



Home Office

# Compensation: reimbursing out of pocket expenses

Version 4.0

This guidance tells His Majesty's Passport Office staff how to reimburse a customer if we have made an error and caused them out of pocket expenses

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# About: Compensation: reimbursing out of pocket expenses

This guidance tells His Majesty's Passport Office, operational staff in Application Processing Centres (APCs) how to reimburse a customer for out of pocket expenses (OPE) caused by errors made by HM Passport Office.

## Contacts

If you have any questions about the guidance and your line manager or senior caseworker cannot help you or you think that the guidance has factual errors, then email Guidance & Quality, Operating Standards.

If you notice any formatting errors in this guidance (broken links, spelling mistakes and so on) or have any comments about the layout or navigability of the guidance then you can email Guidance & Quality, Operating Standards.

## Publication

Below is information on when this version of the guidance was published:

- version **4.0**
- published for Home Office staff on **28 September 2022**

## Changes from last version of this guidance

This guidance has been updated to reflect the change in our sovereign from Her Majesty Queen Elizabeth II to His Majesty King Charles III.

### Related content

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Compensation

# Customer out of pocket expense

This section tells HM Passport Office operational staff why we reimburse customers for out of pocket expenses, what a questionable (and non-questionable) out of pocket expense (OPE) is, who can authorise a payment for a non-questionable OPE and when we need a receipt.

A customer must be reimbursed, if we make a mistake that causes a customer additional expense (for example, if we asked for new photos when the originals were acceptable). You must use the Compensation guidance to understand what can be reimbursed and if you have the delegated authority to authorise a payment.

Operational staff dealing with UK passport applications in Application Processing Centres (APCs) must check and decide if a customer is entitled to be reimbursed for out of pocket expenses (OPE) caused by an error we have made. Non-questionable OPEs must be identified and dealt with in the APC to avoid inconveniencing the customer further.

You must refer the customer's claim for OPE on an overseas application to the Customer Services Management team (CSMT)

## What is a non-questionable out of pocket expense

A non-questionable, out of pocket expense (OPE) is a payment to a customer for expenses, when:

- the cost was due to no fault of the customer
- the cost was under £10 and a receipt is not needed or the customer can provide a receipt to cover the expense

A non-questionable OPE could cover items, such as:

- replacement documents or photos
- additional travel to HM Passport Office or Local Service offices
- telephone and postal costs

## What a questionable out of pocket expense is

A questionable OPE is when the customer:

- sends in a complaint which requires a written response from us
- cannot provide a receipt and the cost is over £10
- asks for compensation (for example, if they are claiming for an inconvenience they have experienced)

## Who can authorise a payment for an out of pocket expense

HM Passport Office operational staff can authorise payments to UK customers for non-questionable out of pocket expenses (OPE), up to a certain cost level, if we are responsible for the added expense. OPE claims from overseas customers must be referred to the Customer Service Management Team (CSMT).

You must check the Compensation guidance to see if you have the delegated authority to authorise the customer's expense claim. If the claim is outside your delegated authority, you must refer the claim to someone who has the correct authority.

Operational examiners, operational executive officers (EOs) and operational higher executive officers (HEOs) can authorise payment to a UK customer for out of pocket expenses, if the:

- payment is within their delegated authority limit
- extra expense was made because of an error on our part
- extra expense falls under the criteria of an OPE (non-questionable) expense claim

Operational staff cannot reimburse customers for [questionable out of pocket expenses](#). The Customer Service Management team (CSMT) will process questionable OPEs using the Compensation guidance.

If you identify a questionable OPE, you must email CSMT scanned copies of the OPE request, complaint or compensation request and any receipts (if needed). You must not email any document which shows the customer's credit or debit card details. You must send the originals to CSMT using internal post.

## When the customer must send us a receipt for OPE

The customer must send in a receipt for any expense more than £10 per item. Receipts are not needed for items below £10.

The customer can email a scanned copy of a receipt for any individual item up to £20. If the item costs more than £20 you must ask for a hardcopy of the receipt.

