

# Benefits Bulletin

## Post Office Card Accounts

10<sup>th</sup> October 2021 **REVISED**

Issue **5** [2021]

### 1. POCA to Close from November 2022 not 2021...

In Benefits Bulletin 1.3 (2<sup>nd</sup> June 2020) we reported that the Department for Work and Pensions (DWP) were at that time no longer accepting Post Office Card Accounts (POCA) as a viable account into which Social Security benefits could be paid. Moreover, we explained that the facility for existing claimants was due to end from 30<sup>th</sup> November 2021.

**Attention: Post Office Card Accounts are closing. Find out what this means for you.**

However, due to the disruption caused by the Coronavirus pandemic it has been decided to defer things for a further 12 months to allow existing claimants to make alternative arrangements. Therefore, the POCA scheme for Social Security benefits is now set to close from November 2022.

As previously reported, problems with the POCA arose following the introduction of Universal Credit. This is because POCAs do not allow transactions such as Direct Debits to be made and those getting Universal Credit were being encouraged to change from a POCA so that they could take advantage of Direct Debits to help them budget - manage their money - because Universal Credit is paid monthly and includes rent payments.

The DWP have been writing to those who presently receive a Social Security benefit paid into a POCA, telling them about the demise of the service and encouraging those that are able to open a bank, building society, credit union or similar account.

**REVISED:** Please note that this Benefits Bulletin replaces the one dated 1<sup>st</sup> October 2021. At the time of writing, it was understood that Her Majesty's Revenues and Customs (HMRC) were adopting the same arrangement as the DWP in relation to POCA and the payment of tax credits / Child Benefit. However, it has since been made clear that HMRC are ceasing all POCA from 30<sup>th</sup> November 2021. Please see this [LINK](#) for details of the latest HMRC Press Release (dated 8<sup>th</sup> October 2021) on the issue and for more information. HMRC are advising its customers to update them with their new bank account details by 30 November 2021.

It is understood that at its peak, the number of POCAs stood at c900,000. The numbers have since dropped following the DWP / HMRC attempts to encourage people to relinquish their accounts. It is understood that c382,000 still remained in July 2021.

## 2. The Payment Exception Service...

It is understood that those people who are unable to make alternative arrangements will eventually be migrated onto the new [Payment Exception Service](#), which will allow them to choose how they receive their Social Security benefit payments in future.

Under the Payment Exception Service, a person can receive payment of their Social Security benefits by way of a:

- a Payment Card; or
- email voucher; or
- text message containing a unique reference number.

To access the payment the person will then need to show their Payment Card, email voucher or text message at a PayPoint (e.g. local newsagent, convenience store or supermarket) outlet.



Click [HERE](#) to find out where the nearest PayPoint outlet is to you.

When collecting a payment under the Payment Exception Service, a person will need to show original documentation (e.g. a passport, driving licence, utility bill, council tax bill or tenancy agreement) to verify their identity. If a person is unable to collect their payment themselves then they can send someone to collect it for them.

However, the third party person will need to take with them the person's payment card, voucher or text message together with proof of their own identity and proof of the identity of the person to whom the Social Security benefit payment has been made.

People can close their POCA by completing form P6703 and taking this to the Post Office where the details will be checked and then sent off for processing. A third-party can help someone close an account by completing form P6702 and taking it to Post Office. Both these forms should be available from the Post Office. Alternatively, a person may ring the POCA helpline on 03457 22 33 44.

It is understood that, at least presently, one downside to the Payment Exception Service is that:

- there is a maximum £100 limit on each collection; and
- the whole of the Social Security benefit payment must be collected within 30 days of payment.

This means that a person may need to make more than one visit to collect the full amount of their benefit and/or need to contact the DWP if there is still money owing to them from a particular payment.

Anyone who has a POCA can switch from this to a **Post Office Bank Account** and in doing so remain a Post Office customer and continue to deposit and withdraw money in the normal way. This is because the Post Office also offers bank accounts.

The DWP have said that extensive work will be done to identify those most at risk in order to provide them with additional support before the move to the new Payment Exception Service and that checks will be made to ensure that people are cashing their vouchers.

Welfare Rights Service  
Specialist Support Team  
City of Wolverhampton Council  
[WRS@wolverhampton.gov.uk](mailto:WRS@wolverhampton.gov.uk)