



Bank of St. Helena

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Bank of St. Helena Direct Debit Scheme

Billing Organisation Information

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Bank of St. Helena – Building for the Future

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Established and regulated in St. Helena under the *Banking Ordinance 2003* and the *Bank of St. Helena Ordinance 2003*.

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1 What is 'Direct Debit'?

Direct Debit is a way of paying bills automatically. It differs from a Standing Order in that the amount is variable, according to the size of the bill, and in that the debit action is initiated by the Billing Organisation (i.e. you). Banks worldwide offer Direct Debit to their customers.

To you, the Billing Organisation, the major advantage offered by Direct Debit is that your participating customers' bills are settled automatically. This means less effort chasing customers for accidental missed payments; and less reason to worry about customers who might be overseas when your bill becomes due.

This paper sets out the rules for Billing Organisations' operation of the Bank of St. Helena Direct Debit Scheme. By participating in the Direct Debit Scheme you agree to abide by these rules.

If you have any queries about the operation of the Direct Debit Scheme please contact the bank.

1.1 Pilot Scheme

Initially Bank of St. Helena is running Direct Debit as a pilot scheme. Once the pilot has been successfully completed other billing organisations will be able to participate.

As with all pilot schemes, the bank reserves the right to discontinue the pilot before its scheduled end and has no commitment to carry the pilot forward into a full scheme.

As at this issue, the participating organisations are:

- Cable and Wireless South Atlantic Ltd (for customers in St. Helena and Ascension Island only)
- W A Thorpe & Sons (for customers in St. Helena and Ascension Island only)

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2 Scheme Rules

2.1 Membership Requirements

Bank of St. Helena wishes to receive requests to participate in the Direct Debit Scheme from organisations that are able to meet the requirements of the Scheme, which include:

- Providing products or services from or to locations in the jurisdiction of St. Helena (which includes Ascension Island);
- Having a regular need to bill customers for variable amounts¹;
- Having an organised and reliable billing system, which delivers bills to customers reliably at least ten working days before the date on which the bill will be settled.

Organisations wishing to participate in the Direct Debit Scheme should apply to the bank.

Note that the bank does not restrict participation in the Scheme to limited companies. Organisations of whatever form, including 'sole trader' businesses, who can meet the acceptance criteria, may participate in the Scheme.

Please note that Bank of St. Helena reserves the absolute right to refuse participation in the Direct Debit Scheme to any organisation, without the need to give a reason for doing so.

2.2 Limitations of the Scheme

For good operation, the Direct Debit Scheme has a few limitations, which are set out below:

- The Scheme does not currently support billing of customers at frequencies greater than one debit per Mandate per month;
- The Scheme does not provide a facility to give net refunds to customers (i.e. the billing amount cannot have a negative value);
- The Scheme can only make settlement to an Ordinary Savings Account held at the Bank of St. Helena;
- The Scheme can only take debits from Ordinary Savings Accounts held at the Bank of St. Helena.

2.3 Charges

At the time of issue of this document Bank of St. Helena makes no charges for the Scheme to any participants in the Scheme, and the bank has no plans to introduce any such charges. However, as with all banking services, Bank of St. Helena reserves the right to levy charges on the operation of the Scheme in the future, should it decide to do so, such charges being notified in advance to all participants in good time before they come into effect.

2.4 Billing Organisation Initiation

During review of your application to participate in the Bank of St. Helena Direct Debit Scheme the bank will agree with you the details set out below:

¹ Where an organisation receives fixed amounts from its customers or others the Standing Orders facility is probably better suited to its needs

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- **Settlement Date**

Your Settlement Date is the date of the month on which you wish to receive the funds. The bank constrains that this date will be no later than the 21st day of the month, and may exclude other days to assist in its workload balancing.

Once the date is agreed you will receive settlement on that day, provided it is a normal bank working day (which excludes Saturdays). Where the agreed settlement date is not a normal bank working day you will receive settlement on the preceding normal bank working day.

In the event that the bank is unable to complete settlement on that day, due to circumstances beyond its control, the bank will effect settlement as soon as reasonably possible thereafter.

You may request a change to your Settlement Date at any time. The bank reserves the right not to accept a Settlement Date that would, in its opinion, cause it operational difficulties.

