



Irish Retail Electronic Payments Clearing Co Ltd
IRECC

Direct Debit Scheme
(including Direct Debit Plus)
Scheme Rules

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Version 4.19

(Nov 2011)

NOTE:

Version 4.18 of these Scheme Rules continues to apply on its terms to any Direct Debit which is or has been presented to a Paying Bank for payment at any time prior to 1st November 2011.

Version 4.17 of these Scheme Rules continues to apply on its terms to any Direct Debit which is or has been presented to a Paying Bank for payment at any time prior to 1st November 2010.

Version 4.17 of these Scheme Rules (as updated from time to time) applies (only) to any Direct Debit which is or has been presented to a Paying Bank for payment at any time on or after 1st November 2009, being the date on which the European Communities (Payment Services) Regulations 2009 came into force in Ireland.

Version 4.16 of these Scheme Rules continues to apply on its terms to any Direct Debit which is or has been presented to a Paying Bank for payment at any time prior to 1st November

**Direct
Debit**



**Direct
Debit Plus**



Log of Revisions to the Direct Debit Scheme Rules		
Version number of Direct Debit Rules	Brief description of revision	Date adopted by IRECC Board
4.19	<p>Amendments made to Rulebook as set out below:-</p> <ul style="list-style-type: none"> • Pg 6 Definition of a Bureau Service • Pg 7 Amendment to definition of Originator • Pg 8 & 15 Amendments to establish requirement / obligations for Bureau Service Providers • Pg 9 amendment to Direct Debit Guarantee • Pg 15 Adoption of Rules • Pg 23 amendment to table describing unauthorised direct debits • Pg 24 & 25 Update to Indemnity Claim Reason Codes • Pg 26 Clarification of liability of Sponsoring Bank to reimburse any unsatisfied indemnity claims • Pg 33 & 34 Procedures for refusal of individual Direct Debit • Pg 34 Obligation of Payer when cancelling • Pg 49 amendment to Direct Debit Instruction (Direct Debit Guarantee) • Pg 53 Amendment to Indemnity Claims Form • Pg 56 & 57 amendments to Direct Debit Plus Scripts (Direct Debit Guarantee) • Pg 58 & 59 amendments to Direct Debit Plus Confirmation Letters (Direct Debit Guarantee) • Pg 66 Bureau Service Registration Form 	1 Nov 2011
4.18	<p>Amendments made to Rulebook as set out below:-</p> <ul style="list-style-type: none"> • Pg 14 Adoption of Rules • Pg 18 Amendment to Payment Cycle (<i>Presentation Day 3</i>) • Pg 22 – Amendment to Indemnity Claims Process Reason Codes for claims • Pg 24/25 – Claims under DD Indemnity (<i>New Reason Codes</i>) / Timelines for Indemnity Claims to allow for the introduction of Dispute Resolution Form • Pg 26 – Procedure & reason code for counter claim process inserted • Pg 29 – Transfer of Sponsoring Bank, amendment to confirm responsibility of new sponsoring bank to obtain documentation. • Pg 36 – Unpaid Process – amendment to day on which unpaid can be returned, description exceptional circumstances inserted. • Pg 42 – DD+ Sign up Process, No 2 includes onus on Originator to verify payers bank account details. • Pg 52 – Appendix 6 – Direct Debit Indemnity Claim Form updated • Pg 64 – Appendix 17 inserted – Direct Debit Indemnity Counter Claim Form 	28 Sept 2010

<p>4.17</p>	<p>Various amendments to reflect the terms of the European Communities (Payment Services) Regulations, 2009, as summarised below.</p> <p>Changes made to Definitions on page 5 as follows:</p> <ul style="list-style-type: none"> • Inserted definition of 'Business Day' • Inserted of definition of 'Consumer' • Revised definition of 'Direct Debit' • Inserted definition of 'Payment Services Regulations' <p>Page 8 – Changes made to the Direct Debit Guarantee to reflect updated refund and revocation rights</p> <p>Page 14 – Version 4.17 of Scheme Rules stated to apply only to those Direct Debits presented on or after 1st November 2009</p> <p>Page 16 – Changes made to the description of Direct Debit Instruction to reflect provisions on authorisation contained in the Payments Services Directive ("PSD")</p> <p>Page 18 – Direct Debit Payment Cycle is now referable to "Business Days" as defined in Section 1</p> <p>Page 22 – Changes made to Payer Claims to reflect PSD refund provisions and limitation periods</p> <p>Page 24 – Additional grounds for making Direct Debit Indemnity claims included to reflect updated refund and revocation provisions</p> <p>Page 34 – Obligations of the Paying Bank have been amended to reflect PSD refund and revocation provisions</p> <p>Page 34 – Obligations of the Payer have been amended to reflect PSD refund and revocation provisions</p> <p>Page 36 – Originators prohibited from representing Direct Debits returned unpaid using reason code "Payment Refused"</p> <p>Page 37 – "Payment refused" included as an additional Reason for Return of Unpaid Direct Debit</p> <p>Removal or Bulk Change procedures(separately available from IPSO website(www.ipso.ie))</p>	<p>Sep 2009</p>
<p>4.16</p>	<p>Changes made to definition on page 4 as follows:</p> <ul style="list-style-type: none"> • Advance Notice • Confirmation Letter <p>Page 17 Changes made to description of Advance Notice and wording to allow for email usage for confirmation communications and internet sign-up for Direct Debit Plus</p> <p>Page 18 Changes made to wording of Re-presentation within Direct Debit Payment Cycle</p> <p>Page 27 inclusion of Compliance Form under No. 5 Complete Legal Forms of Obligations of Sponsoring Bank</p> <p>Page 39 Bulk Change Services – inclusion of requirement for Certificate of Change of Name, where appropriate</p> <p>Inclusion of five Appendices (17, 18, 19, 20 & 21)</p> <ul style="list-style-type: none"> • Direct Debit Review Compliance Form • Direct Debit Plus Compliance Review Form • Direct Debit Plus Internet Sign-Up Form • Sample Internet Sign-Up Screen • Guide to Direct Debit Plus Internet Sign-Up 	<p>Feb 2008</p>
<p>4.15</p>	<p>Changes made to wording in Description of main features</p> <p>Page 9 – items 5 and 6</p>	<p>Dec 2006</p>
<p>4.14</p>	<p>Changes made to table of contents appendix 13, Table of contents appendix number 13. Page 10 the line 'This code</p>	<p>Dec 2006</p>

	<p>must also be used for the first Direct Debit following an originator bulk change' has been removed. A paragraph has now been added to Page 23 of the bulk changes section in relation to use of transactions codes.</p> <p>Page 11 - Direct Debit Reference Numbers – the changes which were agreed to the Direct Debit Plus Day to Day guide have been incorporated in to this section also</p> <p>Page 11 – Cancelling a direct debit instruction – a note has been added re reactivation of cancelled instructions. Page 22 – Bulk Changes overview – a line has been added to say that the bulk change service is not used if customers are signing new DDIs Page 23 – Item 5 has been amended to read 'letters to customers'</p> <p>Appendix 9 – a line has been added to say this form is not required if payers will be completing new DDIs. Appendix 12 – form updated to make it more friendly to excel and also note put in that it is to be in excel format. Shading removed from appendices. Steps 4, 5 & 6 updated on the Direct Debit Scheme - Description of Main Features on page 9 and change to advance notice in Section 5 Direct Debit Plus</p>	
4.13	Changes made to Section 4 Bulk Change Services	
4.12	Comprehensive rules	13 Jan 05
4.12	Correction of typing error p 9 "payee's" corrected to "payer's" (2 instances). Corrected on 4 th April 2005	
4.13	Principal changes to include extension of transition period and advance notice requirements and other minor drafting changes – adopted by resolution of the board on 13 Oct 2005	13 Oct 2005

Direct Debit Scheme

Membership Rules

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Section 1 - Introduction

**Definitions of Terms Used
Introduction to the Direct Debit Scheme
Governance, Administration and Membership**

Definitions of Terms Used

Advance Notice	An advice via letter, email or SMS, which must be issued to the Payer in advance of the presentment of Direct Debits to his account. The rules governing the issuance of advance notice are set out in Section 2.
Bank	A credit institution or financial institution as respectively defined in paragraph 2 of the European Communities (Licensing and Supervision of Credit Institutions) Regulations, 1992, in each case so long as such institution is and continues to be supervised by a competent authority (as defined in such regulations) and authorised by such competent authority to provide money transmission services to customers.
Bulk Change	A service provided by the Members in the event that an Originator requires to change certain aspects of its direct debiting process. Please refer to IPSO Website(www.ipso.ie) for full description of this procedure
Bureau Services	A Bureau Service is an organisation that creates and presents electronic Direct Debits to member Banks (sponsoring banks) on behalf of a totally independent third party organisation.
Business Day	A day on which Banks are generally open for business as required for the execution of Direct Debits.
Confirmation Letter	A letter or email issued by a DD+ Originator to a payee, providing details of a Direct Debit Instruction, in the circumstances more particularly described in Section 5, and substantially in the form set out in Appendix 15.
Consumer	A natural person who, in participating in the Direct Debit Scheme, is acting for purposes other than his trade, business or profession.
Direct Debit (DD)	A service for the debiting of an account held by a Payer with a Paying Bank, where the debiting of such account is initiated by the Originator on the basis of the Payer's consent given to the Originator.
Direct Debit Indemnity (also, "DD Indemnity")	An Indemnity signed by the Originator and substantially in the form set out in Appendix 1.
Direct Debit Instruction (also, "DDI")	An instruction and authorisation to the Paying Bank to effect payment of Direct Debits, and substantially in the form set out in Appendix 3.
Direct Debit Plus (also, "DD+")	A variant of the Direct Debit Scheme to facilitate the creation and processing of direct debits without signed mandates, as more particularly described in Section 5.
Direct Debit Plus Indemnity (also, "DD+ Indemnity")	An Indemnity signed by the Originator, and substantially in the form set out in Appendix 5
Direct Debit Plus Instruction (also, "DDI+")	An instruction and authorisation to the Paying Bank to effect payment of Direct Debit Plus transactions, and created in accordance with the procedures in Section 5.
Direct Debit Rules (also, "the Rules")	The rules, terms and provisions of the Direct Debit Scheme as set out in this document, and including any amendments or variations of this document from time to time as determined by IRECC.
Direct Debit Scheme (also, "the Scheme")	The payment scheme as more particularly described in Section 1.
IPSO	Irish Payment Services Organisation Ltd. The expression IPSO shall include any successor company or entity which assumes the functions (whether in whole or in part) of IPSO.
Indemnity	A Direct Debit Indemnity and/or a Direct Debit Plus Indemnity as the context so requires or permits.
IRECC	Irish Retail Electronic Payments Clearing Company Limited. The expression IRECC shall include any successor company or entity as operator of the Scheme.

Member	A Bank which is an ordinary member or an associate member of the Direct Debit Scheme as more particularly described in Section 1.
Old Bank or New Bank	In circumstances where a Bank customer (Originator or Payer) transfers its banking relationship, the term "Old Bank" describes the Bank from which the relationship is transferred – the term "New Bank" describes the Bank to which the relationship is transferred.
Originator	An organisation which creates and presents electronic Direct Debits to its Sponsoring Bank on its own behalf, for presentation and application against the Bank accounts of one or more Payers.
Originator Identification Number (also, "OIN")	An identification number issued by IRECC for each Originator.
Participant	Participant means collectively the Banks, the Originators, the Payers, and each of them a participant as the context requires.
Payer	An account-holder with a Bank who permits the debiting of his account by means of Direct Debit.
Paying Bank	A Bank which accepts a Direct Debit received on behalf of its account-holding customer and which presents that Direct Debit to its customer's account for payment.
Payment Services Regulations	The European Communities (Payment Services) Regulations 2009.
Reference number	The reference number on a Direct Debit as created by the Originator, substantially in accordance with the rules applicable thereto as set out in Section 2.
Re-presentation	A resubmission (in accordance with the rules as set down in Section 4) by the Originator of an unpaid Direct Debit.
Sponsoring Bank	A Bank which provides Direct Debit services to an Originator, including, inter alia, holding an account of an Originator, accepting electronic files of debits from an Originator, and presenting those debits to the appropriate Paying Banks.
Standard 18	Standard 18 ELECTRONIC FUNDS TRANSFER SYSTEM (EFTS) INTERCHANGE STANDARDS (as issued from time to time by IPSO) as may from time to time be amended or replaced.
Transaction Code	A 2-digit code inserted by the Originator on to each Direct Debit substantially in accordance with the rules as set out in Section 2.
Unpaid Direct Debit	A Direct Debit which has been rejected by the Paying Bank in accordance with the rules as set out in Section 4.
Variable Direct Debit	An authority from the Payer to the Paying Bank to pay unspecified amounts on unspecified dates.

Any reference in these Rules to a Section or an Appendix shall, unless the context expressly so requires, be construed as a reference to a section of and an appendix to these Rules.



Introduction to the Direct Debit Scheme

What is the Direct Debit Scheme?

The Direct Debit Scheme has been in operation in Ireland since 1967.

The Scheme provides the framework under which Banks enable Originators to collect amounts due from Payers in an efficient and cost effective manner.

Typical Originators include insurance companies, local authorities, utilities, finance companies, mortgage companies, suppliers, and any other organisations which receive regular recurring payments.

Payers may be consumers, businesses, or any other legal entity.

The Direct Debit is a means of payment, and has no direct bearing on the underlying contract between the Payer and the Originator. The Members of the Direct Debit Scheme therefore have no involvement in, or responsibility in relation to, the underlying commercial contract.

To participate in the Direct Debit Scheme, an Originator must be sponsored by a Bank which is a member of IRECC and the Direct Debit Scheme. Participation in the Scheme as an Originator is accordingly restricted to person(s) who is/are sponsored for such purposes by a Sponsoring Bank in accordance with the rules for the time being of the Scheme. Additionally, each Sponsoring Bank may apply its own prudential criteria for assessment of the suitability of the Originator for inclusion in the Direct Debit Scheme.

Two variants of the Direct Debit Scheme now operate in Ireland:

- Direct Debit, based upon pre-authorised instructions, signed by the Payer, and forwarded by the Originator to the Paying Bank.
- Direct Debit Plus, which enables Originators to:
 - Sign up Originators without the customer having to sign a paper instruction, or
 - Sign up Originators with a paper instruction and retain the instruction.

Direct Debit Plus is a service which is only available at the discretion of the Sponsoring Bank.

Direct Debit is normally considered as the most efficient method of payment for recurring payments. There are considerable benefits for all participants in the Scheme: for Originators, Payers, and Banks.

Trust and the Direct Debit

The Direct Debit Instruction requires the customer to pre-authorise the debiting of (usually) unspecified amounts which will be notified to him. The pre-authorisation may be by means of a signed DDI or instruction (under Direct Debit Plus Rules) provided by the Payer, via the Originator, to the Paying Bank.

The essence of such an arrangement is that of the total integrity of and trust in the Scheme. All Participants must work together to ensure that such integrity and trust is maintained. For such purposes Participants assume certain responsibilities as listed below:

- **Originators** must put in place reliable systems and which will ensure:
 - the issuance of correct advance notification as appropriate of amounts to be debited
 - that Direct Debits as issued conform to Payer instructions and the Rules of the Scheme
 - that disputed amounts are not debited
 - that procedures for terminating the Direct Debit are put in place
 - that the Originator will settle indemnity claims under or pursuant to the Scheme within 10 days
 - that all other responsibilities of the Originator under or pursuant to the Scheme are adhered to



- **Sponsoring Banks:**
 - must adhere to the Rules of the Scheme
 - must ensure that Originators adhere to the Rules of the Scheme
 - must ensure that Direct Debit files are processed in accordance with agreed procedures and timeframes
 - must ensure that indemnity claims under or pursuant to the Scheme are promptly resolved
 - must ensure that, subject to the Rules of the Scheme, Paying Banks are reimbursed for unsatisfied indemnity claims
 - on advice received from the Paying Bank that an Originator is not adhering to the Rules of the Scheme, must promptly seek the required adherence by the Originator
- **Paying Banks:**
 - must adhere to the Rules of the Scheme
 - must put in place processes which will ensure that unauthorised, refused and/or cancelled Direct Debits are intercepted and returned immediately on presentation
 - must promptly present indemnity claims arising under or pursuant to the Scheme
 - must assist its customer, to the extent practicable, in the resolution of disputes arising under or pursuant to the Scheme
 - must inform the Sponsoring Bank if an Originator is not adhering to the Rules of the Scheme

In the case of any dispute between Banks/Originators regarding the operation of the Scheme or adherence to the Rules of the Scheme, each such participant a party to such dispute may, if it has exhausted all reasonable means of resolving the dispute, refer the dispute to IRECC for its consideration (provided however that no party to such dispute shall disclose to IRECC any confidential information concerning any Payer or Originator as may relate to that dispute without the consent of such person).

