



Address: **Official Correspondence Team
People and Communication.**
Finance Group
Ground Floor, Quarry House
Quarry Hill, LEEDS
LS2 7UA

Email: official.correspondence@dw.p.gsi.gov.uk

Website: www.dwp.gov.uk

Date: 10 January 2017

Brian Martin
Sent via email

Dear Mr Martin

Freedom of Information Act - Request for Information
Our Reference: FOI 4415

Thank you for your Freedom of Information request received on 21 November 2016. You asked:

‘This organisation assists new refugees in claiming benefits, principally JSA pending them finding a first job.

DWP benefits are normally paid into a bank account - but banks will often not open a bank account for refugees until refugee can produce letter from JSA benefit centre confirming JSA is in payment.

In the past claimants could obtain payments via a Simple Payment card for the first few weeks, until such time as they received JSA decision letter which they could take to the bank to open a new bank account.

However in recent months our local DWP office has been ignoring requests for payments via a Simple Payment card and has instead asked new refugees to provide sort code and account no of a 'friend' - stating that the benefit will be paid into the friend's account until such time as claimant has his own account. Can you please provide details about this new policy?

Why was the policy introduced (e.g. to save on DWP charges to company running Simple Payments card); on what date did this policy change - to pay initial benefit into a friend's account - take place; does the new refugee without a bank account still have the option of requesting payments via Simple Payment card; is this new policy mandatory and implemented via regulations or policy only; what payment options are available if new refugees have no local 'friends' who can provide such a service; and can you please provide a copy of the current guidance issued to staff regarding requests for Simple Payment card accounts and the use of 'friend's' bank accounts as an alternative in such situations.’

Response

A personal bank account is the preferred method of payment for Job Centre Plus customers as, when employment is secured, wages can be paid directly into their

account and this avoids any future disruption and promotes financial stability. The Simple Payment Service is not a transactional account and can only be used to receive payments directly from government departments. Many basic bank accounts will also allow customers access to additional services such as setting up direct debit instructions which can assist them to budget effectively and potentially access savings through reductions in household utility bills.

Although a letter from DWP confirming entitlement to benefit can be used to open a basic bank account, this is not usually the only acceptable document. Further information, including a list of alternative documents which can be used to open a basic bank account, can be found at the Money Advice Service.

<https://www.moneyadviceservice.org.uk/en/articles/basic-bank-accounts>

The Simple Payment Service has only ever been intended for use by customers who cannot open or operate a bank, building society or Post Office card account. The policy relating to this has not changed. Making customer payments via the Simple Payment Service is considerably more expensive than making payments directly into a personal bank, building society or credit union account; however, the service is available in emergency cases where it is not possible to use one of these options.

Current guidance instructs advisers to hold a method of payment discussion with all new customers to ascertain their payment details. Payment into a third party account is permitted on the customer's instruction but is not mandatory. Following this discussion, customers who are unable to access any other method of payment will be able to receive payment via the Simple Payment Service.

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

Yours sincerely

**Official Correspondence Team
People and Communication**

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@dwpgsi.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
www.ico.gov.uk