- **Debits List Notification Date**

Your Debits List Notification Date is the date by which you must deliver to the bank the Debits List, being the list of debit transactions to be undertaken for that billing period.

Your Debits List Notification Date is one clear normal working day before your Settlement Date².

If you fail to deliver the Debits List by the Debits List Notification Date the bank may not be able to effect settlement on the agreed Settlement Date. In this event the bank will, on a best endeavours basis, effect settlement at its earliest reasonable opportunity thereafter.

The requirements for the format of the Debits List are described in Section 4.1 below.

- **Settlement Account**

Your Settlement Account is the Bank of St. Helena account into which your settlement funds will be credited. This must be an account owned and operated by your organisation.

You may change your Settlement Account at any time, by writing to the bank. Please note that any such change that is received between your Debits List Notification Date and Settlement Date will not take effect until the following billing period.

- **Query Notification Date**

Your Query Notification Date is the date by which your customers should have notified you of any queries on bills, prior to your creation of the Debits List.

While the setting of this date is purely a matter between you and your customers, you are advised that the Scheme Rules, as issued to the Bank's customers, require that a period of ten working days elapses between the customer receiving the bill and the Settlement Date, to allow adequate time for the customer to check their bill and raise any queries.

2.5 Signing Up Customers

The bank will undertake publicity activities regarding the Scheme in general, but will not specifically promote its use by the customers of any particular billing organisation. It is your responsibility to advertise the Scheme to your customers.

The bank suggests, but does not require, that customers using the facility be offered beneficial business terms to encourage participation, which might, for example, include a discount on standing charges or a later date by which payment will be made.

² E.g. if your Settlement Date falls on a Monday, your Debits List Notification Date is the preceding Thursday (assuming Friday to be a bank working day).

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Use of the Scheme logo on marketing and promotion materials is covered in 2.9 below.

When your customers wish to participate in the Scheme you must issue to them a Mandate Form. The core contents of the Mandate Form are defined as part of the Scheme Rules, and are shown in 4.3 below. You may customise the Mandate Form you issue to customers only insofar as this does not impact on the size or contents of this prescribed core.

However, you may wish to pre-complete some items of the form, to assist your customers. This could include pre-completing the following fields:

- Your organisation name
- The details you hold for the individual customer, i.e. the reference number, name and billing address

Please note that your customers **must** be instructed to send the completed Mandate Form **direct to the bank**.

Please also note that the bank does not plan to issue generalised Mandate Forms to customers.

2.6 Debits List Delivery

For each billing period you must deliver the Debits List to the bank on or before the Debits List Notification Date. The bank will process the transactions and make settlement to you on the agreed Settlement Date.

In the event that there are no Direct Debit transactions to be undertaken in a particular billing period, you may, at your option, either make no delivery of a Debits List, or deliver a null (i.e. empty) Debits List.

2.7 Settlement

Settlement will be effected by means of one or more credits to your nominated Settlement Account. Under normal circumstances these credits will appear on the Settlement Date.

The credits will not identify the individual Mandates and it is up to you to reconcile the amount(s) credited against your billing, using your Debits List.

To assist you with this, shortly after Settlement Date you will receive a Failed Debits List, identifying all items from the Debits List that failed to settle. The Failed Debits list is in the same, or a very similar, format to the Debits List.

An item can fail to settle for any of the following reasons:

- The customer has instructed the bank to cancel the Mandate
- The customer has closed the bank account referenced by the Mandate
- When the bank attempted to debit the account, it was not possible for it to do so, either because the debit would have taken the account into (or further into) unauthorised overdraft or for some other banking reason.

Please note that the Failed Debits List will not specify the reason why settlement could not be effected.

Please also note that the bank does not have the facility to 're-try' failed debits at any later date. You should therefore contact the customer(s) in question to request settlement by another means, which could include adding the unsettled amount (plus any charges you choose to levy) to the debit amount for that Mandate in the next billing period.

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You may wish to maintain records on Mandates that consistently fail to settle. Although you cannot instruct the bank to cancel a Mandate, you can elect to exclude it from your Debits List. You are advised to notify your customer if you have taken this action.

2.8 Customers' Queries

Queries regarding the bills you send must be handled by you.