IRECC will seek to ensure that maintaining the integrity of and trust in the Direct Debit Scheme will be a foremost guiding principle in all deliberations in relation to the Scheme. In this regard, it is an intrinsic and fundamental element of the Scheme that each Payer will have an assurance that when he/she/it provides a Direct Debit Instruction, procedures are in place under or pursuant to the Scheme to protect his/her/its interest.

The Direct Debit Guarantee

The Direct Debit Guarantee will be provided to Payers in the following form:-

- This is a guarantee provided by your own Bank as a Member of the Direct Debit Scheme, in which Banks and Originators of Direct Debits participate.
- If you authorise payment by Direct Debit, then
 - Your Direct Debit Originator will notify you in advance of the amounts to be debited to your account
 - Your Bank will accept and pay such debits, provided that your account has sufficient available funds
- If it is established that an unauthorised Direct Debit was charged to your account, you are guaranteed an immediate refund by your Bank of the amount so charged where you notify your Bank without undue delay on becoming aware of the unauthorised Direct Debit, and in any event no later than 13 months after the date of debiting of such Direct Debit to your account.
- You are entitled to request a refund of any Variable Direct Debit which exceeded the amount which you could reasonably have expected, subject to you so requesting your Bank within a period of 8 weeks from the date of debiting such Direct Debit to your account.
- You can instruct your bank to refuse a Direct Debit payment by writing in good time to your Bank.
- You can cancel the Direct Debit Instruction by informing your Bank in good time.



The terms on which the Direct Debit Guarantee is offered or advertised by an Originator must be approved in advance in each case by the Sponsoring Bank of that Originator.

The Direct Debit Guarantee should normally be accompanied by the logo for Direct Debit or Direct Debit Plus as appropriate.

The Direct Debit Logos

The Direct Debit logo and the Direct Debit Plus logo for the Scheme are shown on the front page of these Rules.

Participants shall be bound by, and shall comply with, any rules or directions issued by IRECC from time to time regarding the use of the foregoing Direct Debit logos.

The terms on which the Direct Debit logos are offered or advertised by an Originator must be approved in advance in each case by the Sponsoring Bank of that Originator.



GOVERNANCE, ADMINISTRATION & MEMBERSHIP

IRECC

The Direct Debit Scheme is governed and administered by the Irish Retail Electronic Payments Clearing Company Limited.

IRECC is the operator of the retail electronic clearing or payment system in the State, and as a payment system is subject to regulation by the Central Bank and Financial Services Authority of Ireland (CBFSAI) under and pursuant to Part II of the Central Bank Act, 1997.

The clearing or payment system operated by IRECC is used to clear and settle payment obligations arising between IRECC member institutions for (amongst other things) electronic direct debits, that is direct debits in non paper form presented on customer accounts through operation of the Direct Debit Scheme.

As it has not been possible for a number of years to have direct debits presented or paid through inter bank clearing in paper form, and by virtue of the close activity relationship between its principal function(s) and direct debits, IRECC has with the consent of its members and in consultation with IPSO and CBFSAI, assumed responsibility for the governance and administration of the Direct Debit Scheme.

IRECC undertakes to discharge this responsibility to the best of its abilities and in the interests of all concerned. However IRECC does not accept any liability for any act, error, failure or omission in that regard.

IRECC is the owner of and shall be vested with the copyright and all other intellectual property rights in all Direct Debit Scheme logos, marks and publications (including these Rules) as created, devised or published by or under the auspices of IRECC for the purposes of the Scheme (and as necessary will apply for registration of all such logos and marks in appropriate public registries).

Governance & Administration

The governance and administration role of IRECC in relation to the Direct Debit Scheme encompasses the following:

- Developing and maintaining the Direct Debit Scheme, and ensuring as far as practicable that the overall Scheme offers a high standard of efficiency, trust and integrity.
- Monitoring and updating as necessary the Rules of the Scheme
- Communicating requisite information regarding the Scheme to Banks
- Issuing Originator ID Numbers (OINs), maintaining a database of OIN information, and regularly updating the Banks on changes to that database
- Seeking to resolve to the extent practicable, disputes or complaints received regarding the conduct of Banks or Originators under the Scheme.
- Providing a dispute resolution forum and/or service as required when a dispute arises regarding the conduct of Banks or Originators under the Scheme.
- Communicating directly with an Originator in breach of the Rules of the Scheme.
- Dealing with non-compliance with the Rules of the Scheme (see below)

The Board of IRECC will appoint an advisory committee, to be known as the "Direct Debit Committee", to do the following:

1. To advise the Board on all aspects of the Direct Debit Scheme
2. To promote the use of Direct Debits as a payment mechanism
3. To monitor Direct Debit operations
4. To monitor compliance with the Scheme Rules
5. To report to the IRECC Board as necessary, but not less than once per annum.



The Board of IRECC shall have power at any time and from time to time to formulate, adopt, alter, vary and amend such principles, rules, access criteria, standards and regulations as may be considered fit or desirable by the Board concerning membership of, participation in and the operation (including administration) of the Direct Debit Scheme. Any amendments or variations to these Rules shall take effect at such time and upon such notice to be given in such manner as the Board may determine from time to time.

Without limitation to the foregoing, the Board of IRECC shall have power to impose sanctions in respect of non-compliance with the Rules of the Scheme.

Any Bank shall be entitled to refer an alleged instance of non-compliance by a Member to the Direct Debit Committee of IRECC which Committee shall, as soon as practicable, investigate the matter. If the said Committee determines that such non-compliance is established and is of a material nature, the Committee shall be empowered to direct the Member concerned to remedy the matter forthwith. In the event that the Member fails to do so, the Committee shall be entitled to recommend to the Board of IRECC the imposition of appropriate sanctions (such as suspension or expulsion from membership of the Scheme) either to compel compliance with the Rules of the Scheme and/or to penalise such non-compliance. The reported Member would be excluded from voting at Committee or Board level on the recommendations or sanctions.

In arriving at its decisions, the Committee or the Board would take into account any plan which might be presented by the reported Member which would remedy such non-compliance at a future date.

In the case of any proposed suspension or expulsion of a Member from the Direct Debit Scheme, the Board shall apply such procedures as are contemplated by Articles 7 and 8 of the IRECC Articles of Association as if set out herein in like manner, amended appropriately and to be construed so as to refer to the Scheme and to relate to the rules, terms and standards of the Direct Debit Scheme.

Membership of Direct Debit Scheme

Membership of the Direct Debit Scheme is open to any Bank which is a member of IRECC, whether as an ordinary member or an associate member.

There are two categories of Membership

- ordinary membership for those Banks which wish to act as Sponsoring Banks under and for the purposes of the Direct Debit Scheme; and
- associate membership for those Banks who wish to act as Paying Banks under and for the purposes of the Direct Debit Scheme.

For further particulars as to membership of IRECC, please refer to the web site www.ipso.ie.

(1) Ordinary Membership

In order to be an ordinary member of the Direct Debit Scheme, and thus to be entitled to participate as a Sponsoring Bank in and under the Direct Debit Scheme, a Bank must satisfy the following criteria, which if satisfied (save for any exceptional or abnormal circumstances) will result in such Bank being accepted by the Board of IRECC as soon as practicable following application into ordinary membership of the Direct Debit Scheme:

- (unless waived) submits an application for ordinary membership in the form required by IRECC;
- undertakes to IRECC, for and on behalf of each other Member of the Direct Debit Scheme both present and future, (1) to be bound by and to observe in all respects the rules, terms and standards of the Direct Debit Scheme in force from time to time; (2) to ensure that each Originator it sponsors in relation to the Direct Debit Scheme complies with and observes in all respects the



rules, terms and standards of the Direct Debit Scheme in force from time to time; and (3) to act as surety in respect of the performance of the obligations referred to in (2) above in the manner provided for under the Direct Debit Scheme;

- carries on banking business within the Republic of Ireland, and whether through the auspices of one or more offices or branches in such manner as may be acceptable to IRECC (acting reasonably) for the purposes of the Scheme.
- agrees to pay its fair and equitable share of the annual operating costs of the Direct Debit Scheme as determined by the Board of IRECC; and
- agrees to pay its fair and equitable share of the costs incurred by IRECC in resolving any dispute arising under the Direct Debit Scheme as may concern or relate to such Bank (as determined by the Board of IRECC).

Each existing ordinary member of the Direct Debit Scheme, through its continued participation in the Direct Debit Scheme, is deemed to have undertaken and agreed to the foregoing matters and on an ongoing basis.

Where any Bank wishes to provide Direct Debit services to Originators which are customers of that Bank, but that Bank does not wish to become a Member in the capacity of a Sponsoring Bank, such Bank may provide Direct Debit services for the purposes of the Direct Debit Scheme if it has put in place an agency arrangement with an existing Sponsoring Bank. In such circumstances, however, the appointed Sponsoring Bank is responsible and liable for all actions or omissions of such Bank and any Originators of that Bank for all purposes in connection with the Direct Debit Scheme. Further such Bank shall not be deemed to be a Member and accordingly shall have no rights or obligations under the Scheme.

(2) Associate Membership

In order to be an associate member of the Direct Debit Scheme, and thus to be entitled to participate as a Paying Bank in and under the Direct Debit Scheme, a Bank must satisfy the following criteria, which if satisfied (save for any exceptional or abnormal circumstances) will result in such Bank being accepted by the Board of IRECC as soon as practicable following application into associate membership of the Direct Debit Scheme:

- (unless waived) submits an application for associate membership in the form required by IRECC;
- undertakes to IRECC, for and on behalf of each other Member of the Direct Debit Scheme both present and future, to be bound by and to observe in all respects the rules, terms and standards of the Direct Debit Scheme in force from time to time;
- agrees to pay its fair and equitable share of the costs incurred by IRECC in resolving any dispute arising under the Direct Debit Scheme as may concern or relate to such Bank (as determined by the Board of IRECC).

Each existing associate member of the Direct Debit Scheme, through its continued participation in the Direct Debit Scheme, is deemed to have undertaken and agreed to the foregoing matters and on an ongoing basis.

In the case of any proposed suspension or expulsion of a Member from the Direct Debit Scheme, the Board shall apply such procedures as are contemplated by Articles 7 and 8 of the IRECC Articles of Association as if set out herein mutatis mutandis, amended appropriately and to be construed so as to refer and relate to the rules, terms and standards of the Direct Debit Scheme.



Ceasing to be a Member

In the case of a Member which intends to cease acting as a Sponsoring Bank, such Member shall be required as a precondition to cessation to do the following:

1. Give 12 months prior notice to IRECC of such intention and of its proposed date for cessation
2. Present a plan to IRECC for orderly cessation, such plan being designed to:
 - Preserve the collective trust of its customers in the Direct Debit Scheme
 - Avoid undermining the collective trust of other Banks' customers in the Scheme and ensure that such plan is acceptable to IRECC as far as practicable

Originator Participation

An Originator is not a Member of, but rather is a participant in, the Direct Debit Scheme.

By virtue of its participation in the Direct Debit Scheme, an Originator is deemed to undertake to IRECC and to each Member of the Direct Debit Scheme that such Originator is and shall be bound by, and shall observe in all respects, the rules, terms and standards of the Direct Debit Scheme in force from time to time.

The Originator acknowledges that in the event it is determined by the Board of IRECC that the Originator is in material breach (in the reasonable opinion of the Board of IRECC) of the rules, terms and standards of the Direct Debit Scheme in force from time to time, that unless such breach is capable of remedy and is so remedied to the satisfaction of the Board of IRECC, that such Originator may by direction of the Board of IRECC be prohibited from any further participation in the Direct Debit Scheme, and thus no longer entitled to originate Direct Debits against bank accounts held with members of the Direct Debit Scheme. Any Sponsoring Bank which acts for any such Originator shall be bound by the decision of the Board of IRECC in that regard, and accordingly shall cease to act as Sponsoring Bank for such Originator.

It is envisaged that the expulsion of an Originator from the Direct Debit Scheme would only likely arise where the Originator has been in persistent breach of the Rules, and where the Originator had ignored reasonable warnings issued by either the Sponsoring Bank or IRECC in respect of such breach.

The foregoing provision is without prejudice to the right of the Sponsoring Bank of any Originator to cease at any time at its own discretion to act as Sponsoring Bank for such Originator, and thereby prevent the continued participation of such Originator in the Direct Debit Scheme.

Without prejudice to or limitation of the foregoing provisions, an Originator may be prohibited from any further participation in the Direct Debit Scheme in any of the following circumstances:

- Direct Debit operations are being carried out by that Originator in a manner which constitutes an abuse of the Scheme, or without due regard to the interests of Payers.
- The Originator falls below the normal assessment criteria of the Sponsoring Bank for entry to the Direct Debit Scheme.
- Standards and procedures detailed in these Rules are being deliberately or negligently ignored by the Originator.
- The contractual capacity of an Originator is terminated by legal process – for example, by bankruptcy, liquidation, the appointment of a receiver, or legal incapacity.
- There has been any change of circumstances which in the opinion of the Sponsoring Bank may be prejudicial to the interest of Payers.

The Sponsoring Bank will make every effort to give sufficient notice to enable an orderly and timely withdrawal of the Originator from the Scheme.

Neither IRECC nor any Sponsoring Bank accept any liability, nor shall they be liable whatsoever, for any loss or expense, whether direct or indirect and whether monetary or otherwise which an Originator may suffer as a result of its removal from the Direct Debit Scheme.



The provision of a Direct Debit collection service by any person not being a Member or an Originator is prohibited (as being a form of unauthorised participation in the Scheme) save and unless where:

- The Direct Debit collection service is provided by such person for and on behalf of an Originator using (only) for such purposes the OIN attributable to such Originator (and with the permission and authority of such Originator); and
- The amount of any Direct Debit the subject of such collection service is lodged or transferred into the bank account of such Originator (and accordingly not into any bank or other account held or maintained by the person providing such collection service or their agent).
- Thus, any person(s) providing such a collection service must send their files to the bank of the Originator for whom they are providing such services. Therefore, the bureau service must be in a position to present files to all member banks.

Payer Participation

A Payer is not a Member of, but rather is a participant in, the Direct Debit Scheme.

By virtue of its participation in the Direct Debit Scheme, a Payer assumes certain obligations, and is afforded certain rights, with regard to Members and Originators as determined under or pursuant to these Rules.

Adoption of Rules

These Rules version 4.19 have been adopted by IRECC as of 15th September 2011, and are effective and in force as of 1st November 2011.

These Rules (as amended or updated from time to time) apply (only) to any Direct Debit which is or has been presented to a Paying Bank for payment at any time on or after 1st November 2011.

These Rules shall be governed by and shall be construed in accordance with the laws of the Republic of Ireland. Each Participant undertakes to submit to the non-exclusive jurisdiction of the Irish courts in respect of any matter or dispute concerning or arising under the Scheme.



Section 2 - The Direct Debit Scheme – Description of Main Features

The Direct Debit Scheme – Description of Main Features
The Direct Debit Payment Cycle
Direct Debit Transaction Codes
Direct Debit Reference Numbers
Direct Debit Originator Identification Number (OIN)
The Direct Debit Instruction – standard form, amendments, cancellation, expiry
Payer Claims and Scheme Indemnities
Indemnity Claims and Counter claims



The Direct Debit Scheme – Description of Main Features

All of the main elements of the Direct Debit Scheme are designed to operate on the basis of fully automated straight-through-processing, and manual intervention should arise only in exceptional circumstances.

The Direct Debit Scheme depends upon mutual trust between all parties concerned. In order to assure that trust, each Originator must be sponsored by a Member which is a Sponsoring Bank, and the Member will require assurances and indemnities from the Originators. The assurances relate to the capability and the willingness of Originators to comply with the Scheme Rules. The indemnities are required to ensure that there is no financial risk to the Payer or to the Members arising from the operation of the Scheme.

In a Direct Debit Instruction (DDI) the Payer authorises and instructs his Bank to pay Direct Debits of (usually) unspecified amounts on (usually) unspecified dates at the request of the Originator. When using Direct Debit Plus, the Payer makes an agreement (usually verbal) with the Originator, and that agreement is confirmed to the Payer in writing.

The Direct Debit Scheme is a batch process, using a standard file format, known as Standard 18, designed to process electronic files relating to multiple payments from Payers' accounts in various Banks, Building Societies and Credit Unions.

The Direct Debit Scheme utilises the IRECC clearing process for electronic transactions, with each individual Direct Debit being:

1. Checked by the Paying Bank by reference to a Direct Debit transaction code
2. Referenced by the Originator using his own coding system for linkage with his accounting system
3. Referenced by the Originator using an Originator Identification Number (OIN) to provide end-to-end linkage of the transaction back to the Originator
4. Issued under an indemnity to eliminate risk to the Banks in their roles as payment processors.
5. Pre-authorised by Payers in accordance with defined rules and notified to those Payers in advance of payment.



