



**DIRECT
Debit**

Bills getting on top of you?

**Regain control and save by
paying with Direct Debit!**



What is Direct Debit?

Direct Debit is a way to pay regular bills. It's all done automatically, so you don't have to worry. And not only is it convenient for you, it's also really simple and safe!

All you have to do is agree with the organisation you're paying the amount of money to be collected and the date it will be collected on. Once that's done, the money is deducted from your bank account regularly. But don't worry – they can only take the amount you've agreed, and if they want to change the amount or the date of collection they have to talk to you about it first.

"I thought I couldn't afford Direct Debit – until I realised that it's really just an easy way for me to save time and spread my bills

Now I tell everyone I can't afford NOT to do it!"

*Kim Smart,
Easy Street.*



It means you can control your bills and spread the cost of them to suit you!

Can Direct Debit save me money?

Yes. Organisations find Direct Debit just as easy as you will. They love it – and that's why many of them offer discounts to encourage you to pay this way.

Discounts vary from company to company and person to person.



EASY STREET

How do I set one up?

Simple! The organisation you want to pay a regular bill to will either send you a paper Direct Debit Instruction for you to complete and send back to them or alternatively will help you set up a Direct Debit over the phone or on the internet. Whichever method of set up is used, you will receive advance notice of the amount and date of collection. If phone or internet methods are used, you will receive written confirmation within three working days of the date the Direct Debit is set up (or if sending with the advance notice, at least ten working days before the first collection). All you need do is check the details and contact the organisation if you have any questions.

However you choose to set up your Direct Debit – paper, phone or internet – you're still fully covered by the Direct Debit Guarantee (see reverse for details).

Do Direct Debits work with any account?

Most current accounts at banks and building societies can be used to make Direct Debit payments.

Even some special savings accounts also accept them – just ask at your branch.

Kim on putting her feet up:
"Writing out cheques all the time and traipsing down to the post office? I don't have to bother about all that with Direct Debit. It's much more my cup of tea."



Once it's set up, do I have to do anything?

No, other than making sure there's enough money in your account every time the payment is due. To help you, the company you're paying will let you know in advance what the collection dates and amounts are.

It's a good idea to make a note of when Direct Debits are due out of your account so that you can plan accordingly.

Will the payment always be on the same date every month?

Normally yes. That's the case even if the payment is made every month, every three months or every year. If the payment date falls at the weekend or on a bank holiday, the company has to take the money out of your account just after that due date unless they tell you in advance.

What if changes are needed?

If either the amount or the payment date changes, the company concerned has to notify you in advance (normally ten working days) of your account being debited. This gives you plenty of time to get in touch with them if necessary.

Kim on credit cards:

"I used to worry about the old plastic getting out of control, but now I know I'm always paying off a monthly amount, regular as clockwork."



Kim is a member of the Smart family.
They know the benefits of Direct Debit inside out!
Let them help you at www.thesmartwaytopay.co.uk

Can I cancel a Direct Debit?

Yes – simply by writing to your bank or building society. It is a good idea to also send a copy to the company concerned. Your bank or building society will generally require at least a day's notice before the Direct Debit is due to be paid, but try not to leave it until the last minute or you run the risk of a payment being made. Remember that cancelling the Direct Debit simply stops paying the company. If you carry on receiving the goods or services then you will have to organise an alternative payment method.

What is the Direct Debit dormancy period?

All banks hold details of Direct Debit Instructions for a minimum period of 13 months from the last payment, or if no collections have been made, from the date it was set up. This rule was introduced to protect you – so if you should forget to cancel a Direct Debit, it will not remain active on your account indefinitely. After the dormancy period has elapsed, and before claiming further Direct Debit payments, the company must obtain your authority to continue collecting. If they do not do so, your Direct Debit payment may be returned by your bank.

So how do I get back any money where an error has been made in the payment of my Direct Debit?

If this happens, you should contact your bank or building society. They are responsible for giving you a full and immediate refund – even if the original error was made by the company collecting the payment.

See the Direct Debit Guarantee on the reverse of this leaflet for more details.

Kim says:

"We live on a tight budget – so I think it's great that you can sometimes get discounts if you pay by Direct Debit."



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Direct Debit Guarantee



- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit the organisation will notify you (normally 10 working days) in advance of your account being debited or as otherwise agreed. If you request the organisation to collect a payment, confirmation of the amount and date will be given to you at the time of the request
- If an error is made in the payment of your Direct Debit, by the organisation or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society.
 - If you receive a refund you are not entitled to, you must pay it back when the organisation asks you to
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify the organisation.

Relax – it's all covered by the Direct Debit Guarantee

So what does the guarantee mean to you? Simply that you can rest assured your Direct Debit experience will be worry free. In the extremely unlikely event that an error is made in the payment of your Direct Debit, you are completely covered by the guarantee. All the banks and building societies which take part in the Direct Debit scheme are signed up to it.



www.bacs.co.uk