



**DIRECT
Debit**



Paying by Direct Debit is a breeze
Handy, because you've got much
better things to do with your time

What is Direct Debit?

Direct Debit is a way to pay regular bills. It's all done automatically, so there's no need to worry. And not only is it convenient, it's also really simple and safe!

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

How can Direct Debit benefit me?

Money's tight when you're a student, and when you've got it, it doesn't seem to stay around for long! Direct Debit helps you plan for bills, safe in the knowledge that everything gets paid with minimum fuss, when it's supposed to happen. No missed payments, late payment fees, traipsing to the bank to pay bills – leaving you to do what you do best.

In short, Direct Debit enables you to control your bills and spread the cost of them to suit.



*Katy, 19, at Winchester School of Art says:
"The great thing about Direct Debit is that my bills get paid straight from my bank account.*

If I get to the end of the month and only have a fiver in my pocket, it may mean beans on toast for a week, but at least I know my bills are paid."

An illustration of a street sign on a grey post. The sign is white with a red border and the words "EASY STREET" in bold red letters. In the background, there are stylized houses in orange, pink, and purple, and green trees. The sky is blue with white clouds.

EASY STREET



Steven, 20, at Anglia Ruskin University says: "I'm always on the phone to my mates and my girlfriend.

I used to leave it too late to pay my bills and they really started racking up. It was a nightmare! Now I pay everything by Direct Debit, so I can stay on top of all my bills."

Can Direct Debit save me money?

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

Discounts vary from company to company and person to person, but here's a table showing a typical set of annual savings.

BILL TYPE	SAVING
Combined gas and electricity	£100.00
Broadband/digital TV	£60.00
Landline telephone	£18.00
Magazine subscription	£16.56
Mobile phone	£36.00
TOTAL:	£230.56

These savings are based on the maximum discounts available from the example providers. This is not intended to be a complete list of all discounts currently available. (Information correct on 1 July 2009). You can find full details of the calculations at www.thesmartwaytopay.co.uk/savings_info

And did you know that as a student, you can receive a 3 month rebate on your TV license to save you paying for it when you're not there (3 months of the year in summer, for example). More information can be found at www.tvlicensing.co.uk.



How do I set one up?

Simple! The organisation you want to pay a regular bill to will either send you a paper Direct Debit Instruction for you to complete and send back to them or alternatively will help you set up a Direct Debit over the phone or on the internet. Whichever method of set up is used, you will receive advance notice of the amount and date of collection (normally 10 working days). If phone or internet methods are used, you will receive written confirmation within three working days of the date the Direct Debit is set up (or if sending with the advance notice, at least ten working days before the first collection). All you need do is check the details and contact the organisation if you have any questions. However you choose to set up your Direct Debit – paper, phone or internet - you're still fully covered by the Direct Debit Guarantee (see reverse for details).

Do Direct Debits work with student accounts?

Many include a Direct Debit facility within their standard package, but it is worth checking with your bank.

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

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

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

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

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



What if changes are needed?

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

If you need to cancel a Direct Debit, you can do so simply by writing to your bank or building society. It is a good idea to also send a copy to the company concerned. Your bank or building society can make the cancellation up to and including the due date, but try not to leave it until the last minute or you run the risk of a payment being made. Remember that if you carry on receiving the goods or services then you will have to organise an alternative payment method.

What is the Direct Debit dormancy period?

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

So how do I get back any money paid in error?

If this happens, you should contact your bank or building society. They are responsible for giving you a full and immediate refund – even if the original error was made by the company collecting the payment. See the Direct Debit Guarantee on the reverse of this leaflet for more details.

Becky says:

“My student loan doesn't go far – so I think it's great that you can sometimes get discounts if you pay by Direct Debit.”



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

Direct Debit Guarantee



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

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

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



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