Typically the following steps arise:-

Step	Direct Debit	Direct Debit Plus
1	The Originator agrees sponsorship arrangements with a Sponsoring Bank, and provides an indemnity in favour of Members.	A more detailed arrangement and an appropriate indemnity is required.
2	The Originator invites Payers to make future payments via Direct Debit.	Caters for a broader range of sign-up methods, including face-to-face, telephone or internet.
3	The Payer completes and signs a Direct Debit Instruction (DDI), thereby agreeing to payment by Direct Debit, which he/she returns to the Originator.	The Payer agrees verbally, in writing or via the internet to payment by Direct Debit, and the Originator records details of that agreement in his system.
4	The Originator sends the completed DDI to the Payer's Bank.	<p>The Originator holds customer details including the Bank, branch and account details.</p> <p>The Originator must verify the customer details, including identity details, bank account details, authority details (joint accounts, non-personal accounts, etc). In addition, the Originator must verify the sort code and account number using modulus checking for all Payer accounts held by Members.</p> <p>Where no signed DDI is in place, then within 3 days of the agreement at 3 above, the Originator issues a written Direct Debit confirmation to the Payer.</p>
5	<p>The Originator issues advance notices to Payers.</p> <ul style="list-style-type: none"> o At least 14 days must elapse before presentation of the 1st debit on any DDI o The notice can take the form of an invoice or a one-off notice detailing a series of payments over a period of time. o Advance Notice may take the form of a letter, email or SMS. o Advance notice of 14 days is the default requirement for all debits o The Sponsoring Bank may at its discretion, authorise a notice period less than the default, provided that payers are notified of, and have agreed to the shorter notice period. 	<p>The Originator issues advance notices to Payers.</p> <ul style="list-style-type: none"> o The first such advance notice may be included with or incorporated into the Direct Debit confirmation, or may be sent at a later date. o The notice can take the form of an invoice or a one-off notice detailing a series of payments over a period of time. o Advance Notice may take the form of a letter, email or SMS. o At least 7 days must elapse before presentation of the 1st debit. o Advance notice of 7 days is the default requirements for all debits. o The Sponsoring Bank may at its discretion, authorise a notice period less than the default, provided that payers are notified of, and have agreed to the shorter notice period. <p>Where an Originator is moving to DD+ from the DD Scheme, he must advise existing payers of shorter advance notice period in due time.</p> <p>Payers in this category must also be given an opt out clause. It is acceptable for the originator to state in this advice that allowing the next debit to be passed on their account will be deemed as accepting the shorter notice period.</p>
6	The Direct Debits are processed through the IRECC clearing system and presented to the Payers' banks for payment. At the same time, the credit for the file of transactions is processed to the Originator's account.	<p>The Direct Debits are processed through the IRECC clearing system and presented to the Payers' banks for payment. At the same time, the credit for the file of transactions is processed to the Originator's account.</p> <p>The first three characters of the statement narrative field must be filled with the characters "OP/"</p>
7	The process is repeated periodically in accordance with the terms of the DDI, for so long as the DDI remains valid.	The process is repeated periodically in accordance with the terms of the DDI+, for so long as the DDI+ remains valid.

Note: Any reference to the giving of notice in these rules shall be determined by reference to the date of issue of such notice as stated by the date on such notice.



Direct Debit Payment Cycle

Files of Direct Debits are introduced into the banking system when an Originator presents a balanced file of payments to his Sponsoring Bank. The file will normally include one or more credits to the Originator's account, and a number of Direct Debit transactions destined for the accounts of Payers.

Detailed file specifications are available from the Sponsoring Bank.

The following is an overview of the cycle of events applicable to a Direct Debit transaction. In the illustrative example below, Wednesday September 3rd is used as the due debiting date.

Event	Latest Day	Illustrative Example	Description	
Notification of Payer	Day "minus 14" or earlier for Direct Debit or Day "minus 7" or earlier for Direct Debit Plus	Wednesday 20th August for Direct Debit or Wednesday 27th August for Direct Debit Plus	The Originator gives the Payer advance notice of the amount and date of the debit to be presented. Note that in certain circumstances, a direct debit originator may be authorised to vary the notice period (see previous page)	Cycle for all Direct Debit transactions
Transmission	Day 1*	Monday Sept 1	The Originator transmits the payment file electronically to the Sponsoring Bank in accordance with timeframes agreed with the Sponsoring Bank.	
Clearing	Day 2*	Tuesday Sept 2	The file is processed by the Sponsoring Bank, and the individual Direct Debits are delivered by the Sponsoring Bank under the auspices of the IRECC clearing system to the Payer's Bank.	
Presentment	Day 3*	Wednesday Sept 3	Each individual Direct Debit is presented for payment on the Payer's account not later than this day. Direct Debits can be returned electronically, using only the unpaid reason codes listed in the Rulebook, on the day the direct debit is presented for payment or by close of business the next business day.	
Decision	Day 4*	Thursday Sept 4	Latest date on which the Payer's Bank can return an unpaid Direct Debit.	Additional cycle for unpaid Direct Debit Transactions
Unpaid Process (if applicable)	Day 5* or earlier	Friday Sept 5	Unpaid Direct Debits are processed by the Sponsoring Bank.	
Unpays debited (if applicable)	Day 6* or earlier	Monday Sept 8	Electronic unpaid items are assembled into an automated listing for Originators by their Sponsoring Banks. The Originator's account is debited by the Sponsoring Bank. ***	
Re-Presentation (if applicable)	Once only within one calendar month from Day 1	Wednesday Oct 1 or earlier	Latest date for commencing the cycle leading to re-presentation of an unpaid item (see section 4 "Unpaid Direct Debits – re-presentation")	

* Note that the day numbering of days 1-6 in the column headed "Latest Day" refers to Business Days, and excludes weekends, public holidays, etc.

** In the event of failure of the electronic system, a manual return system may be invoked (see "Unpaid Direct Debits" in section 4)

*** The debiting of the Originator's account is done on foot of due authority in that regard in favour of the Sponsoring Bank (by specific arrangement or under general banking terms and conditions).



Direct Debit Transaction Codes

Transaction codes are fundamental to the operation of Direct Debits. Each individual Direct Debit presented by an Originator to his Sponsoring Bank must bear the appropriate transaction code according to the schedule below

The following transaction codes must be used as mandatory:

DD Transaction Type	Transaction Code	Description
First	01	The first payment presented on a DDI. This code must also be used for the first Direct Debit following a transfer of the Payer's account from one Bank to another.
Normal	17	For normal presentations – this is the most commonly used code.
Re-presentation	18	For re-presentations – that is, for payments that were returned unpaid in the first instance and are now being represented. (see section 4 "Unpaid Direct Debits – re-presentation").
Final	19	For the final payment presented on a DDI.

Direct Debit Reference Numbers

The Direct Debit Scheme provides for an alpha-numeric reference to be placed on each Direct Debit and the use of the reference number field is mandatory for the life of the direct debit. The purpose of the reference is two-fold:

1. It provides an opportunity for the Originator to link the payments to his accounting system and
2. It provides the Paying Bank with a facility to link the payment to the Direct Debit Instruction, and/or to identify specific direct debits for any other purposes

The reference number field is an 18 character alpha-numeric field.

The minimum requirement is that the first 6 characters of a customer's reference must remain unchanged for the life of the debit. These 6 characters must be identical in all of the direct debits of a series for a particular customer.

At the Originator's discretion, the remaining 12 characters in this field can change on presentation of each debit for example to indicate payment number.

Following are examples of valid and invalid references for a series of 3 monthly Direct Debits.

	Example 1	Example 2	Example 3	Example 4	Example 5	Example 6	Example 7	Example 8
Month 1	DD1234	DD1234Jan	DD123456017	DD12345601	DD123	DD 123Jan	DD1234 Jan	DD123
Month 2	DD1234	DD1234Feb	DD123456017	DD12345602	DD123	DD 123Feb	DD1234 Feb	DD124
Month 3	DD1234	DD1234Mar	DD123456017	DD12345603	DD123	DD 123Mar	DD1234 Mar	DD125
	Valid	Valid	Valid	Valid	Invalid – only 5 characters	Invalid – space within the first 6 characters	Valid	Invalid – only 5 characters

For new Originators the Direct Debit reference number must be quoted on the DDI and on all correspondence in relation to the DDI.



Direct Debit Originator Identification Number (OIN)

The Originator Identification Number (OIN) is a 6-digit reference number issued by IRECC through the Sponsoring Bank to each Direct Debit Originator. A database of OIN information, linking the OIN to the Originator and to the Sponsoring Bank is maintained by IRECC and by each Sponsoring Bank. IRECC will regularly notify the Sponsoring Banks regarding updates to the database. The OIN must be pre-printed on all DDIs, shown in the appropriate field on each Direct Debit, and quoted in all correspondence regarding the Direct Debit.

Direct Debit Instruction (DDI)

The standard form of the DDI is shown on Appendix 3.

Originators are free to modify the standard form to the extent of changing dimensions, font, colour, and the addition of logos. All of these modifications are allowed in order to fit in with the corporate design styling of the Originator. However, unless otherwise permitted by the Sponsoring Bank, the Originator's DDI must conform to the text and layout of the standard form, and must ensure that the size is appropriate to allow clear text.

Amending the Direct Debit Instruction (DDI)

Two forms of amendment to Direct Debit Instruction (DDI) can arise:

1. Change of an individual DDI

Step	Description
<i>1. Advise Originator</i>	Payer's old bank informs Originator using an "Advice of Instruction Amendment/Cancellation form" (See Appendix 8)
<i>2. Originator's Action</i>	The Originator must amend his records immediately to reflect new bank and account details. Transaction code 01 must be used for the first Direct Debit following a transfer of the Payer's account from one Bank to another.

Where a Payer's account is transferred from one Bank or branch to another, the procedures above may be used to cancel or to amend a DDI in accordance with the rules in force from time to time for account transfer.

2. Bulk Change

In certain situations it may be necessary to amend a large number of DDIs for a single Originator. A special procedure has been developed to cater for bulk changes. This procedure is detailed separately on our Website (www.ipso.ie)



Cancelling a Direct Debit Instruction (DDI)

The Payer may cancel the DDI by informing his/her Bank. In these circumstances, the following procedures must be followed:

Step	Description
<i>1. Advise Originator</i>	Payer's Bank must inform the Originator using an "Advice of Instruction Amendment/Cancellation Form" substantially in the form as set out in Appendix 8
<i>2. Originator's Action</i>	An Originator must not present a Direct Debit on a DDI that has been cancelled.

NB It is not possible to reactivate a direct debit after cancellation. If a payer wants to reactivate a direct debit a new DDI must be set up. The first 6 characters of the alpha-numeric reference number on the new debit must be different from those on the cancelled DDI

Expiry of a DDI

An Originator must advise the Payer's Bank of the expiry of any DDI, even if no Direct Debits have been originated under the DDI.

In the normal course, notice of expiry is given by the use of Transaction Code 19 on the final payment.

In exceptional cases, for example where a DDI has expired and no Direct Debits have been originated under the DDI, the Originator must advise the Payer's Bank in writing.



Payer Claims

1. Unauthorised Direct Debits

Where an unauthorised Direct Debit has been applied to the account of a Payer by a Paying Bank, the Payer shall be entitled to a refund of that Direct Debit from the Paying Bank.

The Payer shall be entitled to a refund from the Paying Bank only if he notifies the Paying Bank without undue delay on becoming aware of an unauthorised Direct Debit giving rise to a claim, and no later than 13 months after the date on which the Direct Debit was applied to the Payer's bank account (and provided that, for the purposes of such time period, to the extent applicable and required, the Paying Bank has not failed to provide or make available the requisite information on that Direct Debit to the Payer pursuant to Part 3 of the Payment Services Regulations).

Where a Payer denies having authorised a Direct Debit, it shall be for the Paying Bank to prove that the Direct Debit was authorised in accordance with the terms of the Direct Debit Rules. The Paying Bank shall (assuming that the Payer is not prevented in accordance with applicable law from disputing or seeking reimbursement in respect of such Direct Debit) promptly investigate the circumstances specific to that Direct Debit and its application with a view to determining, as soon as practicable, whether or not an unauthorised Direct Debit was applied to that account. Where relevant, the Payer may request appropriate documentary evidence of authorisation from the Originator and/or Sponsoring Bank.

However, where the Payer is not a Consumer, the Payer and the Paying Bank may agree that the burden of proof shall lie on the Payer to establish that a Direct Debit was unauthorised.

If the Paying Bank determines that the Payer has a valid claim, the Paying Bank shall immediately upon such determination rectify the unauthorised Direct Debit by refunding to the Payer the amount of the Direct Debit concerned and, where applicable restoring the debited account to the state in which it would have been had the Direct Debit concerned not been so applied. Such rectification shall be made without reference to whether or not the Paying Bank has at such time made any indemnity claim against, and/or received reimbursement from, an Originator relating to the subject matter of the Payer's claim.

However, the Paying Bank shall be under no obligation to provide rectification of an unauthorised Direct Debit applied where the Payer has acted fraudulently, and the Payer shall bear all losses in relation to such Direct Debits.

A Direct Debit shall be considered to be unauthorised in the following circumstances only:

No.	Description
1	Payer has cancelled DDI with Bank
2	No valid DDI held
3	DDI has expired (36 months)

2. Variable Direct Debits

A Payer shall be entitled to claim a refund from the Paying Bank of any authorised Variable Direct Debit which has already been executed within a period of 8 weeks from the date on which the Variable Direct Debit was applied where the amount of the Variable Direct Debit exceeded the amount the Payer could reasonably have expected taking into account his previous spending pattern, the terms and conditions of his account with the Paying Bank and the relevant circumstances of the case.



However, where the Payer is not a Consumer, the Payer and the Paying Bank may agree that the right to claim a refund of a Variable Direct Debit which exceeded the amount the Payer could reasonably have expected taking into account his previous spending pattern shall not apply.

The Paying Bank shall promptly investigate the circumstances specific to that Variable Direct Debit to determine whether or not the conditions for a refund outlined above have been met. The Paying Bank may require the Payer to prove the factual elements of his claim.

Within 10 Bank Business Days of receiving a request for a refund of an authorised Variable Direct Debit, the Paying Bank shall either refund the full amount of the Variable Direct Debit to the Payer, or, where it determines that the conditions for a refund have not been met, provide reasons for its decision to refuse the refund and where appropriate provide contact details for the relevant bodies to which the Payer may refer the matter if he does not accept the matter in accordance with regulation 103 of the Payment Service Regulations. Such refund shall be made without reference to whether or not the Paying Bank has at such time made any indemnity claim against, and/or received reimbursement from, an Originator relating to the subject matter of the Payer's claim.

Scheme Indemnities

As one of the conditions of participation in the Direct Debit Scheme an Originator must execute an Indemnity in the required form. The Indemnity is addressed to and given by the Originator in favour of all Members (that is, all participating Sponsoring Banks and Paying Banks in the Scheme), and is designed to underpin the participation of the Originator in, and the performance of its obligations in respect of, the Scheme. The Indemnity form(s) must be obtained by the Originator from its Sponsoring Bank, and following execution, returned to the Sponsoring Bank.

In the event that the Originator does not require use of Direct Debit Plus, the required form of Indemnity is that set out in Appendix 2. In the event that the Originator does require the use of Direct Debit Plus, the required form of Indemnity is that set out in Appendix 5.

The original Indemnity in each case is held by the Sponsoring Bank as custodian for itself and each other Member, but without any liability to any other Member in that regard whether for loss of the Indemnity or otherwise. The Sponsoring Bank shall be obliged to produce such indemnity or a duly certified copy thereof to any other Member on request should the same be required for evidential purposes in relation to any indemnity claim arising thereunder.

In the event of a transfer of sponsorship or an Originator having more than one Sponsoring Bank (see Section 3 post), each Sponsoring Bank is required under these Rules to hold an Indemnity from the Originator. The existence of more than one such Indemnity shall not affect the continuation, validity or effectiveness of any other Indemnity given by the Originator, nor shall the Originator be entitled to require the release of any existing Indemnity in such circumstances save in accordance with the Bulk Change procedures available from our website (www.ipso.ie).

No Indemnity given by an Originator may be released save with the prior written consent of IRECC.

Claims under the Direct Debit Indemnity

Unless otherwise directed by the Board of IRECC (acting on the recommendation of the Direct Debit Committee), the following are the only circumstances in which a claim under the Direct Debit Indemnity against an Originator can be made (and noting also where applicable the documentary evidence required to support such claim):

No.	Description	Evidence Required
1	Payer has cancelled DDI with Originator	Copy of cancellation letter from Payer
2	Amount/Date of Direct Debit differs from Advance	Copy of Advance notice from Payer



	Notice	
3	No valid DDI held	None
4	Amount of Variable Direct Debit exceeds amount Payer could reasonably have expected	Evidence of factual elements of claim from Bank (i.e. statement of account)
5	Claim requested by Originator	None (Note: request can only be made by Originator whereby erroneous file is processed)
6	No advance notice received by Payer	None
7	No confirmation letter received (DD+ only)	None
8	Originator represented refused direct debit without authorisation from Payer	None

In the event that a Member wishes to make a claim under indemnity against an Originator which does not fall under any of the above headings 1 to inclusive, such Member may submit a request to the Direct Debit Committee for clearance to make such claim; accordingly no such claim may be made unless and until a direction to that effect is issued by or on behalf of the Board of IRECC.

