

**IRISH RETAIL ELECTRONIC PAYMENTS CLEARING COMPANY LTD
IRISH PAPER CLEARING COMPANY LTD**

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December 2011

Dear Originator,

UPDATED DIRECT DEBIT SCHEME RULES (VERSION 4.19) & Scheme Update

IRECC wish to announce that an updated **Direct Debit Scheme Rulebook (Version 4.19)** came into effect on **1st November, 2011** and can now be downloaded from our website. The only amendments relate to how a bank can accept cancellations from their customers and the inclusion of rules for Bureau Services (outlined on page 2 "*Log of Revisions to the Direct Debit Scheme Rules*"). However, we would like to take this opportunity to highlight the following:-

Credit Unions:

We have received a number of complaints where some Direct Debit Originators are not accepting the NSC and account number details of credit union members. To eliminate any unnecessary rejection of potential customers, at a very minimum your company should be checking the IPSO national sort code (nsc) database, which can be accessed free of charge from our website <http://www.ipso.ie/section/SortCodeInformation> If an NSC is present on this database you should not refuse it.

Advance Notice

Reminder: You must give your customer a minimum of 14 days' notice (7 days for DD Plus) before presenting a direct debit on their account. This means that the customer should have the notice in their possession 14 days in advance of the date that the direct debit is due. It is not sufficient to post it 14 days in advance.

Representation of Direct Debits:

An Originator is permitted to represent a direct debit if it is returned unpaid with a reason code "**refer to payer**". Originators must **never represent** a direct debit that has been returned with any other reason code.

Account Switching / Amendments to Direct Debit Instructions:

It is important that your company accepts instructions from customers and from Paying Banks to amend or cancel Direct Debit Instructions and promptly acts upon them. If the amendments relate to switching accounts, these should be activated on receipt.

Direct Debit Guarantee:

The Direct Debit Guarantee has been updated to permit the customer to cancel direct debits with their Bank online or over the phone. If you are printing new Direct Debit Instructions please ensure you use the new Direct Debit Guarantee.

If you require any further information regarding the Direct Debit Scheme please refer to our website www.ipso.ie or contact your sponsoring bank who will be happy to assist.

Yours sincerely,

Michael O'Neill
Direct Debit Scheme Manager
Irish Payment Services Organisation Ltd

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