You should refer any queries about the general operation of the Scheme to the bank.

2.9 Use of the Scheme Logo

While you remain a participant in the Direct Debit Scheme you may use the Scheme logo, as shown in 4.2 below, in correspondence, on websites and on other media, provided that:

- The logo is used in full, unedited, and in one of the specified forms;
- The logo is not used in a way that would be detrimental to the operation, or public perception, of the Scheme;
- If you cease to participate in the Scheme (as described in 2.10 below) you must remove the logo from all media immediately.

2.10 Termination Process

By You

Should you wish to cease participation in the Direct Debit Scheme you need to do the following:

- Notify Bank of St. Helena of your decision; and
- Notify your customers of your decision and advise them of the ways available to them to make payment of future bills.

Following termination of your participation in the Direct Debit Scheme you would need to re-apply if you wished to rejoin the Scheme.

You do not have to give the bank a reason for your decision to cease participation in the Direct Debit Scheme. However, if the reason relates to the way the Scheme operates the bank would welcome the opportunity to discuss these issues with you before you decide to withdraw, with a view to perhaps making alterations to the operation of the Scheme.

By The Bank

The reason why the bank might decide to terminate your participation in the Direct Debit Scheme includes the following:

- The bank has decided to discontinue the Scheme; or
- Your performance of your duties within the Scheme is inadequate, such that the bank's operations are being disrupted; or
- The bank has received complaints from its customers that your operation of the Scheme is not in accordance with the Scheme Rules and, despite notification of these breaches to you, they remain un-remedied.

If the bank decides to terminate your participation in the Direct Debit Scheme it will notify you in writing. It will then complete any outstanding settlements notified to it in the most recent Debits List (as described in 2.7 above) and will thereafter accept no further Debits Lists from you.

Bank of St. Helena reserves the absolute right not to give a reason for its decision to terminate your participation in the Direct Debit Scheme.

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2.11 Changes to these Rules

The bank may change the rules of the Direct Debit Scheme at any time. The bank will undertake to advise participants in the scheme of any material changes.

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3 Frequently Asked Questions

Here are the answers to some frequently asked questions. If you have other questions about the operation of the Direct Debit Scheme please contact the bank.

Why Direct Debit? Why not use a Standing Order?

Standing Orders are fine where the amount to be paid each period is the same, or changes rarely. Direct Debit is better where the billed amount varies each period.

I bill my customers quarterly. Can I use Direct Debit?

Yes. You can have any frequency from monthly, including quarterly, bi-annually, annually, and you can even use Direct Debit for occasional billings (as, for example, occurs with a retail account), as long as you do not need to have more than one debit per month per Mandate.

Can I check my customer's bank balance to make sure I will get paid?

Absolutely not! The bank cannot give you that information because it would breach customer confidentiality and would render the bank liable to prosecution under the *Banking Ordinance 2003*.

Will the Scheme give my customer a receipt?

No. It is up to you and your customers to decide on when and how to issue receipts. However, you may wish to advise them that their bank statement will clearly show their Direct Debit payments to you, so perhaps they don't need a receipt.

What if my customer's account has insufficient funds on the settlement date?

If your customer's nominated account does not have sufficient funds to settle the bill on the specified date the bill will not be settled. You will be notified by the bank of bills that failed to settle. You must contact your customer to demand payment by another means, in accordance with your procedures.

What will I see on my statement?

You will see one or more entries which will identify that they are receipts through the Direct Debit scheme (though note that they will not identify the customers or bills that make up the amount).

How do I give a customer a refund?

Refunds are not processed through the Direct Debit scheme. You must pay them using the other facilities provided by Bank of St. Helena, e.g. account transfer, cheque or even cash

Can I change the account that is credited?

Yes, at any time. Please contact the bank.

I'm a Sole Trader, not an Organisation. Can I use Direct Debit?

Yes. Any type of organisation, even 'sole trader' businesses, can be a Billing Organisation, provided you meet the criteria set out in 2.1 above.

I missed my Debits List Notification Date. What do I do?

Send the Debits List to us as soon as you can. We'll process it as soon as we can. You may also wish to advise your customers to expect the debits to occur later than usual.



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Can I demand that my customers accept payment by Direct Debit?