Where a claim arises under indemnity as specified above, the Paying Bank shall submit such claim directly to the Originator in such form and in such manner and at such time as the Paying Bank shall determine in accordance with its own practice, subject however to the following rules:

- The claim shall be submitted in writing and substantially in accordance with the form set out in Appendix 6, not later than one month from the date the Paying Bank has reimbursed the Payer in respect of the Direct Debit concerned
- The claim form shall state that the claim is one made under and pursuant to the terms of the Direct Debit Scheme and an Indemnity provided by the Originator pursuant to the Scheme (and so that in the event of the Originator at such time having given more than one Indemnity, it shall not be necessary for the Paying Bank to specify under which Indemnity the claim is being made).
- The claim form shall state that the Originator is obliged to discharge the amount of the claim by making payment thereof within 10 days from the date of issue of the claim form (which date shall be as noted on the claim form).
- The claim form may be sent by post or by facsimile or by electronic mail to the current postal address, facsimile number, or email address of the Originator as noted on the IRECC database of participating Originators in the Scheme.

Upon receipt of a claim in accordance with the foregoing rules, the Originator shall discharge the amount of the claim by making payment thereof to the claiming Paying Bank within 10 working days from the date of issue of the claim form (which date shall be as noted on the claim form). The Originator shall effect such payment in such manner as the Paying Bank shall request, whether within the terms of the claim form or in the cover letter or note thereto. The Originator is obliged to make such payment whether or not the Originator has or asserts any claim or counter claim relating to the subject matter which has given rise to the claim by the Paying Bank.

In the event that an Originator shall fail to discharge any claim within 10 working days as aforesaid ("unpaid indemnity claim"), the Originator loses their right to counterclaim.

The Paying Bank is obliged to issue a reminder letter to the Originator at this time informing them that they have lost their right to a counterclaim and that this matter will be escalated to their Sponsoring Bank if settlement has not been made within a further 10 working days from the date of this reminder letter.

After the second 10 working days has elapsed the Paying Bank must notify the Sponsoring Bank of that Originator of the unpaid indemnity claim. The Sponsoring Bank in such circumstances shall use its best endeavours to resolve the matter to the satisfaction of the Paying Bank.



If however the unpaid indemnity claim shall not have been discharged or otherwise resolved to the satisfaction of the Paying Bank within a period of two months from the date of issue of notification to the Sponsoring Bank, the Paying Bank is obliged to escalate this matter to the Direct Debit Committee. If no resolution can be found there, a Dispute Resolution Forum (DRF) should be set up. This Forum will be chaired by IPSO or an independent observer, and will invite parties from both sides to attend and discuss the matter. This is not a decision making Forum but rather a mediation process.

In the event that the Sponsoring Bank is required, pursuant to the foregoing provisions, to discharge an unpaid indemnity claim, then the Sponsoring Bank shall have a right of indemnity against the Originator under and pursuant to the DD Indemnity in place for that Originator, for and in respect of the amount paid or to be paid by the Sponsoring Bank in discharge of such claim. Further, in pursuance of the said right of indemnity the Sponsoring Bank shall be entitled to debit the Originator with the amount paid or to be paid by the Sponsoring Bank as aforesaid at such time as the Sponsoring Bank shall determine – assuming that the Sponsoring Bank holds an authority from the Originator (whether specific or on the general terms and conditions applicable to the account concerned) to debit the account of the Originator in such circumstances. For such purposes the Sponsoring Bank shall be deemed to have incurred such liability as aforesaid in respect of such unpaid indemnity claim for and at the request of the Originator.

Claims under the Direct Debit Plus Indemnity

All claims under and in respect of the DD+ Indemnity shall be dealt with in the same manner and subject to the same rules and provisions as set out above applicable to the DD Indemnity.

Any Direct Debits which are presented by an Originator to a Paying Bank on or after the date upon which such Originator becomes operational under and for the purposes of the Direct Debit Plus Scheme (as so notified by the Originator's Sponsoring Bank to IRECC) will be subject to claims under the DD+ Indemnity and not the Standard Indemnity; if so presented before such date, such Direct Debits will be subject to claims under the Standard Indemnity and not the Direct Debit Plus Indemnity.

Counter-Claims

In the event that an Originator shall dispute its liability for a claim arising under an Indemnity, then if the Originator has discharged such claim in the manner required by these Rules, only then shall the Originator be entitled to make a claim against the Paying Bank concerned in respect of such dispute, and whether by counter claim, cross claim or otherwise; and provided that such claim is submitted to the Paying Bank within a period of 90 days from the date on which the Originator has paid to the Paying Bank the amount required to discharge the indemnity claim. The Originator shall provide a copy of its claim to its Sponsoring Bank at the same time as submitting the claim to the Paying Bank.

No counter claim or other claim as aforesaid however may be made by an Originator against a Paying Bank which is referable to a claim by a Paying Bank under the DD Plus Indemnity, where such claim by the Paying Bank arises from or relates to the circumstances of the Payer disputing they had given authority for the Originator's collection of any Direct Debit. The Originator retains in such circumstances its right to take action directly against the Payer (based on the maintenance by the Originator of appropriate archive records of DDI sign-up thereby providing an audit trail).

No counter claim or other claim as aforesaid shall be considered "mutual" for insolvency or other purposes for or with respect to any demand made under an Indemnity.

The below is the only reason whereby a counter claim may be submitted:

- Where the Indemnity Claim was raised sighting "No DDI held" and the Originator can provide, in the case of the Core Scheme, a signed copy of the DDI.

Liability for Unpaid Indemnity Claims by Originators

In the event that an Originator is unable to settle an indemnity claim, for whatsoever reason, the liability lies with the Sponsoring Bank of that Originator to ensure, subject to the Rules of the Scheme, that the Paying Bank is reimbursed for unsatisfied indemnity claims.



Section 3 - The Direct Debit Scheme – Obligations of the participants

The Sponsoring Bank

Setting up sponsorship
Continuing sponsorship
Transferring sponsorship
Terminating sponsorship – Voluntary
Terminating sponsorship – Enforced

The Originator

The Paying Bank

For Direct Debit
For Direct Debit Plus

The Payer

Obligations of the Participants

Obligations of a Sponsoring Bank

The Sponsoring Bank is the interface between the Originator and the Direct Debit Scheme and is, inter alia, responsible for ensuring that the Originator adheres to the Direct Debit Rules. Without prejudice to the other provisions of these Rules the following checklist summarises the principal obligations assumed or to be assumed by a Sponsoring Bank in connection with the Scheme.

STEP	The Sponsoring Bank, when setting up a DD sponsorship is obliged to...
1 <i>Assess</i>	Assess the suitability of a prospective Originator for admission to the Direct Debit Scheme. Assess the suitability of a prospective Originator or an existing Originator for participation in Direct Debit Plus.
2 <i>Underwrite</i>	Assume responsibility to resolve and liability to settle unpaid indemnity claims against its Originator in accordance with these Rules
3 <i>Brief</i>	Give the Originator a full briefing on the rules of the Scheme and of the Originator's obligations and liabilities under it. The briefing should include, inter alia, a specific briefing on the rules and specifications of the Transaction Codes to be used.
4 <i>Review Documentation & procedures</i>	Review and approve all relevant literature and procedures to be used by the Originator in its Direct Debit or Direct Debit Plus operations. The review covers, inter alia, the following items: <ul style="list-style-type: none"> o Brochures, letters and any other communications addressed by Originators to Payers with the object of encouraging them to accept Direct Debits o Assurance that the Direct Debit Instruction conforms to the guidelines for DDI under these Rules. o Assurance that procedures for sign-up of Direct Debit Plus Payers are in accordance with guidelines under these Rules for sign-up o The amount of advance notice to be given to Payers in respect of the date and amount of payments.
5 <i>Complete Legal Forms</i>	Arrange for the prospective Originator to complete the appropriate Indemnity and to complete the appropriate Authorising Resolution and Compliance Review Form as required under these Rules
6 <i>Inform IRECC and obtain OIN</i>	Forward to IRECC a copy of the Indemnity above and a request for an Originator Identification Number (OIN). The request should indicate: Name of Bank and National Sort Code of the branch, Originator name and address, and any existing OIN held by this Originator. <ul style="list-style-type: none"> o IRECC will then issue an Originator Identification Number (OIN) o IRECC will then create an appropriate record in its Direct Debit Originators database o IRECC then passes this information to all other Sponsoring Banks.
7 <i>Provide OIN</i>	Advise the Originator of its OIN. The Originator should subsequently quote this number on every Direct Debit Instruction submitted to paying banks and on all future correspondence relating to direct debits. DDIs that do not contain an OIN will be returned by the receiving bank.

Step	The Sponsoring Bank, as ongoing sponsor is obliged to...
1 <i>Monitor</i>	Monitor the ongoing suitability of an Originator for continuing participation in the Scheme. In particular, monitor the performance of the Originator in respect of: <ul style="list-style-type: none"> o Compliance with Scheme rules o Actioning cancellation requests and amendments o Submission of Direct Debits against previously cancelled instructions o Settlement of Indemnity claims
2 <i>Process Files</i>	Process Direct Debit files promptly when so requested by the Originator
3 <i>Unpays</i>	Process Unpaid Direct Debits as provided for in Section 4 of these Rules
4 <i>Unpaid Indemnity Claims</i>	Resolve and settle unpaid indemnity claims as provided for in Section 2 of these Rules
5 <i>Inform</i>	Inform IRECC of any changes in the Originator's name or business/trading name or legal status
6 <i>Audit</i>	For Direct Debit Plus Originators, require that all relevant customer records be retained for audit purposes. An Audit may be carried out periodically
7 <i>Transfer</i>	Perform the appropriate actions under these Rules when requested by the Originator to transfer Direct Debit sponsorship to another Bank.
8 <i>Termination</i>	Terminate its sponsorship of an Originator in the circumstances provided for in Section 1 of these Rules



Obligations of a Sponsoring Bank in the event of a transfer of sponsorship...

Under the Scheme, an Originator must at all times have and retain a Sponsoring Bank in respect of that Originator's participation in the Scheme. An Originator, however, may at any time (save as provided below) arrange to transfer its Direct Debit processing relationship from one Sponsoring Bank (the Old Bank) to another Sponsoring Bank (the New Bank), such transfer to take effect on such date as such Originator may determine in consultation with the New Bank.

In the event however that an Originator is subject to a continuing security or contractual obligation to the Old Bank whereby the proceeds of book or other debts of such Originator are required to be paid into an account held with the Old Bank (or held with another institution as nominated by the Old Bank), and such debts are in ordinary course collected by Direct Debit, then the Originator shall not be entitled to transfer its Direct Debit processing relationship (in respect of such debts) to the New Bank without first obtaining the prior consent of the Old Bank (such consent not to be unreasonably withheld or delayed).

It is also the case that an Originator may have more than one Sponsoring Bank at the same time, so that the Originator has the choice as to which Bank to use for the purposes of its Direct Debit processing requirements with respect to its business or any parts thereof. In such circumstances (a) the Originator will have and be allocated more than one OIN so that Direct Debit transactions initiated by that Originator can be clearly identified as attributable to each such Sponsoring Bank; and (b) the Originator will have executed a separate Indemnity at the request of, and for delivery to, each such Sponsoring Bank. The provisions herein regarding transfer of sponsorship apply in like manner on a several basis.

The Sponsoring Bank is obliged to ensure that they have a valid Authorising Resolution and Indemnity, either original or new, for the Originator.

In the case of a transfer of sponsorship by an Originator, and with effect as and from the date of such transfer,

- the Old Bank shall retain responsibility to resolve and liability to settle any unpaid indemnity claims against that Originator which relate to any Direct Debit initiated prior to such date of transfer (save as provided below)
- the New Bank shall assume responsibility to resolve and liability to settle any unpaid indemnity claims against that Originator which relate to any Direct Debit initiated on or after such date of transfer (save as provided below)
- should such Originator have for whatever reason ceased to trade or carry on business as of the date an unpaid indemnity claim is made against that Originator and such claim relates to a Direct Debit initiated prior to the date of such transfer, the liability in respect of such claim for the purposes of these Rules shall rest with the New Bank (that is the Sponsoring Bank of such Originator at the time such claim is made) and not with the Old Bank (that is the Sponsoring Bank of such Originator at the time such Direct Debit was initiated).

For the purposes of these Rules a Direct Debit shall be deemed to have been "initiated" as of the date that the Sponsoring Bank submits such Direct Debit in or as part of a file for clearance and payment under or through the auspices of the clearing system operated by IRECC.

STEP	Obligations of the Old Sponsoring Bank
1	On receipt of transfer of sponsorship request from the New Bank, Old Bank either (a) acknowledges its intent to comply with the request; or (b) advises that any such transfer requires the prior consent of the Old Bank in accordance with these Rules whereupon no such transfer may take effect until such consent issues.
2	The transfer of sponsorship shall not relieve the Old Bank of its responsibility and liability under these Rules in respect of past Direct Debit transactions save in the event that the Originator ceases trading.
3	Old Bank, if requested by New Bank, forwards a copy of the existing Indemnity to New Bank at any time on or about (or at any time after) the transfer date.

STEP	Obligations of the New Sponsoring Bank
1	New Bank performs steps 1 to 5 as applicable of the steps outlined in the table above headed "The Sponsoring Bank, when setting up a DD sponsorship...", including under step 5 obtaining a new Indemnity* and Authorising Resolution.
2	Originator and New Bank agree the date on which the new sponsorship arrangement will commence, thus being the date of transfer of sponsorship.
3	At least 14 days before the date of transfer, <ul style="list-style-type: none"> New Bank advises IRECC of the new sponsorship arrangement, detailing the Originators name, OIN, name and branch of Old Bank, name and branch of New Bank, and the transfer date New Bank advises Old Bank of the new sponsorship arrangement (such advice should include a reminder that Old Bank may have responsibility and liability under these Rules in respect of past Direct Debit transactions save in the event that the Originator ceases trading).
4	IRECC advises all other Members.

* The entering into of the new Indemnity does not affect the continuation, validity or effectiveness of the old Indemnity.

Obligations of a Sponsoring Bank in the event of termination of sponsorship...

An Originator can terminate its participation as an Originator in, and accordingly withdraw from, the Direct Debit Scheme at any time by informing its Sponsoring Bank(s) in writing.

In the event of termination of sponsorship, the Sponsoring Bank(s) must advise the Originator of its continuing liability in respect of claims arising in relation to Direct Debit transactions initiated by or for that Originator prior to the date of such termination.

Process for voluntary termination of sponsorship

Step	Date	Description
1 Initiate	Day 1	Originator advises the Sponsoring Bank of its intention to terminate sponsorship arrangements.
2 Acknowledge & inform Originator	Day 1	Sponsoring Bank acknowledges and advises Originator of its continuing liability (as above).
3 Inform IRECC	As soon as possible	Sponsoring Bank advises IRECC of the date of termination.
4 Inform other banks	Within 1 week of step 3 above	IRECC advises all Members of the date of termination

Process for enforced termination of sponsorship

Step	Date	Description
1 Initiation by IRECC (see section 1 above)	On or prior to termination date	IRECC issues to the Sponsoring Bank a direction prohibiting the Originator from further participation in the Scheme, whereupon the Sponsoring Bank advises the Originator of its termination of sponsorship. The Sponsoring Bank reminds the Originator of its responsibility and liability under these Rules in respect of past Direct Debit transactions.
2 Initiation by Sponsoring Bank (at its discretion)	On or prior to termination date	Sponsoring Bank advises Originator of its termination of sponsorship, and the date of termination. The Sponsoring Bank reminds the Originator of its responsibility and liability under these Rules in respect of past Direct Debit transactions.
3 Inform IRECC	On the same day as step 2	Sponsoring Bank advises IRECC of the date of termination
4 Inform other Banks	On the same day as step 3	IRECC advises all Members of the date of termination

Obligations of a Direct Debit Originator

Without prejudice to the other provisions of these Rules the following checklist summarises the principal obligations assumed or to be assumed by an Originator in connection with the Scheme.