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# How to process a UK out of pocket expense claim

This section tells HM Passport Office operational staff how to process non-questionable out of pocket expense claims from UK customers.

You, the examiner, must process the customer's application as normal, if you have all the information you need to issue their passport. You must not delay the application unnecessarily. You can deal with the out of pocket expense (OPE) separately.

You (the person dealing with the OPE claim on a UK application) must:

1. Phone the customer if you find an error which has caused the customer extra expense.
2. Tell them we will reimburse their OPE expense.
3. Ask the customer for their debit or credit card details.
4. Ask for receipts for the expense if the individual item is over £10.
5. Tell the customer that we will issue the payment:
  - o to a credit or debit card, within 3 to 5 days
  - o by cheque, within 15 to 20 days
6. Send the customer a letter apologising for the error (system letter template 110).

If you are unable to contact the customer (or they are unable to give you a credit or debit card number) you must [process the customer's OPE reimbursement without the card details](#).

If a customer asks for a Tiered Application Service (TAS) refund and an OPE claim, you must process the OPE claim and the TAS refund together. You must use this guidance together with the Counter service fee refund section of the [Passport fees guidance](#).

## When the customers card details are available

If you do not need receipts, you must phone the customer and:

1. Complete the customer refund form and select 'yes' on the **Card Refund** drop down to add the customer's card details.
2. Print out the customer refund form.
3. Case note the application using the mandatory case note:

'OPE for [insert item here] incurred due to [insert reason for refund here].  
Customer contacted and advised of £ [00.00] reimbursement of costs. Receipt not required, as under £10, refund form actioned'

4. Take the customer refund form to your local Customer Service Liaison team (CSLT). Customer refund forms must never be emailed as they contain credit or debit card details.

If you need receipts, you must phone the customer and:

1. Complete the customer refund form and select 'yes' on the Card Refund drop down to add the customer's details.
2. Ask the customer to send you their receipts (by post or by email to your team mailbox).
3. Print out the customer refund form and store it securely in your team (for example, in pigeon holes) until you receive the original receipts.
4. Add a mandatory case note to the application:

'OPE for [insert items claimed here] due to [insert reason for reimbursement here]. Customer contacted and advised of £ [00.00] reimbursement of costs. Receipt requested'

When the customer sends their receipts, you must:

1. Add a mandatory case note:

'OPE for [insert items claimed here] incurred due to [insert reason for reimbursement here]. Customer contacted and advised of £ [00.00] reimbursement of costs. Receipt received. Customer refund form actioned.'

2. Write the customer's surname and application number on the back of any receipt over £10 and attach it to the customer refund form. You must print off scanned receipts to attach them to the form.
3. Take the printed customer refund form and the receipts to your local Customer Service Liaison team (CSLT). Customer refund forms must never be emailed as they contain credit or debit card details.

You can send the customer a credit card mandate form and a pre-paid address label, if they do not want to give you their credit or debit card details over the phone. You should only do this if you are asking for other information from the customer (for example a new form or extra documents). The customer must complete the mandate and send it back to you, so you can process their claim to their credit or debit card.

## If the customer's card details are not available

We will reimburse the customer by cheque, if the customer is unavailable or does not give us their debit or credit card details. Requests for cheques will take 15 to 20 days to process.

If you cannot contact the customer after 2 attempts or their card details are not available, you must:

1. Complete the customer refund form with the application details and select 'yes' on the Manual Refund drop down to complete the manual refund section

2. Email the customer refund form to Durham Transactional Finance team and your local 'reimbursements requests' mailbox. You must tell them if you will be sending a hardcopy of the form and any receipts by bag.
3. Send a hardcopy of the manual customer refund form and any receipts for items over £10 to Durham TFT.
4. Case note the application with the correct mandatory case note:

'OPE for [insert items claimed here] due to [insert reason here]. Customer contacted and advised of £ [00.00] reimbursement of costs. Card details unavailable, manual payment actioned.'

