Payment (DP) is the best option for the vast majority of JSA claimants. It is a modern, more reliable, secure and efficient method of payment and offers claimants greater choice about where and when they can collect their money.
6. Payments can be made into standard, current or savings accounts at a bank or building society.
7. There are also a range of accounts now accessible at post office branches, including new easy to operate accounts.
8. Claims and Payments Regulations, Reg 21(1)(a) or (b) state that payment can be credited into an account in the name of:
 - the person entitled to benefit;
 - his/her spouse or partner;
 - someone authorised by, or acting on behalf of the person entitled to benefit;
 - in the joint names of the person entitled to benefit and his/her spouse; or
 - in the joint names of the person entitled to benefit and a person acting on his/her behalf.

9. The account chosen by the claimant can be accepted as a suitable account when the above criteria is satisfied and the account has:

- an account number and sort code recognised by Voca; and
- the facility to accept payments.

Obtaining account details

10. Form DP Gen can be used if a claimant wants to use or change to Direct Payment but does not want to provide details over the telephone. DP Gen is issued by post for the claimant to sign.

11. DP Gen is also used where claimants have

- Third part accounts
- Corporate acting bodies

12. Form DP Gen also enables the claimant to specify other benefits or entitlement they wish to receive by Direct Payment.

See the Direct Payment Input Guide.

Collecting account details over the telephone

13. If a claimant asks to change their method of payment to Direct Payment you can take their account details over the telephone using Form DP Tel 11/08. A guide to completing the DP Tel form is also available.

14. Account details can only be collected over the telephone from the claimant or their legally appointed representative such as:

- an Appointee
- a Power of Attorney
- a Guardian under the Adults with Incapacity (Scotland) Act.

15. Account details cannot be accepted from solicitors, advisers, relatives, friends of other third parties.

16. Account details for Corporate Appointee should not be taken over the phone

17. Before taking the account details over the telephone it is important to verify the claimants legally appointed representative's details.

18. If there is any doubt as to the callers identity advise them the details cannot be taken over the telephone and that form DP Gen will be sent to them.

Account codes and reference numbers

19. Each bank/building society has unique code and reference numbers which they use to correctly link Direct Payment payments to their claimant's accounts.

Accuracy in recording account details

20. It is important that the correct account details are input when recording direct payment details.

21. If incorrect account details are entered the Direct Payment will be delayed because it is rejected and returned, or it could go missing because the payment is credited into the wrong account.

22. With the changes in status of some building societies, it is not always obvious which codes and reference numbers to use.

23. To ensure that the Direct Payment is credited to the correct account use the Bank Wizard package to check the validity of the account details provided by the claimant. For more information see the Guide to Bank Wizard which is available on the COBAP site.

24. When claimants request Direct Payments into their building society account always use the Direct Payment Input Guide (DPIG) to check account codes and reference numbers which have been supplied by the claimant. The DPIG can also be used to check the codes and reference numbers for banks.

Account name validation

25. Although it is essential that a sort code, account number and, if required, a roll/reference number, are input correctly, the account name also plays a necessary part of the payment record. Some banks/building societies check Direct Payments to see that the sort code and account number quoted match the account holder's name. If they do not match the payment may be delayed or rejected.

Inputting account names

26. The claimant's surname is important data for the bank. You should ensure the account name entered into JSAPS matches the account name held by the bank or building society, including any title.

27. Guidance in the Direct Payment Input Guide instructs that the claimants account name details from their cheque book, debit card or building society pass book should be used when inputting details onto HBS. Enter the account name in the account name field in JSA Dialogue JA400402.

28. The claimant's surname should be input in full if possible and the more common the surname the more information on other names is needed. In certain cases inputting the surname first (especially if a long surname has been provided) ensures the bank is able to match the account.