STEP	Direct Debit Originator	Direct Debit Plus Originator
1 <i>Application</i>	<p>Submit an application to a Sponsoring Bank, completed in accordance with the requirements of that Bank and these Rules.</p> <p>Provide to the Sponsoring Bank all requisite business and financial information as may be required in order to evaluate, and accept liability for, the participation of the applicant in the Scheme.</p> <p>Ensure that all relevant staff of the Originator, both at the decision-making and the operational level, are fully briefed on the relevant aspects of the Scheme.</p>	As Direct Debit opposite
2 <i>Indemnity</i>	Execute the Direct Debit Indemnity and deliver same to the Sponsoring Bank	In addition to the Direct Debit Indemnity, execute the Direct Debit Plus Indemnity and deliver same to the Sponsoring Bank.
3 <i>DDI</i>	Agree the content, layout and details of the DDI and associated literature with the Sponsoring Bank.	Agree the procedures for sign-up of customers in accordance with Direct Debit Plus Rules.
4 <i>Compliance Review Form</i>	Execute the Direct Debit Compliance Review Form and deliver same to the Sponsoring Bank	Execute the Direct Debit Plus Compliance Review Form and deliver same to the Sponsoring Bank
5 <i>Software</i>	<p>Put in place appropriate software and procedures for creation of DD files for submission in accordance with the Scheme</p> <p>Submit a test file to the Sponsoring Bank</p>	As Direct Debit opposite

6	<i>Customer Signup</i>	Sign up customers for Direct Debits in accordance with these Rules. An Originator who is authorised to use a notice period less than the default (see page 17 step 5) must obtain agreement from payers to such shorter notice period.	Sign up customers for Direct Debit Plus in accordance with these Rules. Maintain all relevant customer records, and in a manner which would facilitate an audit by the Sponsoring Bank. An Originator who is authorised to use a notice period less than the default (see page 17 step 5) must obtain agreement from payers to such shorter notice period.
7	<i>Notify Customers and Submit Files</i>	Provide advance notification to customers in accordance with these Rules, and submit files to Sponsoring Bank in compliance with Standard 18, including, without limitation, completing all specified fields as applicable (such as account number, customer name, etc.)	Provide advance notification to customers in accordance with these Rules for Direct Debit Plus, and submit files to Sponsoring Bank in compliance with Standard 18, including, without limitation, completing all specified fields as applicable (such as account number, customer name, etc.)
8	<i>Unpays & Claims</i>	Accept debits from the Sponsoring Bank to the Originators account in respect of unpaid Direct Debits. Refund the Paying Bank within 7 days in respect of claims under the Direct Debit Indemnity.	Accept debits from the Sponsoring Bank to the Originators account in respect of unpaid Direct Debit Plus transactions. Refund the Paying Bank within 7 days in respect of claims under the Direct Debit Plus Indemnity.
9	<i>Re-presentation</i>	When re-presenting unpaid Direct Debits, strictly conform to the provisions of Section 4 "Re-presentation of unpaid Direct Debit".	As Direct Debit opposite
10	<i>Amendments & Cancellations</i>	Accept instructions from customers and from Paying Banks to amend or cancel DDIs and promptly act on such instructions. For amendments relating to switching accounts, these should be activated on receipt.	As Direct Debit opposite
11	<i>Termination and ongoing liability</i>	Continue to discharge its responsibility and liability under these Rules in respect of past Direct Debit transactions.	As Direct Debit opposite

The Originator should quote the OIN on every Direct Debit Instruction submitted to Paying Banks and on all future correspondence relating to Direct Debits. DDIs that do not contain an OIN will be returned by the Paying Bank.

Obligations of the Paying Bank

The Paying Bank is the account-holding banker of the Payer, and has a key role in ensuring the trust of Payers in the Direct Debit Scheme (including Direct Debit Plus). The Paying Bank must exercise the normal bankers duty of care on behalf of the Payer. Without prejudice to the other provisions of these Rules the following checklist summarises the principal obligations assumed or to be assumed by a Paying Bank in connection with the Scheme.

	STEP	The Paying Bank, acting on behalf of the Direct Debit Payer...
1	<i>Acceptance of DDI</i>	Accepts DDIs from Originators which have been completed by Payers who hold accounts with the Paying Bank.
2	<i>Decision on Acceptance or refusal of DDI</i>	Accepts or refuses a DDI at its discretion – and is not required to give a reason for doing so.
3	<i>Procedure for refusal</i>	In the event of refusal to accept a DDI, the Paying Bank must return the DDI to the Originator with the answer "Lodgement refused" within 14 days of receipt of the DDI.

4	<i>Procedure for acceptance Of DDI</i>	<p>In the event of acceptance of a DDI, should undertake its own internal procedures in relation to verification of the DDI, record the details of the DDI in appropriate systems, and file away the original DDI.</p> <p>No notification to the Originator is necessary, and the Originator is entitled to assume acceptance if no notification of refusal is received by him within the required timeframe.</p>
5	<p><i>Procedure for cancellation or amendment of DDI</i></p> <p><i>& for failure to act on cancellation or amendment of DDI</i></p>	<p>Accepts instructions for cancellation or amendment of DDI's from Payers. In the event of receiving such instructions, the Paying Bank must promptly notify the Originator in writing substantially in accordance with the form set out in Appendix 8.</p> <p>If a Paying Bank fails to act on a cancellation or amendment instruction and pays Direct Debits in contravention of that cancellation or amendment instruction, then the Sponsoring Bank concerned shall not be obliged to discharge any unpaid indemnity claim relating thereto, and any request by the Paying Bank for a refund should be considered to be a matter between the Paying Bank and the Originator only.</p>
6	<i>Monitoring Direct Debits</i>	<p>Performs appropriate checks on Direct Debits bearing Transaction Code 01 against the related DDI. At a minimum, these checks should include determining that the Direct Debit transaction as presented conforms with the DDI.</p>
7	<i>Procedure for refusal of individual Direct Debits</i>	<p>Accept instructions for the refusal of individual Direct Debits from Payers. In the event of receiving such instructions, the Paying Bank must return the Direct Debit unpaid. A refusal of a Direct Debit in this manner shall be without prejudice to the continued validity of the DDI.</p> <p>If a Paying Bank fails to act on an instruction to refuse an individual Direct Debit and pays Direct Debits in contravention of that refusal instruction, then the Paying Bank is not entitled to claim this money back under the Indemnity Process, and any request by the Paying Bank for a refund should be considered to be a matter between the Paying Bank and the Originator only.</p> <p>An Originator is not permitted to represent or amalgamate a refused Direct Debit without the clear authorisation of the Payer. If a refused Direct Debit is represented without the authorisation of the Payer, the Paying Bank must, refund the customer and claim the amount back from the Originator under the Direct Debit Indemnity Claims Procedure</p>
8	<i>Refunding payments</i>	<p>Having investigated and accepted the validity of each Payer claim made under or pursuant to the Scheme, immediately refunding the amount of such claim and in the case of unauthorised Direct Debits, where appropriate restoring the debited account to the state it would have been had the unauthorised Direct Debit not taken place, and thereafter, as appropriate, claiming reimbursement thereof under indemnity pursuant to these Rules from Originator(s).</p>

	STEP	The Paying Bank, acting on behalf of the Direct Debit Plus Payer...
1	<i>Monitoring Direct Debits</i>	Performs appropriate checks on Direct Debit Plus transactions bearing the Transaction Code 01 and the Direct Debit Plus identifier "OP/". Such checks should include, inter alia, validation of National Sorting Code, account number and customer name.
2	<i>Procedure for cancellation or amendment of DDI & for failure to act on cancellation or amendment of DDI</i>	<p>Accepts instructions for cancellation or amendment of DDI+'s from Payers. In the event of receiving such instructions, the Paying Bank must promptly notify the Originator in writing substantially in accordance with the form set out in Appendix 8.</p> <p>If a Paying Bank fails to act on a cancellation or amendment instruction and pays Direct Debit Plus transactions in contravention of that cancellation or amendment instruction, then the Sponsoring Bank concerned shall not be obliged to discharge any unpaid indemnity claim relating thereto, and any request by the Paying Bank for a refund should be considered to be a matter between the Paying Bank and the Originator only.</p>
3	<i>Procedure for refusal of individual Direct Debits</i>	<p>Accept instructions for the refusal of individual Direct Debits from Payers. In the event of receiving such instructions, the Paying Bank must return the Direct Debit unpaid. A refusal of a Direct Debit in this manner shall be without prejudice to the continued validity of the DDI+.</p> <p>If a Paying Bank fails to act on an instruction to refuse an individual Direct Debit and pays Direct Debits in contravention of that refusal instruction, then the Paying Bank is not entitled to claim this money back under the Indemnity Process, and any request by the Paying Bank for a refund should be considered to be a matter between the Paying Bank and the Originator only.</p> <p>An Originator is not permitted to represent or amalgamate a refused Direct Debit without the clear authorisation of the Payer. If a refused Direct Debit is represented without the authorisation of the Payer, the Paying Bank must, refund the customer and claim the amount back from the Originator under the Direct Debit Indemnity Claims Procedure</p>
4	<i>Refunding payments</i>	Having investigated and accepted the validity of each Payer claim made under or pursuant to the Scheme, immediately refunding the amount of such claim and in the case of unauthorised Direct Debits, where appropriate restoring the debited account to the state it would have been had the unauthorised Direct Debit not taken place, and thereafter, as appropriate, claiming reimbursement thereof under indemnity pursuant to these Rules from Originator(s).

Obligations of the Payer

Without prejudice to the other provisions of these Rules the following checklist summarises the principal obligations assumed or to be assumed by a Payer in connection with the Scheme.

	STEP	The Payer of the Direct Debit ...
1	<i>Amendment /Cancellation</i>	In the event that the Payer wishes to amend or cancel a DDI or DDI+, the Payer shall inform his Paying Bank (and should also as a matter of good practice notify the relevant Originator in writing) at the latest by the end of the Business Day preceding the date on which the Payer wishes the amendment or cancellation to take effect from.



2	<i>Refusal of individual Direct Debits</i>	<p>In the event that the Payer wishes the Paying Bank to refuse an individual Direct Debit, the Payer shall duly inform his Paying Bank (and should also as a matter of good practice notify the relevant Originator) at the latest by the end of the Business Day preceding the day specified in the Advance Notice provided by the Originator for the debiting of the account.</p> <p>An Originator is not permitted to represent or amalgamate a refused Direct Debit without the clear authorisation of the Payer. If a refused Direct Debit is represented without the authorisation of the Payer, the Paying Bank must, refund the customer and claim the amount back from the Originator under the Direct Debit Indemnity Claims Procedure.</p>
3	<i>Claims</i>	<p>In the event that the Payer disputes any DD or DD+ applied to his account, he may notify (within the time limit(s) applicable as noted under "Payer Claims" in Section 2 above) his Paying Bank of the nature of his dispute and of his related claim for reimbursement of the amount so applied; and the Payer shall promptly provide to the Paying Bank all information relevant to such claim as may be reasonably requested by the Paying Bank.</p>



Section 4 - The Direct Debit Scheme – Other Procedures

Unpaid Direct Debits

The Payers Branch

The Originators Branch

Loss or Delay

Re-Presentation



Unpaid Direct Debits

Unpaid DDs – the Payer’s Bank

In common with any other debit payment instrument, Direct Debits may be returned unpaid by the Payer’s Bank. Direct Debits can be returned, using only the unpaid reason codes listed in this Rulebook, on the day the direct debit is presented for payment or by close of business the next business day.

Under no circumstances is it permitted to return a Direct Debit unpaid any later than the day after the direct debit is presented for payment on the Payer’s account.
All unpaids must be returned electronically to the Sponsoring Bank.

If a Direct Debit is returned unpaid, the Originator is not permitted to amalgamate the amount of such unpaid Direct Debit with future Direct Debit payments unless advance notice thereof is given by the Originator to the Payer.

If the Direct Debit is being returned unpaid by the Payer’s Bank using as the reason “Payment Refused”, the Originator is not permitted to represent such unpaid Direct Debit nor amalgamate the amount of such unpaid Direct Debit with any subsequent Direct Debits so presented by the Originator.

The amount chargeable by the Payer’s Bank in respect of an unpaid Direct Debit is presented by the Payer’s Bank to the Sponsoring Bank in accordance with usual banking practice for inter-bank debits and credits.

- **Automated return**

Direct debits are returned by an automated process to the Sponsoring Bank, which will assemble them into an automated report for the Originator (see below)

- **Manual Return**

A manual return should only be used in exceptional circumstances (e.g. failure of the Paying Bank’s electronic systems) where the automated return cannot be used. (see sample return Appendix 7).

- **Exceptional circumstances** are deemed to be where a paying bank’s electronic system has failed. No other reason for returning direct debit unpaids is permitted, and sponsoring banks are within their right to refuse to pay should a manual return be used in unacceptable circumstances.



A Direct Debit may be returned unpaid for the following reasons:

Reason Code	Reason for return	Explanation	Action to be taken by the Originator
0	<i>Refer to Payer</i>	The Payer's Bank branch is not in a position to pay the Direct Debit	Contact the Payer
1	<i>Instruction Cancelled</i>	The Payer or the Payer's Bank branch has cancelled the DDI	No further presentations allowed – contact the Payer
2	<i>Payer Deceased</i>	The death of the Payer	No further presentations allowed
3	<i>Account Transferred</i>	The account of the Payer has been transferred to another Bank .	No further presentations allowed on this account – contact the Payer
4	<i>Advance Notice Disputed</i>	The Payer has disputed the date or amount of the advance notice	Contact the Payer
5	<i>No/invalid Account</i>	The identity of the Payer differs from that known to the Paying Bank branch; or insufficient or inconsistent customer details have been received; or the account has not been traced; or the account is unsuitable for Direct Debits (e.g. the account is a savings or deposit account on which the Paying Bank does not permit Direct Debits)	Contact the Payer
6	<i>No Instruction</i>	An appropriate DDI has not been lodged with the Payer's Bank branch	Contact the Payer
7	<i>Amount Differs*</i>	The amount of the Direct Debit differs from the amount specified in the advance notice	Originator may only submit Direct Debits for the agreed amount
8	<i>Amount not yet due*</i>	The date of debiting is in advance of the due date specified in the DDI	Delay re-input until the due date
9**	<i>Payment Refused</i>	The Payer has instructed the Paying Bank to refuse the Direct Debit payment.	Contact the Payer
A	<i>Originator Differs</i>	The identity of the Originator differs from that specified in the DDI	Ensure that the Payer completes a valid DDI
B	<i>Account Closed</i>	The Payer's account is closed	Contact the Payer

* Codes 7 and 8 relate only to long-standing legacy Direct Debits of fixed amounts or fixed dates; accordingly these codes for the most part are obsolete, and will only be usable in exceptional circumstances.

**** Reason Code 9 has been changed from "Presentation Overdue" to Payment Refused"**



Unpaid DDs – the Sponsoring Bank

Sample Automated Unpaid Direct Debits Report

An automated report, assembled from individual returned DD's is sent by the Sponsoring Bank to the Originator. The Originator's account is debited, under standing or other mandate authority, to the value of the unpaid Direct Debits listed in the report.

Automated Unpaid Direct Debits Report							
Any Bank Plc Main St, Anytown xx						9x-xx-	
Unpaid Direct Debits Received for:				XYZ Ltd			
Originator Number				999999			
Account Number				11112222			
Report Date				dd/mm/yy			
Reference	Amount	Returned from	NSC	A/c no	Tx Code	Reason for return	Original Processing date
1234AAAA	9.00	Burrell, Pat	931235	11111111	17	Refer to Payer	dd/mm/yy
2345BBBB	2.30	Condron, Mary	903481	22222222	17	Refer to Payer	dd/mm/yy
3456CCCC	6.80	Dunne, John	903457	33333333	17	Refer to Payer	dd/mm/yy
4567DDDD	23.20	Hurley, Mary	983406	44444444	17	Refer to Payer	dd/mm/yy

Where a manual advice of unpaid Direct Debit is used, it is sent by the Payer's Bank to the Sponsoring Bank and may be debited under standing or other mandate authority to the account of the Originator. When a Sponsoring Bank receives a manual return, it should be processed on the day of receipt. See Appendix 7 for a specimen manual Advice of Unpaid Direct Debit.

Loss or delay of unpaid advice

If the advice of unpaid is lost or delayed in the post, and the Payer's Bank can produce documentary evidence confirming that the Direct Debit was returned within the correct timeframe, the Sponsoring Bank shall deal with the relevant unpaid Direct Debit as if it had received advice of same.

Re-presentation of unpaid Direct Debit

Only Direct Debits returned with Reason Code 0 "Refer to Payer" may be re-presented.

Clearly, the item should only be re-presented if the item is likely to be paid. Accordingly, the Originator should as a matter of course make contact with the Payer before re-presentation.

The following conditions apply to re-presentation:

- An unpaid Direct Debit can only be re-presented once, and must be within 1 month of the date of initial presentation.
- The amount of the re-presented Direct Debit must be the same as that on the corresponding unpaid Direct Debit.
- The Transaction Code 18 must be used for the re-presentation.

The Originator is responsible for ensuring compliance with the above conditions. In the event that the Originator fails to ensure such compliance, any related debiting of the Payer's account occasioned by the Paying Bank as a consequence, shall not affect or relieve either the Originator or its Sponsoring Bank of liability under or pursuant to these Rules in the event that the Payer disputes such debiting.