'OPE for [insert items claimed here] due to [insert reason here]. Unable to contact customer to process reimbursement for £ [00.00]'

Durham TFT will retain the manual refund forms and customer receipts for audit purposes in line with the finance policy.

## How the CSLT will process customer refund forms for OPE

Local customer service liaison teams (CSLT) will receive out of pocket expenses (OPE) customer refund forms (authorised in the APCs) and will:

1. Check that the customer refund form has been completed correctly.
2. Check that the person authorising the reimbursement has the correct level of delegated authority.
3. Return the customer refund form (and receipts) to the person authorising the claim, if:
  - a payment should not have been given
  - the form is incomplete
  - the form has not been correctly authorised
  - the reimbursement amount is outside of the examiners delegated authority limit
4. Case note the application to confirm that they have checked the OPE refund, using the case note:

'Clear for payment'

5. Complete the CSLT section of the reimbursement record on SharePoint.
6. Take (do not email) the customer's refund form and receipts to:
  - the local transactional finance team if they are in Belfast or Durham
  - the local Operational Support Services (OSS) if they are in Glasgow, Liverpool, London, Newport or Peterborough

## How Operational Support Services will process OPE claims

Operational Support Services (OSS) in Glasgow, Liverpool, London, Newport or Peterborough will take the out of pocket expense (OPE) customer refund forms and reimbursement records from CSLT. They must deal with the request within 24 hours.



To do this they must:

1. Make a payment using the process data quickly (PDQ) machine.
2. Complete the PDQ reconciliation and reimbursement record on SharePoint.
3. Email the PDQ reconciliation and reimbursement record to Durham Transactional Finance team.
4. Attach any customer receipts (over £10) to the PDQ reconciliation paper hard copy and retain these in the department in line with the finance policy.
5. Securely destroy the customer refund form in confidential waste.

Belfast transactional finance team (TFT) will process the customer's refund and will not refer the reimbursement record to Durham TFT. Both Durham and Belfast TFTs will process and keep their own reconciliation papers and customer receipts, in line with the finance policy.

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# Requests for out of pocket expenses for overseas customers

This section tells HM Passport Office operational staff how to deal with requests for the reimbursement of out of pocket expenses (OPE) for overseas customers .

Only the Customer Service Management team (CSMT) can deal with out of pocket expense claims from overseas customers.

If you, the examiner, receive a request for out of pocket expenses from an overseas customer you must:

1. Send the customer's:
  - o email (and any scanned copies of receipts you have received) to the Customer Services Management Team (CSMT)
  - o letter (and any receipts received) by internal post to:  
The Complaints Department  
Customer Service Management team
2. Add a case or passport note explaining what has been received and your actions.
3. Email the customer to tell them you have forwarded their request to CSMT.

## Overseas OPE requests received by phone

When you receive a phone call requesting the reimbursement of out of pocket expenses, you, must:

1. Tell the customer to email the Customer Services management team attaching scanned copies of their receipts.
2. Add a case or passport note explaining the customer's query and your actions.

## Dealing with requests for overseas customers - CSMT

When, you the Customer Service Management team (CSMT), receive a request for the reimbursement of out of pocket expenses from an overseas customer, you, must:

1. Review the case contacting the customer as necessary to confirm details or request receipts if the amount of the request is over £10.
2. Decide if an out of pocket payment is needed following the compensation guidance.
3. Record any decisions made on the Customer Services Management system.
4. Calculate the amount of the refund using the [current Bank of England exchange rate](#)
5. Process an online refund to the card used to make the original payment

If the amount to be refunded is greater than the fee paid, you must:

1. Complete the refund log with the details of the refund.
2. Send the log to Finance who will process the refund.

If the case is less than 28 days old and has not been withdrawn you must add case note:

- confirming your action
- advising the amount of the refund and its equivalent in foreign currency for example:

“we have authorised reimbursement of £35, which is the equivalent of (eg. 500 HKD) at the current exchange rate”.

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