You can, but at present you may lose customers by doing so. Until customers have become familiar with Direct Debit and seen its advantages some will be reluctant to participate in the scheme. You may wish to offer them incentives to participate.

Once the scheme has been successfully used for some time more people will accept it and agree to participate in it. You may then be able to take a more direct approach with your remaining customers.

Can I bill customers weekly by Direct Debit?

No. The maximum number of debits we can process for each Mandate is one per month.

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4 Images and Documents

4.1 Debits List requirements

The bank's requirements for the format of the Debits List are as follows:

4.1.1 Delivery Media

The bank is able to accept delivery in the following media:

- On A4 paper, printed in a clear non-italicised font with a point size of 10 or greater

4.1.2 Information Required

The following must be printed on each physical page³:

- Your organisation name
- Your agreed Settlement Date
- Your agreed Settlement Account number
- (if different from the organisation name) the name of the agreed Settlement Account

For each customer to be debited you must supply:

- The Mandate number
- The amount of the debit

For each customer to be debited you are advised also to supply

- Reference information that will assist you in processing rejected debits.
- At the end of the list: A total of all the debits

The following are optional but may assist you in preparing and checking the Debits List:

- Page numbers
- Brought Forward and Carried Forward figures on each page
- A total number of entries count
- A total pages count

³ this relates to printing of the supplied document on A4 paper

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4.2 Forms of the Scheme Logo

(These images can be supplied by the bank in various graphics formats; please contact the bank to discuss your requirements)



(Colour)



(Monochrome)

This logo will appear on all documents pertaining to the Direct Debit Scheme, either in full, as above, or in an abbreviated version, thus:




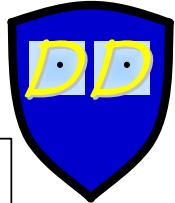
(Colour)



(Monochrome)

4.3 Mandate Form Core

The core contents of the Mandate form are as follows, and must be the same for all organisations participating in the Direct Debit Scheme. You may customise the areas indicated in yellow, and pre-complete some fields, as described in 2.5 above. Please ask the bank for an electronic master copy.

 <p>Bank of St. Helena www.bankofsthelena.com</p>	<h2>Direct Debit Mandate</h2> <p>Do not sign this form if you are unsure about the commitment you are making.</p> <p>Please complete all the following details:</p> <table border="1" style="width: 100%;"> <tr> <td style="height: 30px;">Name of the organisation to whom payment is to be made:</td> </tr> <tr> <td style="height: 30px;">Your Customer Reference Number with this organisation:</td> </tr> <tr> <td style="height: 30px;">Your Account Name with this organisation:</td> </tr> <tr> <td style="height: 30px;">Your Billing Address with this organisation:</td> </tr> <tr> <td style="height: 30px;">Your Bank of St. Helena Account Number to Debit:</td> </tr> <tr> <td style="height: 30px;">Your Bank of St. Helena Account Name (if different from the above):</td> </tr> <tr> <td style="height: 30px;">Your Bank of St. Helena Account Address (if different from the above):</td> </tr> </table> <p>I hereby authorise Bank of St. Helena to debit my account in respect of amounts requested under the terms of the Direct Debit Scheme, in accordance with the rules of that scheme, until further notice by me, in writing, to Bank of St. Helena.</p> <p>Authorised Signature(s): _____ Date: _____</p>	Name of the organisation to whom payment is to be made:	Your Customer Reference Number with this organisation:	Your Account Name with this organisation:	Your Billing Address with this organisation:	Your Bank of St. Helena Account Number to Debit:	Your Bank of St. Helena Account Name (if different from the above):	Your Bank of St. Helena Account Address (if different from the above):	 <p>Direct Debit – The Easier Way To Pay For enquiries on the Direct Debit Scheme please call Bank of St. Helena on (+290) 2752</p>
Name of the organisation to whom payment is to be made:									
Your Customer Reference Number with this organisation:									
Your Account Name with this organisation:									
Your Billing Address with this organisation:									
Your Bank of St. Helena Account Number to Debit:									
Your Bank of St. Helena Account Name (if different from the above):									
Your Bank of St. Helena Account Address (if different from the above):									

The yellow areas are customisable to the needs of the issuing organisation, as is the apportionment of space above and below the core mandate form