Section 5 - Direct Debit Plus



Direct Debit Plus

Introduction

Direct Debit Plus is an optional extra facility of the Direct Debit Scheme which is offered by the Members to enable Originators to sign up their customers for Direct Debit collections in a less formal manner (for example, by telephone).

Accordingly, some variations of these Rules apply in the case of Direct Debit Plus, particulars of which are set out below or as otherwise provided for in these Rules.

The benefits of the Direct Debit Plus facility include the following-

- Processing is automated to a greater degree
- The volume of paperwork is considerably reduced
- Delays in the signing up process are significantly reduced

Originator set-up

1. Application

An applicant wishing to become a Direct Debit Plus Originator must complete the "Application to become a Direct Debit Plus Originator" (see Appendix 4) and forward it to its proposed Sponsoring Bank.

2. Assessment

Entry criteria for the Direct Debit Plus Scheme will be determined by individual Sponsoring Banks, save as otherwise provided under or pursuant to these Rules.

The Sponsoring Bank shall assess and process such application in accordance with its obligations under Section 3.

3. Indemnity

For the form of the Indemnity required in relation to Direct Debit Plus, see Appendix 5.

4. Approve procedures and documents

An Originator wishing to avail of the Direct Debit Plus facility must obtain prior approval from the Sponsoring Bank for all procedures to be adopted and documents (including scripts) to be used for such purposes, including without limitation the following :

- The script for telephone and/or online signup
- Direct Debit confirmation letter
- Advance Notice
- The Direct Debit Instruction (where applicable)

5. Advise IRECC

Once the Sponsoring Bank has approved the participation of the applicant in Direct Debit Plus and all requisite documents and procedures have been attended to for such purposes, the Sponsoring Bank shall forward to IRECC a copy of the completed "Application to become an Direct Debit Plus Originator" and a copy of the completed Direct Debit Plus Indemnity.

If the applicant has previously been a Direct Debit Originator, then the existing OIN number may continue to be used.



If the applicant has not previously been a Direct Debit Originator, then a new OIN number will be issued by IRECC.

IRECC will advise all Members of the details of the new Direct Debit Plus Originator.

An Originator who has been approved by its Sponsoring Bank to use Direct Debit Plus shall be entitled from the effective date of such approval (and save as otherwise provided therein) to sign up new Payers.

Where the signup of a new Payer is being effected by an Originator otherwise than on foot of a signed paper DDI, the Originator must use a script for such purposes which has been approved by its Sponsoring Bank. Set out in Appendix 11 is the type of script which may be adopted for such purposes, amended and conformed as applicable, depending on the circumstances.

The Sponsoring Bank and its Originator shall ensure that the terms of any agreed script, and the use of that script provide customers of the Originator with a clear and unequivocal message that they have agreed to pay by Direct Debit, even though they may not have signed a paper Direct Debit Instruction for bank account debiting purposes.

Payer Sign-Up

Direct Debit Plus encompasses the following sign-up methods:

- **Paper DDIs**
The Originator may choose to use paper DDIs as with conventional Direct Debit. In this case, the Originator must retain the DDI for audit purposes, rather than send it to the Payer's Bank.
- **Telephone**
The customer agrees to sign up for Direct Debit collection over the telephone by providing his account details to the Originator or its agent for completion of the DDI.
- **Face-to-Face**
The customer agrees to sign up for Direct Debit collection either by signing a paper DDI or having their particulars directly inputted on computer without signing a DDI.
- **Internet**
The customer completes an online Direct Debit Internet Sign-up Form from the Originator's website. (For mandatory fields please see internet guidelines for DD Plus internet sign-up - Appendices 20 & 21)

In this case, the Originator must retain the online information for audit purposes, rather than send it to the Payer's Bank.



Sign-up process

The Payer sign-up process must include the following steps:

1. **Verify Identity and address**

Responsibility lies solely with the Originator for verifying the identity of the Payer and his address, prior to the origination of any Direct Debits.

2. **Obtain and Verify Bank account details**

The Originator must obtain and verify bank account details of the Payer including the sort code, account number and account name, as well as confirmation that the Payer is the only person required to authorise debits from the account and that the account type is suitable for Direct Debits. To verify bank account details originators should confirm that the payer owns the bank account. This can be done by asking for bank statement or a cheque book.

3. **Account authority– one to sign**

The Originator must authenticate the Payer's identity and the existence of a sole mandate on the account.

4. **Account authority– if more than one signature required**

If more than one person is required to authorise debits from the account, a paper DDI must be sent direct to the Payers, being all persons so authorised, for completion. The Direct Debit must not be set up until a completed paper DDI, duly authorised by the Payers, has been received.

5. **Validation of account details**

Originators must validate the Payer's account details by applying 'modulus checking', preferably while the Payer is still on the line. This will enable the Originator to correct any invalid information. The Sponsoring Bank will advise in relation to modulus checking.

6. **Confirmation of payment details during sign-up**

During sign-up the Originator should confirm to the Payer the first Direct Debit collection date, frequency of the Direct Debit and amount. The Originator must also confirm to the Payer the Advance Notice period.

7. **Event of customer disagreement**

If at any stage, the Payer does not wish to proceed with Direct Debit Plus sign-up, a paper DDI must be used. In such cases, the Direct Debit application must not be set up until the completed paper DDI, duly authorised by the Payer, has been received by the Originator.

8. **Written confirmation of payment details**

The Originator must advise the Payer in a Direct Debit confirmation letter issued within 3 days of sign-up, that his/her account will be debited without there being a written Direct Debit authorisation in place. No confirmation letter is necessary where a written DDI has been completed.

The confirmation letter must include the Payer's sort code, account number, account name, and reference number, and otherwise be substantially in accordance with the form(s) set out in Appendices 15 or 16 as applicable.

9. **Advance Notice**

Advance Notice of 7 working days must normally be given before any Direct Debits are submitted to the Payer's account.

Note that in certain circumstances a direct debit originator may be authorised to vary the



notice period (see page 17). Advance Notice may be issued via letter, email or SMS. This notice can take the form of an invoice or a one-off notice detailing a series of payments over a period of time.

The Originator must advise Payers who signed a Direct Debit Instruction with the Originator before the Originator moved to the Direct Debit Plus scheme of the shorter notice period in advance of implementing it.

Payers in this category i.e. existing payers, must also be given an opt out clause. It is acceptable for the originator to state in this advice that allowing the next debit to be passed on their account will be deemed as accepting the shorter notice period.

10. **Maintaining records**

Originators must maintain archive records of all communications with the Payer, i.e. Direct Debit confirmation letter / e-communications and Advance Notice. The Originator may also be prudently advised to keep voice recordings of telephone communications with the Payer, subject to such recordings being made and kept in accordance with applicable law.

Ongoing processing

1. **File Submission**

Originators must agree to place the characters "**OP/**" in the first 3 characters of the statement narrative field.

2. **Direct Debit Plus Indemnity Claims**

For claims under the Direct Debit Plus Indemnity see Section 2 above.

The Direct Debit Plus Indemnity is intended to protect Members primarily in circumstances where there is no paper DDI in existence, and either the Payer or the Originator dispute the payment – for example, the Customer might claim that he had not given authority for the Originator's collection of such a Direct Debit payment. As no counter claim is permissible in the event of the Payer disputing he had given authority for the Originator's collection of such Direct Debit payment, the Originator should maintain appropriate archive records of DDI sign-up which shall assist in providing an audit trail in these instances.

3. **Direct Debit Plus Amendment or Cancellation of instruction**

The rules as set out in Section 2 apply.

Ongoing monitoring

From time to time the Sponsoring Bank may, and shall if so requested by IRECC, monitor and evaluate its Originator's use and operation of Direct Debit Plus, including without limitation the following:

- Compliance to the agreed script for telephone, online, or face-to-face sign-up.
- Use of the Originator's authorised Direct Debit Plus sign-up method e.g. telephone, online or face-to-face.
- Maintenance of appropriate records of the sign-up process.

Examples of Prohibited Practices

An Originator shall not:

- Send paper DDIs for lodgement to the Paying Bank
- Include their own rules as part of the sign up process e.g. "You must give X months notice prior to cancellation".



Appendices

Forms, scripts and documentation

Appendix Number	Title
1	Direct Debit Copy of Authorising Resolution
2	Direct Debit Indemnity
3	Direct Debit Instruction (DDI)
4	Application to become an Direct Debit Plus Originator
5	Direct Debit Plus Indemnity
6	Direct Debit Indemnity Claim
7	Direct Debit - Advice of Unpaid Direct Debit
8	Sample Advice of Instruction Amendment or Cancellation
9	Direct Debit Plus Suggested Telephone Scripts
10	Direct Debit Plus Confirmation Letter
11	Direct Debit Plus Confirmation Letter
12	Direct Debit Originator Compliance Review Form
13	Direct Debit Plus Originator Compliance Review Form
14	Direct Debit Plus Internet Sign-up Form
15	Sample Internet Sign-Up Screen
16	Guide to Direct Debit Plus Internet Sign-Up
17	Direct Debit Indemnity Counter Claim Form
18	Bureau Service Registration Form



Appendix 1. Direct Debit COPY OF AUTHORISING RESOLUTION

COPY OF AUTHORISING RESOLUTION

At a Meeting of the Board of Directors* of _____ (the "Company")** held on ____day of _____20__ the following resolution was passed and has been duly recorded in the Minutes of the Company.

RESOLVED:- that the Company participates (or as applicable continues to participate) as an Originator in the Direct Debit Scheme operated by Irish Retail Electronic Clearing Company Limited and shall comply (or as applicable continues to comply) with the Rules of the Scheme in force from time to time; that the Company do enter into the Indemnity in the form required under and for the purposes of the Scheme (a copy of which form was tabled at the meeting); and that the persons named below be and are hereby authorised to execute the Indemnity for and on behalf of the Company and to deliver the said Indemnity to the Sponsoring Bank engaged by the Company for the purposes of the Scheme.

1 _____

2 _____

(Please insert names in print with their official titles)

Certified a true copy of the above resolutions

_____ Date _____
Secretary

* If not a company, please insert name of authorising body e.g. "committee" in the case of a club; "board of management" in the case of a school; "partners" in the case of a partnership, etc. If a sole trader, a letter of confirmation to be provided in similar terms to the within resolution duly signed by the sole trader.

** Insert full/legal name of the entity, and in the case of a company its CRO registered number. If the entity is not a company, please replace references above to "the Company" to more appropriate designation.



Appendix 2. Direct Debit Indemnity

DD INDEMNITY



TO: Each Member* at any time and from time to time of the Direct Debit Scheme in force from time to time ("Scheme") as operated by or under the auspices of Irish Retail Electronic Clearing Company Limited ("IRECC") or any successor thereto, and whether acting in the capacity of a Sponsoring Bank or a Paying Bank under the Scheme (as those terms are defined in the Scheme).

* a list of the Members of the Scheme is available from IRECC on request

FROM:.....[Company/Body/Society/ Association etc name]**
of.....[address]

as an Originator under (and as defined in) the Scheme ("Originator"/"we"/ "us"/"our").

**insert above the full name of the Company etc, and in addition where appropriate its trading/ business name

1. IN CONSIDERATION of:
 - a) your acting as our Sponsoring Bank under the Scheme, we HEREBY INDEMNIFY you, and shall keep you fully indemnified, on your first demand(s)*** against all actions, claims, damages, costs and expenses (including legal fees and expenses on a full indemnity basis), and whether directly or indirectly, which you may suffer, sustain or incur with reference to or as a consequence of our participation in the Scheme; and/or
 - b) your acting as a Paying Bank under the Scheme and accepting at any time or from time to time instructions from us (or from our agent or anyone purporting to act as our agent) under or pursuant to the Scheme, to debit yourselves or the accounts of your customers with the amount(s) specified in our instructions as aforesaid, and you hold or have held direct debit instructions from such customers for such purposes, we HEREBY INDEMNIFY each of you, and shall keep each of you fully indemnified, on your respective first demand(s)*** against all actions, claims, damages, costs and expenses (including legal fees and expenses on a full indemnity basis), and whether directly or indirectly, which you may respectively suffer, sustain or incur with reference to or as a consequence of such debiting or (as applicable) any failure to so debit.

Provided further that no counter claim, cross claim, set off or other objection to payment shall be asserted by us or on our behalf under or pursuant to this Indemnity (including but not limited to any claim by us that any part of any demand under this Indemnity has been caused directly or indirectly by any failure by any one of you to comply with the provisions of the Scheme) in order to refuse (or as a basis for refusing) payment in connection with such demand(s); and so that we shall pay forthwith the amount of any such demand(s) (as required by each of you) without any set off thereto and without any requirement for proof or our acceptance of the validity of any such demand(s).

*** the making of an indemnity claim demand under this Indemnity must be in compliance with the terms of the Scheme; also, no indemnity claim demand may be made under this Indemnity in respect of or relating to a direct debit instruction in the form of "Direct Debit Plus" as defined in the Scheme

2. We authorise you and each of you to admit, compromise or reject any claims made upon you under or pursuant to the Scheme without reference to or authority from us as an Originator.
3. You are not required to verify or check that any direct debit instruction given to you by your customer(s) under or pursuant to the Scheme and referable to us as Originator has been given and remains in force in respect of any debits made or to be made by you.
4. You are not required to verify or check that any purpose of payment or condition of payment stated in any direct debit instruction signed by any one of you or by your customers under or pursuant to the Scheme and referable to us as Originator is fulfilled or is observed.
5. We agree that any demand under this Indemnity shall be sufficient if delivered by hand or sent by post to our address as noted above or (if different) our current address as noted in the records of IRECC in relation to our participation in the Scheme; if sent by hand then such demand shall be deemed delivered on the date of delivery (if a business day, and if not, then on the next business day); if sent by post then such demand shall be deemed to be delivered on the second business day after the day of posting thereof.
6. This Indemnity is to be in addition to and is not to prejudice or be prejudiced by any other indemnity which has been or may now or hereafter be executed by us (or by any other person) in connection with the Scheme, nor prejudiced by the actions or omissions of any other participant in the Scheme.
7. This Indemnity shall be binding on us as a continuing security and assurance notwithstanding any payments from time to time made to you or any of you or any settlement of account under or pursuant to this Indemnity or otherwise, or by any disability or incapacity affecting us or any other thing whatsoever.
8. You are to be at liberty without thereby affecting your rights under this Indemnity at any time and from time to time at your absolute discretion to release, discharge, compound with or otherwise vary or agree our liability under this Indemnity, or make any other arrangements with us.
9. This Indemnity shall be enforceable by each Member and their respective successors and assigns, and notwithstanding any change in the name or constitution or ownership of any such Member or its amalgamation or merger with any person or any transfer of its business or assets to any person or any reconstruction or reorganisation whatsoever of its business or corporate structure..



10. This Indemnity shall continue in full force and effect so long as we are a participant in the Scheme as an Originator, provided however that should we change our Sponsoring Bank (and execute a new Indemnity), then as and from the date on which such change has taken effect our liability under this Indemnity shall extend to cover (only) direct debits originated by us prior to such date.
11. This Indemnity shall be governed by and construed in accordance with the laws of Ireland. Any legal proceedings which may be instituted in connection herewith shall be commenced and prosecuted either in the Courts of Ireland (to the jurisdiction whereof in such event we hereby irrevocable and unconditionally submit) or, (at your option) in the Courts of the country in which we are domiciled or to the jurisdiction whereof we are subject at the time when such proceedings are commenced.

Signed by:

1	2
NAME (Signature) _____ NAME (In Block Capitals) _____ POSITION _____	NAME (Signature) _____ NAME (In Block Capitals) _____ POSITION _____

For and on behalf of the Originator pursuant to a Resolution of the Board of Directors passed on the ___ day of _____ 20___, a certified copy of which is annexed hereto.



Appendix 3. Direct Debit Instruction (DDI)

Insert Company's Name & Logo here

Instruction to your Bank to pay Direct Debits *here*

(insert DD/DD+ logo here)

Originators Identification No.(OIN)									
-------------------------------------	--	--	--	--	--	--	--	--	--

Please complete parts 1 to 4 to instruct your Bank to make payments directly from your account. Then return the form to:-

ORIGINATOR'S NAME & ADDRESS TO BE INSERTED HERE

Originators Reference (Max 18 chars)	
--------------------------------------	--

1 To the Manager of (Bank/Building Society/Credit Union Name & Address)

Bank Branch	
----------------	--

2 Name of account holder

--

3 Sort Code & Account Number

		-			-		

4 Your instructions to the Bank/Building Society/Credit Union, and your Signature

- I instruct and authorise you to pay Direct Debits from my account at the request of *insert company name here*.
- I confirm that the amounts to be debited are variable and may be debited on various dates.
- I shall duly notify the Bank if I wish to cancel this instruction. I shall also so notify *insert company name here* of such cancellation.

Signature (s).....

