

Direct Payment Prepaid Card Guidance

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Prepaid Cards

All new Direct Payment recipients can now have a prepaid card

Practitioners must explain to new DP recipients that they will receive their Direct Payments via a Prepaid Card. It is envisaged that this will speed up the process of putting a Direct Payment in place as they no longer need to open a separate bank account.

There are some key points below which practitioners should familiarise themselves with. One key change is to ensure individuals are who they say they are, this means checking their identity when we think they are likely to have a Direct Payment.

When should I start telling people about Prepaid Cards?

Now, all new DP recipients should be given a Prepaid Card, please share this with your teams and colleagues.

What are the benefits of prepaid cards?

- Direct Payment can be set up quicker for new DP recipients
- We can identify sooner if something is not working well
- Available regardless of financial status
- No need to open separate bank account
- Funds can be easily and quickly loaded onto card
- Impossible to go overdrawn
- Promotes life skills, encourages social inclusion
- Minimal paperwork required to be provided to LCC
- Easy to manage account online or over telephone
- Reduces the need to carry/handle cash

Who will get one?

For all new DP recipients prepaid cards will now be the default way that they receive their Direct Payment monies. Anyone receiving a personal budget via a Direct Payment can potentially have a prepaid card.

They need to;

- Be eligible to receive Social Care Support from LCC and to have chosen a Direct Payment
- Have the capacity to consent to receiving a Direct Payment and choosing to have a prepaid card

People who manage a Direct Payment for someone else can also choose to have a prepaid card.

Carers are currently not included in the initial implementation but plans are that they will be in the future.

What if a prepaid card is not suitable?

If a prepaid card is not suitable for an individual's needs there is an option of specifying this in the customer record (MOSAIC) by stating the reasons why in the text box provided. In the event that a prepaid card is not suitable, the individual should be advised to open a separate bank account in the usual way so that they can still receive a Direct Payment. This should only be an option once the possibility of a prepaid card has been explored.

What about people already receiving a Direct Payment?

At review, anyone already receiving a personal budget via a Direct Payment will not automatically be moved over to a prepaid card. Plans are to do this as part of the review process are currently considered phase 2 of implementation. Further information on these plans and proposed start date will be communicated soon.

Prepaid Card Process

General steps;

Practitioners and Keyworkers will be required to ensure that they have early conversations with potential DP recipients about the benefits of prepaid cards. In addition customers should be given a Prepaid Card Factsheet which you can find [here](#)) and Quick Start Guide [here](#)

KYC (Know your Customer);

This is an essential step in setting up a Direct Payment, it is about knowing the person is who they say they are and should be completed when it appears that Direct Payments are a likely option, this does not mean that Direct Payments have been agreed. It is important that the KYC Policy is read, understood and carried out appropriately in all cases where a Direct Payment is being chosen.

A checklist to record the persons identify documents can be found in this guide and in the forms library [here](#)

Mosaic process;

As part of the additional information that is required to be recorded, there have been some changes to the MOSAIC and the process that is to be followed when completing an assessment/review. It is important that you have seen and understand these changes. The MOSAIC guide can be found [here](#)

Prepaid Cards Overview

What is a Prepaid Card?

The Prepaid Card is an additional way to manage the monetary side of a Direct Payment. Under this arrangement, a Prepaid Card is set up for Direct Payments recipients, and then payments are made onto it. The person can then pay for the support detailed in their care & support plan from this account.

Who can have a Prepaid Card?

To be eligible for a Prepaid Card, people need to receive social care support from Lincolnshire County Council and to have chosen to receive this support via a Direct Payment. Also, they must have capacity to consent to receiving a Direct Payment and choosing to have a Prepaid Card. This may for some people be someone 'Authorised' to do so on their behalf.

All new and existing Direct Payment recipients must be offered the Prepaid Card during the support planning process or at their support plan review. Where a prepaid card is not suitable this must be agreed with the Lead Practitioner and evidenced on the customer record.

What are the benefits of a Prepaid Card?