29. The account name field can accommodate up to 18 characters, where there is insufficient room some letters or spaces may be omitted. The following examples show how an account name can be input:

- full first name, second name and surname e.g. THOMAS IAIN SMITH (17 characters including spaces)
- full first name and surname e.g. ROBERTHOLLINGSWORTH (maximum 18 characters, no spaces)
- double barrelled surname such as Hollingsworth-Smythe input as HOLLINGSWORTHSMYTH (max 18 characters so last letter of surname omitted).

Bank accounts linked to pre-paid cards

30. The Department has received a number of requests for claimants' payments to be paid into a bank account that is directly linked to a pre-payment card. Claimants are making these requests on form DP Gen.

31. These accounts can be recognised as they have both a bank account number and a building society roll or reference number. However, our systems are unable to process these accounts.

32. When one of these forms is received, claimants should be informed that our systems are technically unable to process this type of account. Claimants should also be reassured that we will continue to make their benefit/pension payments into their existing account. If a claimant is currently paid by cheque, you should discuss the other payment options available to them. Please see the Method of Payment Policy Statement.

How payments are issued

33. Voca, formerly BACS, is the system that processes all Direct Payments. Voca operates the electronic funds transfer processing of direct debits, direct transfers and standing orders and the management of inter-bank network services. It provides for the transfer of monetary items between organisations/businesses and banks/building societies.

34. Voca is the system used to send benefit payments to claimants' bank/building society accounts.

Post Office ® card account

35. A Post Office ® card account (POca) is a simple bank account available via any post office counter in the United Kingdom (UK) and it should be treated in the same way as all other bank/building society accounts.

36. A POca only accepts Direct Payments from Government Departments, for example payments of a claimant's benefit or allowance. Withdrawals can be made in cash at any post office during normal branch opening hours. From 23 March 2010 claimants have been able to make free withdrawals from Post Office ® branded ATMs. More information can be found on the Corporate Banking and Method of Payment (COBAP) site.

POca limitations will not:

- allow the claimant to go overdrawn;
- have cheque book facilities;
- have deposit facilities, for example, claimants will not be able to pay cash or cheques into their POca account, this includes any DWP cheque payments;
- offer direct debit/standing orders or access to cash machines;
- offer debit or credit cards; or
- pay interest on balances.

37. A POca can be opened even if the claimant has a poor credit history, has had any debt problems in the past or has been declared bankrupt.

38. Claimants with no fixed abode can apply for a POca if they can supply a suitable mailing address in the UK. A post office or government office address cannot be accepted.

Note: The existing POca contract was due to end on 31st March 2010 but the Government has now decided that a new contract will be awarded to Post

Office Ltd. The contract will run initially from 2010 to March 2015. Claimants can open a new POca (if the account suits their needs and circumstances) and existing claimants can continue to be paid into their POca

Claimant requests a Post Office ® card account (POca)

39. If the claimant wishes to open a POca they must understand all their payment options from the Method of Payment Discussion and be aware of the POca limitations compared to a normal bank or building society account. Follow the guidance in the Post Office ® Card Account opening process.

39. A POca Follow on conversation **must** take place before a PAD is completed

Payment by cheque

40. Claimants considering this payment method must be made aware of the limitations of using cheque payments and the advantages of using a bank/building society during the Method of Payment Discussion (see also, Method of Payment Policy Statement).

41. There will be some claimants who, for a variety of reasons, are unable or unwilling to use Direct Payment. For these claimants, payment will be made by cheque.

42. If claimants request cheque payment purely because they are overdrawn the option of payment into a Post Office card account (POca) must be discussed as an alternative to cheque. This will still count as a DP for target purposes.

43. All new claimants are asked to provide account details when they make a claim to JSA. If they do not have an account, the options should be explained to them by carrying out a Method of Payment Discussion.

44. Cheques over the value of £449.99 will be crossed and must be paid into an account. Cheques for £449.99 and under can be paid into an account or cashed at the post office.

45. Claimants can request to change to Direct Payment at any time by contacting Jobcentre Plus.