Date

Direct Debit Guarantee – *must not be amended or moved*

- This is a guarantee provided by your own Bank as a Member of the Direct Debit Scheme, in which Banks and Originators of Direct Debits participate.
- If you authorise payment by Direct Debit, then
 - Your Direct Debit Originator will notify you in advance of the amounts to be debited to your account
 - Your Bank will accept and pay such debits, provided that your account has sufficient available funds
- If it is established that an unauthorised Direct Debit was charged to your account, you are guaranteed an immediate refund by your Bank of the amount so charged where you notify your Bank without undue delay on becoming aware of the unauthorised Direct Debit, and in any event no later than 13 months after the date of debiting of such Direct Debit to your account.
- You are entitled to request a refund of any Variable Direct Debit which exceeded the amount which you could reasonably have expected, subject to you so requesting your Bank within a period of 8 weeks from the date of debiting such Direct Debit to your account.
- You can instruct your bank to refuse a Direct Debit payment by writing in good time to your Bank.
- You can cancel the Direct Debit Instruction by informing your Bank in good time.



Appendix 4. Application to become an Direct Debit Plus Originator

Application to become an Direct Debit Plus Originator



Date of Application:- _____ / _____ / 20____

Applicant Details

Name	
OIN Number	
Name/ Address for Correspondence (see note 2 below)	
Telephone	
Fax	

Direct Debit Plus Operation

1	When does your organisation wish to join the Direct Debit Plus Scheme?	
2	What method of Customer sign-up will you be using?	Tick as appropriate
	DD Instruction (paper)	
	Telephone	
	Other (Specify)	
3	If using telephone sign-up please advise if you are using voice recording	
4	Please Confirm that Modulus Checking is in place	
5	Please confirm that you verify customer identity	
6	Please confirm that all customer details recorded are archived	

Authorised Signature 1		Authorised Signature 2	
Name of Authorised Signatory		Name of Authorised Signatory	
Capacity		Capacity	

Approval by Sponsor

Sponsor Name and Address	Office stamp of Sponsor	Sponsors Authorised Signatory
		Date

Explanatory Notes

1. This application form should be completed and returned to your Sponsoring Bank/Building Society. A separate form must be completed for each Originator Identification Number (OIN).
2. A single contact must be nominated. The paying Banks for all correspondence, including Indemnity Claims, will use the name and address quoted and the telephone number may be passed to Customers in the event of queries.



Appendix 5. Direct Debit Plus Indemnity

Direct Debit Plus Indemnity

TO: Each Member* at any time and from time to time of the Direct Debit Scheme in force from time to time ("Scheme") as operated by or under the auspices of Irish Retail Electronic Clearing Company Limited ("IRECC") or any successor thereto, and whether acting in the capacity of a Sponsoring Bank or a Paying Bank under the Scheme (as those terms are defined in the Scheme).

* a list of the Members of the Scheme is available from IRECC on request



FROM:.....[Company/Body/Society/ Association etc name]**

of.....[address]

as an Originator under (and as defined in) the Scheme ("Originator"/"we"/ "us"/"our").

**insert above the full name of the Company etc, and in addition where appropriate its trading/ business name

1. IN CONSIDERATION of:

- a) your acting as our Sponsoring Bank under the Scheme, we HEREBY INDEMNIFY you, and shall keep you fully indemnified, on your first demand(s)*** against all actions, claims, damages, costs and expenses (including legal fees and expenses on a full indemnity basis), and whether directly or indirectly, which you may suffer, sustain or incur with reference to or as a consequence of our participation in the Scheme; and/or
- b) your acting as a Paying Bank under the Scheme and accepting at any time or from time to time instructions from us (or from our agent or anyone purporting to act as our agent) under or pursuant to the Scheme, to debit yourselves or the accounts of your customers with the amount(s) specified in our instructions as aforesaid, and you hold or have held direct debit instructions from such customers for such purposes, we HEREBY INDEMNIFY each of you, and shall keep each of you fully indemnified, on your respective first demand(s)*** against all actions, claims, damages, costs and expenses (including legal fees and expenses on a full indemnity basis), and whether directly or indirectly, which you may respectively suffer, sustain or incur with reference to or as a consequence of such debiting or (as applicable) any failure to so debit.

Provided further that no counter claim, cross claim, set off or other objection to payment shall be asserted by us or on our behalf under or pursuant to this Indemnity (including but not limited to any claim by us that any part of any demand under this Indemnity has been caused directly or indirectly by any failure by any one of you to comply with the provisions of the Scheme) in order to refuse (or as a basis for refusing) payment in connection with such demand(s); and so that we shall pay forthwith the amount of any such demand(s) (as required by each of you) without any set off thereto and without any requirement for proof or our acceptance of the validity of any such demand(s).

*** the making of an indemnity claim demand under this Indemnity must be in compliance with the terms of the Scheme; further, only an indemnity claim demand relating to a direct debit instruction in the form of "Direct Debit Plus" as defined in the Scheme may be made under this Indemnity

- 2. We authorise you and each of you to admit, compromise or reject any claims made upon you under or pursuant to the Scheme without reference to or authority from us as an Originator.
- 3. You are not required to hold any direct debit instruction or other mandate, written or otherwise from your customers, nor are you required to verify or check whether any such instruction or other mandate has been given to you and remains in force in respect of any debits made at the request of us as Originator.
- 4. We agree that any demand under this Indemnity shall be sufficient if delivered by hand or sent by post to our address as noted above or (if different) our current address as noted in the records of IRECC in relation to our participation in the Scheme; if sent by hand then such demand shall be deemed delivered on the date of delivery (if a business day, and if not, then on the next business day); if sent by post then such demand shall be deemed to be delivered on the second business day after the day of posting thereof.
- 5. This Indemnity is to be in addition to and is not to prejudice or be prejudiced by any other indemnity which has been or may now or hereafter be executed by us (or by any other person) in connection with the Scheme, nor prejudiced by the actions or omissions of any other participant in the Scheme.
- 6. This Indemnity shall be binding on us as a continuing security and assurance notwithstanding any payments from time to time made to you or any of you or any settlement of account under or pursuant to this Indemnity or otherwise, or by any disability or incapacity affecting us or any other thing whatsoever.
- 7. You are to be at liberty without thereby affecting your rights under this Indemnity at any time and from time to time at your absolute discretion to release, discharge, compound with or otherwise vary or agree our liability under this Indemnity, or make any other arrangements with us.
- 8. This Indemnity shall be enforceable by each Member and their respective successors and assigns, and notwithstanding any change in the name or constitution or ownership of any such Member or its amalgamation or merger with any other person or any transfer of its



business or assets to any person or any reconstruction or reorganisation whatsoever of its business or corporate structure.

9. This Indemnity shall continue in full force and effect so long as we are a participant in the Scheme as an Originator, provided however that should we change our Sponsoring Bank (and execute a new Indemnity), then as and from the date on which such change has taken effect our liability under this Indemnity shall extend to cover (only) direct debits originated by us prior to such date.
10. This Indemnity shall be governed by and construed in accordance with the laws of Ireland. Any legal proceedings which may be instituted in connection herewith shall be commenced and prosecuted either in the Courts of Ireland (to the jurisdiction whereof in such event we hereby irrevocably and unconditionally submit) or, (at your option) in the Courts of the country in which we are domiciled or to the jurisdiction whereof we are subject at the time when such proceedings are commenced.

Signed by:

1	2
NAME (Signature) _____ NAME (In Block Capitals) _____ POSITION _____	NAME (Signature) _____ NAME (In Block Capitals) _____ POSITION _____

For and on behalf of the Originator pursuant to a Resolution of the Board of Directors passed on the ___ day of _____ 20___, a certified copy of which is annexed hereto.



Appendix 6. DIRECT DEBIT INDEMNITY CLAIM

DIRECT DEBIT INDEMNITY CLAIM

TO: Originators Co. Ltd. Address

Bank/Branch Address
Date of issue of claim.....

Dear Sir,

Pursuant to the terms of the Direct Debit Scheme, and the Indemnity given by you in connection with the Scheme we make the within claim.

We hereby request you to pay to this Bank within 10 days of the date of issue of this claim the sum specified below in respect of the under-mentioned Direct Debit. We confirm that we have refunded our customer the amount of the under-mentioned Direct Debit. Kindly pay us the amount hereby claimed in the following manner: [*paying bank to specify desired repayment mechanism*]

Date(s) Processed (business day(s) before Debiting Day)	
Your Reference	
Name of Payer	
OIN	
Due date & Frequency	
Serial number of credit (if applicable)	
Amount of Direct Debit	<input type="checkbox"/>
Total	

Payer has cancelled DDI with Originator	
Amount/date of debit differs from advance notice	
No valid Direct Debit Instruction (DDI) held	
Originator represented refused direct debit without authorisation from Payer	
Amount of variable direct debit exceeds amount Payer could reasonably have expectation (variable debit)	
Claim requested by Originator (erroneous files)	
No advance notice received by Payer	
No confirmation letter received (DD+ only)	

Yours faithfully,

Manager



Appendix 7. Direct Debit – Advice of Unpaid Direct Debit

Advice of Unpaid Direct Debit

Date / /

To:- The Manager

From:- The Manager

Full postal address of Originator's Bank Branch

Full postal address of Payer's Bank Branch

Dear Sirs

We return herewith details of an unpaid Direct Debit for your account.

Accordingly, we request immediate reimbursement of the amount of this unpaid Direct Debit in the following manner

[Paying bank to specify desired reimbursement mechanism]

Details of unpaid Direct Debit	Mark "X" in box	Reason	Instructions to Originator
Date Processed		Refer to Payer	Re-presentation is permitted only as provided in the operating instructions
Transaction Code		Payment Refused	Re-presentation is not permitted
Payers name		Instruction Cancelled	Do not originate any further Direct Debits under this instruction which is now cancelled
		Payer Deceased	
Payers Account Number	<input type="text"/>	Account transferred to another branch (details below)	Obtain a new instruction from the Payer if payments are to continue
		Bank:-	
		Branch:-	
Sorting code of Payer's branch	<input type="text"/> - <input type="text"/> - <input type="text"/>	Other reason (specify)	
Originators Name		Date	
Originators Account No.	<input type="text"/> Manager	
Originators Reference			



Appendix 8. Sample Advice of Instruction Amendment or Cancellation

Advice of instruction Amendment/Cancellation

BANK/ BRANCH/ ADDRESS

To:- (Insert Name and Address of Originator)

Date/...../.....

Dear Sir

We hold the following Direct Debit Instruction (DDI)

Name of Originator	
Your Reference (if any)	
Name of Payer (Max 18 characters)	
Payers Account Number	

Please note the following amendment/cancellation with effect from/...../.....

Amended as specified opposite. Direct Debits with these amendments will be accepted

Name of Payer (Max 18 characters)	
Payer Account Number	

Transferred – account transferred to another Bank or branch as shown opposite. A Direct Debit Instruction has been forwarded on behalf of the customer. Direct Debits with these amendments will be accepted.

Bank	
Branch	
Branch NSC	
<input type="checkbox"/> ayers Account No.	

Transaction code for the next transaction after this notice (Please tick)

Transaction code 01 – for inter-bank transfers

Transaction code 17 – for inter-branch transfers (same bank)

Cancelled – Direct Debit Instruction cancelled by Payer

No further Direct Debits will be accepted under this Direct Debit Instruction

Cancelled – other reason – see opposite. Any further Direct Debits issued under this DDI will be returned unpaid.

Reason for cancellation (please specify)

Branch Stamp

Confirmed byManager



Appendix 9. Script for Telephone Sign-up

Script A

After the Payer has agreed to pay by Direct Debit the following script should be used:

Thank you for agreeing to pay by Direct Debit. I can now set up your Direct Debit Instruction (DDI) over the phone. Would that be helpful? Payer agrees.

OK that's fine. Now I just need to record your bank details. Could you kindly give me the name and number of your account, and the address as per your bank statement, and your Bank sort code, Payer supplies details as above

*Please confirm that **you** are authorised to allow direct debits to be applied to the account.*

If not, a paper DDI must be sent to the Payer for completion. Close call.

Can you confirm that the account can accept Direct Debits?

Ask if they have used this account to make Direct Debit payments before as some Banks or Building Societies may not accept Direct Debits for certain types of account.

And what is the account number? And the bank sort code? This will be on your bank statement or along the bottom of your chequebook.

If unknown, go to Script B (Next Column) then return to this point

Now, we've agreed that the monthly amount will be €_____, but is there a particular day of the month you would like the money to come out of your account, for instance just after you're paid?

If no preference is given, agree on most suitable day for the Originator.

And the first payment will come out of your account next month, which will be the nth of the month and on the same day each month (depending on the frequency agreed) thereafter. That's it, you have set up your Direct Debit Instruction with us. You will be sent confirmation of this agreement in the post within 3 working days of this phone call.

In future, if there is a change to the date, amount or frequency of your Direct Debit, we will notify you in advance of your account being debited.

If it is established that an unauthorised Direct Debit was charged to your account, you are guaranteed an immediate refund by your Bank or Building Society of the amount so charged where you notify them without undue delay on becoming aware of the unauthorised Direct Debit – but not later in any event than 13 months after the date of debiting of your account.

If your Direct Debit was for a variable amount (that is, open as to the amount to be paid), you would also be entitled to request a refund from your Bank or Building Society where the amount debited exceeded what you could have reasonably expected, subject to you requesting the refund within a period of 8 weeks from the date of debiting of your account.

You can instruct your Bank or Building Society to refuse a Direct Debit payment by writing in good time to them.

You can also cancel a Direct Debit at any time by writing in good time to (the Company name) and informing your Bank or Building Society.

Now I just want to confirm your Bank or Building Society account details. Your account name is ABC, your account number is 12345678 and your branch sort code is 999999. Is that correct?

If answer is yes.

That completes the setting up of your Direct Debit Instruction. If you have any other queries please contact us.



Script B

Insert this script if the Customer does not know their account number and/or their sort code. See bottom of previous column.

That's fine; do you have your chequebook handy?

Once the Customer has their cheque book...

Is this the account you want to make payments from? Do you see the three sets of numbers running along the bottom of each cheque, the first set of numbers reading from the left, is the number of the cheque, the second is your bank sort code could you read that to me?

Record the customer response – check it is 6 digits. And the third number is your account number, could you read that to me too please?

Record the customer response – check it is 8 digits. Confirm the details back to the Customer, and return to script A

Script C

If the Customer already has a DDI with you for another service, and wants to use the same account details.

OK that's fine. We can use those details.

Confirm the details back to the Customer and finish the call with advice of the Advance notice period from Script A.

Responses to Possible Questions – [To be used with Scripts A, B and C]

If the Customer asks how is it possible to set up a DDI over the telephone.

Due to enhancements in the Direct Debit Scheme we are now able to process these items electronically. All the normal safeguards of the Direct Debit Scheme still apply and we will always confirm the content of these calls to you in writing.

If the Customer would prefer to sign a DDI, that option is still available.

I can send you the forms in the post or, if you prefer, you can call back later. All the information you need to set up a Direct Debit Instruction is on your cheques.

If the Customer is not the account holder.

As you are not the account holder, we will need to send the account holder a Direct Debit Instruction to complete and return. Can I confirm the address to send this to?

If the Customer says they are concerned over the security of information...

I can assure you that all information is retained in the strictest confidence and you are protected under the Direct Debit Scheme rules in the event of any queries regarding entries on your bank account.

Satisfied customer – continue with **Script A**

Dissatisfied customer – Customer wants information in the post, check details and close.

If the Customer says they are concerned over mistakes being made.

There are a number of measures in place to safeguard against genuine mistakes. Firstly, you are protected by the Direct Debit Scheme rules. If at any time money is debited from your account incorrectly, the Banks and Building Societies guarantee to refund it. Second, no changes to the date, frequency or amount can be made without notifying in advance of your account being debited. Third, you have the right to instruct your Bank or Building Society to refuse a Direct Debit by writing in good time to them. And finally, you have the right to cancel any Direct Debit at any time simply by writing in good time to the Originator of your Direct Debit and informing your Bank or Building Society. A copy of these safeguards will be included in our confirmation letter.

Satisfied customer – continue with **Script A**

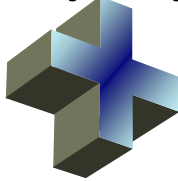
Dissatisfied customer – Customer wants information in the post, check details and close.



Appendix 10. Direct Debit Plus Confirmation Letter

SPECIMEN incorporating mandatory inclusions

Originators Logo



Direct Debit Plus Originator Name

2 The Quays
Dublin 1

Date

Mr M McCarthy
110 Blacklion Road
Cork

Dear Mr McCarthy

IMPORTANT:- Confirmation of the set-up of your Direct Debit Instruction

Having accepted your Direct Debit details, I would like to confirm that they are correct.

Please can you check that the details below are correct.