- Available regardless of financial status
- No need to open separate bank account
- LCC can load funds quickly and easily onto the card
- Impossible to go overdrawn
- Promotes life skills, encourages social inclusion
- Less Audit paperwork required to be provided to LCC
- Easy to manage account online or over telephone
- Direct payment can be set up quicker for new customers
- Reduces the need to carry/handle cash
- Companion cards available

Can people still get support from Penderels Trust?

Yes, the Penderels Trust can support people with their Direct Payment

What will Direct Payments recipients receive with their Prepaid Card?

The Direct Payment Recipient will receive the Prepaid Card by post to their home address, with a letter explaining how to activate their card by phone or Online. Once their card is activated, they will then be able to retrieve their PIN via the automated

service. People are advised through the information provided to keep the PIN safe and not to share it with anyone.

Is a Prepaid Card a debit or credit card?

Prepaid Cards aren't credit cards, charge cards or debit cards. They are reloadable cards issued by a financial institution. Each time the card is used, the value of the purchase is deducted from the funds available on the card. The value is held in the Prepaid Card account and not on the card. The card does not offer credit so funds need to be loaded into the Direct Payment Recipients Prepaid Card account before they can use those funds.

How will people make payments from the account?

The Prepaid Card won't have a cheque book but will have an account number and sort code attached to it, which can be used like any other current account to make transfers online or by phone and set up recurring payments. They will need the bank details (account number and sort code) of the person or company they wish to make a payment to.

People can also make payments in person using Chip and PIN at any location in the world that displays the Mastercard® acceptance mark, excluding limited acceptance Merchants in EU/EEA that do not accept Prepaid Cards

Direct Debits can be set up from the account, but this is usually done via a paper or online instruction from the organisation they will be paying, which will need to be filled in and sent back to them.

How is money loaded onto a Prepaid Card?

Lincolnshire County Council will load the Direct Payment Recipients Direct Payment onto their Prepaid Card.

Where people are required to load funds to the card to satisfy their client contribution requirement, Serco will advise them how much this is. They can then load the card by standing order or bank transfer. These methods of loading can also be set up using your Post Office account if you do not have another bank account. If they require assistance they can visit www.allpayprepaid.net/cardholder or contact Customer Services on 0330 808 0102.

Can Direct Payments Recipients withdraw cash using their Prepaid Card?

Direct Payments Recipients will not be able to withdraw cash using a Prepaid Card in most instances. If there is a clear rational why cash needs to be withdrawn this must be agreed by a Lead Practitioner and noted on the customer's electronic record. In circumstances where cash is withdrawn, the persons care and support plan must state that they need to withdraw cash. They must also keep receipts for anything bought with cash, which Lincolnshire County Council may ask to see. Cash withdrawal will not be enabled on the prepaid card unless this is indicated when setting up a Direct Payment.

Are there any fees for using the account?

There are no fees for making purchases or using the card online to pay organisations that accept Mastercard®, or for making payments to personal assistants or a care agency.

How can people change their PIN?

People can change their PIN by calling Customer Services on 0330 808 0102 and at any UK ATM where this service is available.

PIN Best Practice:

- Never share a PIN with anyone
- Select a PIN that cannot be easily guessed. Do not use birth date or partial account numbers and try to avoid using sequential numbers like 1234, or repeated numbers like 1111.
- Memorise your PIN, do not write it down on your card or keep it on a piece of paper with your card.
- Do not use the PIN as a password for other bank services.
- Do not use the same PIN for all cards.
- Be aware of others nearby when entering a PIN at a point of sale or ATM.
- Check transactions regularly for unfamiliar transactions.

What if the person loses, damage or my Prepaid Card is stolen?

In the event of loss or theft of the card, the person is responsible for reporting this as soon as possible by the Provider's (allpay Ltd) Customer Services on 0330 808 0102 and selecting the Lost & Stolen option. As soon as this is done the card will be blocked, protecting them from unauthorised usage.

How do they manage their Prepaid Card (balances and transactions)?