Account name	Michael McCarthy
Bank Sort Code	99-99-99
Account Number	12345678

If any of the above details are incorrect please call us as soon as possible on 0123 456 7890. However, if your details are correct you need do nothing and your Direct Debit will be processed as normal. As you have signed up for the Scheme without signing a paper mandate, you have authorised that your bank account may be debited for the relevant amount despite the fact that no paper mandate is in place. You have the right to cancel your Direct Debit at any time by writing to ABC Direct Debit Plus Ltd and informing your bank or Building Society in good time.

We will notify you at least 7 days in advance of the presentation of a Direct Debit to your account

The Direct Debit Guarantee is shown below.

For your information, the collections will be made using this reference number

Originator Identification Number:	23456
Reference Number	112233456M

Yours sincerely,

The Direct Debit Guarantee

- This is a guarantee provided by your own Bank as a Member of the Direct Debit Scheme, in which Banks and Originators of Direct Debits participate.
- If you authorise payment by Direct Debit, then
 - Your Direct Debit Originator will notify you in advance of the amounts to be debited to your account
 - Your Bank will accept and pay such debits, provided that your account has sufficient available funds
- If it is established that an unauthorised Direct Debit was charged to your account, you are guaranteed an immediate refund by your Bank of the amount so charged where you notify your bank without undue delay on becoming aware of the unauthorised Direct Debit, and in any event no later than 13 months after the date of debiting of such Direct Debit to your account.
- You are entitled to request a refund of any Variable Direct Debit the amount of which exceeded what you could have reasonably expected, subject to you so requesting your Bank within a period of 8 weeks from the date of debiting of such Direct Debit to your account.
- You can instruct your Bank to refuse a Direct Debit payment by writing in good time to your Bank.
- You can cancel the Direct Debit Instruction by informing your Bank good time.

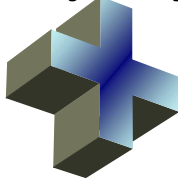




Appendix 11. Direct Debit Plus Confirmation Letter

SPECIMEN incorporating ADVANCE NOTICE

Originators Logo



Direct Debit Plus Originator Name

2 The Quays
Dublin 1

Date

Mr M McCarthy
110 Blacklion Road
Cork

Dear Mr McCarthy

IMPORTANT: Confirmation of the set-up of your Direct Debit Instruction, including future payment schedule

Having accepted your Direct Debit details, I would like to confirm that they are correct.

Please can you check that the list below, including your payment schedule is correct.

Account name	Michael McCarthy
Bank Sort Code	99-99-99
Account Number	12345678
Date of first collection	23-Jun-2004
Day of the month to be debited	23
Frequency of collection	Monthly
Amount to be debited	€123.45

If any of the above details are incorrect please call us as soon as possible on 0123 456 7890. However, if your details are correct you need do nothing and your Direct Debit will be processed as normal. As you have signed up for the scheme without signing a paper mandate, you have authorised that your bank account may be debited for the relevant amount despite the fact that no paper mandate is in place. You have the right to cancel your Direct Debit at any time by writing to ABC Direct Debit Plus Ltd and informing your bank or Building Society in good time. A summary of the relevant Direct Debit scheme rules are shown below.

We will notify you at least 7 days in advance if there is any change in the amount to be debited or the date of presentation of such debits.

The Direct Debit Guarantee is shown below.

For your information, the collections will be made using this reference number

Originator Identification Number:	23456
Reference Number	112233456M

Yours sincerely,

The Direct Debit Guarantee

- This is a guarantee provided by your own Bank as a Member of the Direct Debit Scheme, in which Banks and Originators of Direct Debits participate.
- If you authorise payment by Direct Debit, then
 - Your Direct Debit Originator will notify you in advance of the amounts to be debited to your account
 - Your Bank will accept and pay such debits, provided that your account has sufficient available funds
- If it is established that an unauthorised Direct Debit was charged to your account, you are guaranteed an immediate refund by your Bank of the amount so charged where you notify your bank without undue delay on becoming aware of the unauthorised Direct Debit, and in any event no later than 13 months after the date of debiting of such Direct Debit to your account.
- You are entitled to request a refund of any Variable Direct Debit the amount of which exceeded what you could have reasonably expected, subject to you so requesting your Bank within a period of 8 weeks from the date of debiting of such Direct Debit to your account.
- You can instruct your Bank to refuse a Direct Debit payment by writing in good time to your Bank.
- You can cancel the Direct Debit Instruction by informing your Bank in good time. .



Appendix 12. Direct Debit Compliance Review Form



Direct Debit Originator Compliance Form

Date: ____ / ____ /20 ____



Originator Details	
Company Name	
Company Address	
Originator Identification No	

Telephone No		Fax No	
Contact Name		Email Address	

NB: Completion of this form is mandatory.

Direct Debit Files can only be processed upon receipt of a fully completed compliance form.

Direct Debit Operation – Originator Confirmation					
1	Reference Numbers The reference number used will <u>comprise</u> of at least 6 contiguous alphanumeric characters, left justified. These 6 characters will be identical in all of the direct debits in a series.	<i>Initial as appropriate</i>	4	Transactions Codes The following trancodes will be used: 01 – for all first presentations 17 - used for normal presentations 18 – used for re-presentations 19 – for final payment presentations	<i>Initial as appropriate</i>
2	Advance Notice • 14 days advance notice is the default requirement for all debits. If by agreement with the Sponsoring Bank and the customer you are offering less than 14 days notice, please provide a copy of the proposed agreement/contract you will provide to your customer		5	Amendments • Amendments to individual DDIs will be made before the next presentation of the direct debit. <i>Trancode 01 will be used for the first direct debit following a transfer of the Payer's account from one bank to another or a transfer within the same bank</i>	
3	Indemnity Claims You will discharge the amount of the claim by making payment to the claiming paying bank within 10 days from the date of issue of the claim form		6	Cancellations Direct debit instructions will be cancelled on receipt of advice from the customer or the customer's Bank. • A direct debit will not be presented on a DDI that has been cancelled	

Direct Debit Operation – Sponsoring Bank Checklist					
1	DD Instruction (DDI) Mandate Has this been submitted for approval?		2	Proposed brochures/advertising of DD scheme Has this been submitted for approval?	

I/We the undersigned have received a copy of the Direct Debit Scheme Rules. I/We understand the duties imposed on an originator by the Rules and will fully comply with them.

Authorised Signature (1) _____ Authorised Signature (2) _____
 Name of Signatory (1) _____ Name of Signatory (2) _____
 Capacity _____ Capacity _____

Approval by Sponsor (For Bank Use Only)		
Sponsor Name and Address	Office stamp of Sponsor	Sponsors Authorised Signatory
		Date:



Appendix 13. Direct Debit Plus Compliance Review Form

Direct Debit Plus Originator Compliance Form

Date : ____ / ____ /20 ____

Applicant Details	
Company Name	
Company Address	
Originator Identification No	
Telephone No	Fax No
Contact Name	Email Address



NB: Completion of this form is mandatory

Direct Debit Files can only be processed upon receipt of a fully completed compliance form. What Method of Customer Sign-Up Will You Be Using? Tick as appropriate

DD Instruction (Paper)	Telephone	Internet
------------------------	-----------	----------

Direct Debit Operations Checklist					
1	Reference Numbers <i>The reference number used will comprise of at least 6 contiguous alphanumeric characters, left justified. These 6 characters will be identical in all of the direct debits in a series.</i>	<i>Initial as appropriate</i>	7	Transactions Codes The following trancodes will be used: 01 – for all first presentations 17 - used for normal presentations 18 – used for re-presentations 19 – for final payment presentations	<i>Initial as appropriate</i>
2	Advance Notice • 7 days advance notice is the default requirement for all debits. If by agreement with your Bank and the customer your are offering less than seven days notice, please provide a copy of the proposed agreement/ contract you will provide for your customer.		8	Amendments • Amendments to individual DDIs will be made before the next presentation of the direct debit. Trancode 01 will be used for the first direct debit following a transfer of the Payer's account from one bank to another or an account transfer within the same bank	
3	Indemnity Claims You will discharge the amount of the claim by making payment to the claiming paying bank within 10 days from the date of issue of the claim form		9	Cancellations <i>Direct debit instructions will be cancelled on receipt of advice from the customer or the customer's Bank. A direct debit will not be presented on a DDI that has been cancelled.</i>	
4	Verify Customer Identity Confirm that you verify customer identity?		10	Modulus Checking Confirm modulus checking is in place?	
5	Telephone Sign Up If carrying out telephone sign up confirm whether you are using voice recording?		11	Record of Customer Details Confirm that all customer details recorded are archived?	
6	Statement Narrative The characters "OP/" will be the first 3 characters in the statement narrative field on all DDs				

Direct Debit Operation – Sponsoring Bank Checklist					
1	DD Instruction (DDI) Mandate Has this been submitted for approval?		2	Proposed brochures/advertising of DD scheme has been submitted for approval?	

I/We the undersigned have received a copy of the Direct Debit Scheme Rules. I/We understand the duties imposed on an originator by the Rules and will fully comply with them.

Authorised Signature (1) _____ Authorised Signature (2) _____
 Name of Signatory (1) _____ Name of Signatory (2) _____
 Capacity _____ Capacity _____

Approval by Sponsor (For Bank Use Only)

Sponsor Name and Address	Office stamp of Sponsor	Sponsors Authorised Signatory
		Date:




Appendix 14 . Direct Debit Internet Sign-Up Form

Online Direct Debit Sign Up Form

The following is a sample form noting the data to be collected by an originator when accepting payer details online. Explanatory notes follow on the next page.

Online Direct Debit Sign-Up Web Form

- (A) SSL Cert
- (B) Direct Debit Plus Description and Confirmation
- (C) DD Guarantee and Logo 
- (D) Originator Details:
Name
Postal Address
OIN
Customer Service Number

- (E) Advance Notice Period


(F)	Name of Account Holder	<input type="text"/>
	Address of Account Holder	<input type="text"/> <input type="text"/> <input type="text"/>
	Name of Payer's Bank / Building Society	<input type="text"/>
	Address of Payer's Bank / Building Society	<input type="text"/> <input type="text"/>
	Payer's Bank/Building Society NSC	<input type="text"/>
	Payer's Bank/Building Society Account Number	<input type="text"/>
(G)	Is bank account a ROI bank account	<input type="checkbox"/>
(H)	Is bank account a sole account?	<input type="checkbox"/>
(I)	Can bank account accept Direct Debits?	<input type="checkbox"/>

Process



Appendix 15 . Sample Internet Sign-Up Screen

Online Direct Debit Sign Up Form

- A. SSL Certificate - Every page of an Originator's Website that handles Payer information must be SSL enabled. SSL provides secure communication over the Internet. This means that information viewed or entered on the Originator's web pages are encrypted while in transit over the Internet. Your web developer can assist with this.
- B. A Direct Debit Plus Description - This text must make it clear to Payers that they are signing up for Direct Debits using Direct Debit Plus. It must clearly explain to the Payer what Direct Debit Plus is. An example of the text to display is:
- "We are signing you up to Direct Debits using Direct Debit Plus. This means that no signed paper Direct Debit Instruction is required. Once you complete this application we will send you a letter indicating the details of your Direct Debit payments with us."*
- C. A Direct Debit Guarantee and Direct Debit Plus Logo - The payer must be made aware of the Direct Debit Guarantee and the following text is suitable:
- "This is a guarantee provided by your own Bank as a Member of the Direct Debit Scheme, in which Banks and Originators of Direct Debits participate.*
- If you authorise payment by Direct Debit, then*
- I. Your Direct Debit Originator will notify you in advance of the amounts to be debited to your account*
- II. Your Bank will accept and pay such debits, provided that your account has sufficient available funds*
- If it is established that an unauthorised Direct Debit was charged to your account, you are guaranteed an immediate refund by your Bank of the amount so charged where you notify your Bank without undue delay on becoming aware of the unauthorised Direct Debit, and in any event no later than 13 months after the date of debiting of such Direct Debit to your account.*
- You are entitled to request a refund of any Variable Direct Debit which exceeded the amount which you could reasonably have expected, subject to you so requesting your Bank within a period of 8 weeks from the date of debiting such Direct Debit to your account.*
- You can instruct your bank to refuse a Direct Debit payment by writing in good time to your Bank.*
- You can cancel the Direct Debit Instruction by writing in good time to your Bank."*
- D. The Following Originator Details should be displayed:
- Originator's Name
Postal Address
Originator Identification Number (OIN)
Customer Service Telephone Number
Customer Service Email Address
- 
- E. The Advance Notice Period - This section of the webpage must detail the advanced notice period an Originator will give to a Payer before submitting a Direct Debit to that Payer's account. Advance Notice of 7 working days must normally be given before any Direct Debits are submitted to the Payer's account. In certain circumstances a Direct Debit Originator may be authorised to vary the notice period. For example:
- "We will notify you at least 7 working days in advance of the presentation of a Direct Debit to your account"*
- F. The following Payer Details should be collected:
- Payer Name
Payer Address
Payer Email Address
Name on the account to which the Direct Debits will be presented
Payer's Bank Name
Payer's Bank Address
Payer's Account NSC
Payer's Account Number
- G. Is the Payer's Bank Account a Sole Bank Account - The web form must require the Payer to confirm that the account details the Payer has provided is a sole bank account and does not require a subsequent signatory.
- H. Is the Payer's Bank Account a Republic of Ireland Bank Account - The web form must require the Payer to confirm that the account details the Payer has provided belong to a bank branch based in the Republic of Ireland.
- I. Can the Payer's Bank Account accept Direct Debits - The web form must require the Payer to confirm that the account details the Payer has provided can accept the presentation of Direct Debits on that account.



Appendix 16 . Guide to Direct Debit Plus Internet Sign-Up

The following are mandatory fields which must be presented online and must be completed.

Originator details should be pre-filled.

1. Direct Debit Guarantee and DD Plus Logo
2. Originator Details:
 - Name*
 - Postal Address*
 - OIN*
3. Payer – Bank / Building Society Details
 - Name of Account Holder*
 - Address of Account Holder*
 - Name of Payer's Bank / Building Society*
 - Address of Payer's Bank / Building Society*
 - Payer's Bank / Building Society NSC*
 - Payer's Bank / Building Society Account Number*
4. Is bank account a ROI bank account? *Yes or No*
5. Is more than one signatory required to sign on your account? *Yes or No*
6. Can bank account accept Direct Debit? *Yes or No*

The following optional fields can be used by the Originator:

Originator Contact phone number / email address

Payer contact number / email address.

Once the payer has completed and submitted the form the Originator must provide written confirmation to the payer within three days of sign-up.

The confirmation must include the following:

- *Payer's – Bank / Building Society details*
- *Originator Identification Number*
- *The reference number associated with the instruction.*
- *Advance notice period and the frequency of the payments.*
- *Direct Debit Guarantee and DD Plus Logo*

The confirmation letter or email should be substantially in accordance with the form(s) set out in Appendices 15 and 16. Originators must maintain archive records of all communications with the payer. Sort Code and account number detail must be validated via a modulus check routine.

The input screens presented to the payer must be SSL enabled.



APPENDIX 17: DIRECT DEBIT INDEMNITY COUNTERCLAIM FORM

To: Bank / Branch Name
Address

Originator Name
Address

Date:
Dear Sir / Madam,

Further to receipt of the attached Indemnity claim relating to (insert customer details), please be advised that this amount has been settled in accordance with the Direct Debit Scheme Rules.

I hereby wish to lodge this counterclaim, full details outlined below.

Particulars of Claim:

Date(s) Processed (business day(s) before Debiting Day)	
Your Reference	
Name of Customer	
Serial Number of Credit (if applicable)	
Due Date & Frequency	
Originator Identifier Number	
Amount of Direct Debit	€
Total	€

Reason for Claim:

Code No:	Code Description:	Please tick appropriate box:
<i>1</i>	Where the Indemnity Claim was raised sighting "No DDI held" and the Originator can provide in the case of the Core Scheme a signed copy of the DDI or in the case of the DD+ Scheme appropriate proof of sign up. Please attached all proof to this claim.	

I would be obliged if you would review this counterclaim and revert to me as soon as possible.

Yours faithfully,

Originator



APPENDIX 18: DIRECT DEBIT BUREAU SERVICE REGISTRATION FORM

Irish Payment Services Organisation Ltd Registration Form for Bureau Services Organisations operating within the Irish Clearing System

Please complete details below:

Company Name	
Address	
Contact Name & Position	
Telephone Number	
Email Address	
Website	
Estimated Business Level	
Direct Debit Processing (<i>please tick</i>)	

Please initial box on right to confirm the below statements:

I / we confirm that the above mentioned organisation, in its capacity as a Bureau Service operator, will only collect Direct Debit payments for third parties using the Originator Identification Number (OIN) provided to that third party.	
I / we confirm that the above mentioned organisation, in its capacity as a Bureau Service operator, will only lodge money collected on behalf of any third parties into an account owned by that third party.	

Signed by

Name of Bureau Service Organisation:

Acting by:

Date:

Signature of Director

Name of Director (in print)



**Membership Rules of the Direct Debit Scheme,
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