They can check their balance and transactions:

- Online – by visiting www.allpayprepaid.net/cardholder - this service is free.
- Over the telephone – by calling Customer Services on 0330 808 0102. This service will cost the same as a local rate call from a landline and mobile and is included in inclusive calls plan.

What do recipients do if there is a transaction they do not recognise?

If a recipient sees a transaction they do not recognise, they should contact Customer Services on 0330 808 0102 straight away. If, after discussing the transaction, we

believe that it was not authorised by the recipient, they will be refunded as soon as possible, and we will investigate on their behalf. We may need to cancel and replace the card for security reasons. If we need to do so, they will not be charged for a new card and their remaining balance will be transferred across to the new card.

What if they need support to manage their Prepaid Card?

The recipient can nominate a trusted person to help run the account. This person will need to sign a letter of authority and have seen a copy of the Direct Payment Agreement the recipient has signed to say that they agree with it. This person will then be issued with their own card that will be linked to the recipients.

What happens in situations where someone does not have capacity?

Subject to agreement by Lincolnshire County Council, a third party may receive a Direct Payment on behalf of an individual who doesn't have the capacity to consent to a Direct Payment. This is known as a Third Party Direct Payment or In-Direct Payment.

This third party may choose to receive a Prepaid Card for the Direct Payment, in the same way as any other individual receiving a Direct Payment.

How long is the Prepaid Card valid for?

The Prepaid Card is valid until the expiry date shown on the front of the card.

If they do not have access to the internet/they are not comfortable with online banking. Can they still have a Prepaid Card?

Yes, whilst online banking is one of the benefits of having a Prepaid Card, it is not essential. If they want to set up a payment online the Direct Payments Team could do this on their behalf. Telephone banking is also available. They can call The Provider's (allpay Ltd) customers support direct and request information on their account over the phone. They will be asked to verify their identity by answering the security question they have chosen when completing the Card Holder Agreement. This ensures that no one else can gain information about their account. The customer support number can be found on the back of the letter that arrives in the post with your Prepaid Card.

Will a credit check be carried out when a Direct Payments recipient has a Prepaid Card?

allpay will not carry out a credit check; however, they will carry out checks to verify the persons identity and address. These searches will not impact upon the persons credit record; however the search may leave an indicator, called an 'enquiry' that such a search has been performed.

Know Your Customer (KYC)

Introduction and purpose of Know Your Customer

A Direct Payment is a Financial Agreement involving public funds and as such Lincolnshire County Council will ensure that all Direct Payment recipients have their identity verified.

One of the key responsibilities when putting a Direct Payment in place is to Know Your Customer (KYC); knowing that the person is who they say they are.

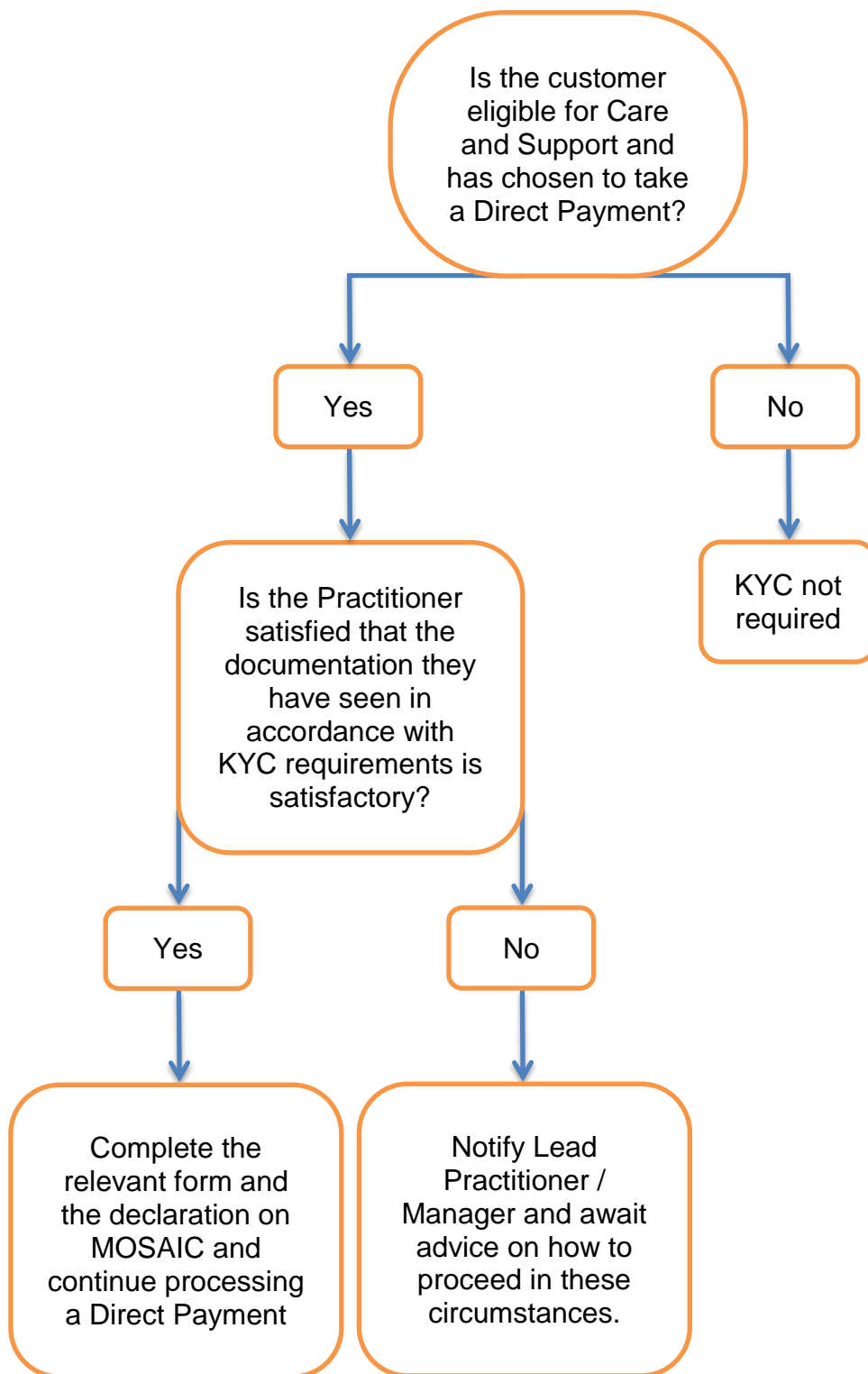
Contractually all pay require us to perform KYC processes before issuing a prepaid card to a card user.

This document outlines the process that we must follow to ensure that we have met our obligation in relation to KYC.

Know Your Customer (KYC) process

Where it appears likely that a Direct Payment may be put in place it must be explained to the customer that we will verify their identity. It is important to explain how they will receive their Direct Payment i.e. on a prepaid card. It should be completed by the practitioner at the point of assessment or review.

Process Map



How can I verify a customer's identity?

1. The identity of the individual being assessed must be confirmed at point of assessment/review. The Practitioner or Keyworker must;

Check the individual's proof of identity – acceptable documents:

- Current (not expired) Full Passport or Travel Document
- Current (not expired) Full Driving License with photo ID card showing current address
- Immigration Visa
- Benefit entitlement letter at current address from DWP
- Letter from Practitioner or Support Worker where none of the above are available

2. The address of the individual must be verified.

Check the individual's proof of address – acceptable documents:

- Council Tax bill
- Active Housing Benefit and/or Council Tax Reduction Claim
- Utility bills dated within the last 3 months – no mobile phone bills
- Tenancy agreement from the Council or Housing Association (private landlord is not sufficient)
- Benefit entitlement letter (as long as not used to prove identity)
- Letter from Practitioner or Support Worker where none of the above are available

3. The National Insurance Number of the individual must be confirmed.

Check the individual's National Insurance Number – this does not need to be a separate document should the proof of ID or address documentation already confirm it – acceptable documents:

- National Insurance Card
- Payslip / P60 / P45 from a recognised employer

What if people do not have these documents?

In situations where it has not been possible to carry out all of the three checks required to satisfy the KYC a letter from the Practitioner or Keyworker would be sufficient for sections 1 and 2, where this is the case please complete the Practitioners Verification section of the KYC checklist.

Recording Information

The KYC checklist has to be completed for both the recipient and any representatives who will have responsibility or access to the Direct Payment. A copy of the KYC checklist can be found here: (insert link). Once the checklist has been completed it should be indexed to the appropriate record on Mosaic. Please note the declaration on

Mosaic also has to be completed. Please see MOSAIC process guidance for further reference: www.lincolnshire.gov.uk/mosaic-hub

Monitoring arrangements

The Quality Practice Audit team will undertake monitoring of the process. The purpose is to ensure that we are compliant with the KYC process.

When will we need to do KYC?

In the following situations full verification (KYC) will need to be completed

Where a person is being assessed for the first time and chooses to take a Direct Payment

Where a person is already receiving a Direct Payment and their care and support is reviewed (even if there are no changes). KYC will only need to be done once so it is not necessary to request verification again at subsequent reviews in the future.

Where Direct Payments are chosen, the KYC Policy applies to the person being assessed, also any other persons/third party representatives that are granted access to the account.

Know Your Customer (KYC) – Checklist

This checklist should be completed for all Direct Payment cases that are being setup. Please refer to the Know Your Customer (KYC) Process Policy document ([link](#)) for further information on what different types of documentation need to be verified and logged.

Once the checklist has been completed it should be indexed to the appropriate record on Mosaic. Please note that this checklist should be completed for both the Recipient and any Representatives who will have responsibility or access to the Direct Payment.

Practitioner / Support Worker Details

Name:

Area Team:

Recipient / Representative Details

Name:

Mosaic ID:

Please ensure that you verify and log a reference number from each of the following tables.

(Please note, only one document needs to be verified from each table).

1. Proof of ID:

Acceptable Documents	Verified? Yes / No	Reference Number
Current (not expired) Full Passport or Travel Document		
Current (not expired) Full Driving License with photo ID card showing current address		
Immigration Visa		
Benefit entitlement letter at current address from DWP		
Letter from Practitioner or Support Worker where none of the above are available		

2. Proof of Address:

Acceptable Documents	Verified? Yes / No	Reference Number
Council Tax bill		
Active Housing Benefit and/or Council Tax Reduction Claim		
Utility bills dated within the last 3 months – no mobile phone bills		
Tenancy agreement from the Council or Housing Association (private landlord is not sufficient)		
Benefit entitlement letter (as long as not used to prove identity)		
Letter from Practitioner or Support Worker where none of the above are available		

3. National Insurance Number:

Please note, this does not need to be a separate document should the proof of ID or address documentation already confirm it.

Acceptable Documents	Verified? Yes / No	Reference Number
National Insurance Card		
Payslip / P60 / P45 from a recognised employer		

I (Name & Role) for (Recipient / Representative Name) verify that I have seen the documents as stated above and believe that they are correct to the best of my knowledge.

Signature:

Date:

Practitioner / Support Worker verification:

In situations where it has not been possible to carry out all of the three checks required to satisfy the KYC a letter from the Practitioner or Keyworker would be sufficient for sections 1 and 2, where this is the case please complete the below section with the appropriate details (please note, this should only be carried out once all other options have been explored):

I (**Name**) holding the position of (**Job Title**) confirm I have carried out the Know Your Customer (KYC) due diligence and have been unable to verify the identity of (**Recipient / Reprehensive Name**) using the list of acceptable documentation shown in the above tables. Therefore I confirm that best of my knowledge I am satisfied as to the authenticity of the identity of (**Recipient / Reprehensive Name**) and consent to authorising their identity.

Signature:

Date: