



Bank of St. Helena

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Bank of St. Helena Direct Debit Scheme

Scheme Rules - Customers

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

Scheme Rules - Customers

CONTENTS

1	What is 'Direct Debit'?	3
1.1	Pilot Scheme	3
2	Scheme Rules	4
2.1	Billing Organisation Participation	4
2.2	Customer Setup	4
2.3	Billing Process	4
2.4	Mandate Cancellation	5
2.5	Customer Protection	5
2.6	Changes to these Rules	5
3	Frequently Asked Questions	6
4	Examples and Figures	8

Scheme Rules - Customers

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. Banks worldwide offer Direct Debit to their customers.

To you, the customer, the major advantage offered by Direct Debit is that your participating bills are settled automatically, without effort, though with protections to ensure that debits are properly conducted. This means no more special trips to the bank to make a bill payment; no more accidental missed payments; and no need to worry if you are overseas when your bill becomes due.

This paper sets out the rules for customer 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. If you have queries specific to your billing from a particular organisation please contact that organisation.

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)

Scheme Rules - Customers

2 Scheme Rules

2.1 Billing Organisation Participation

Any organisation wishing to participate in the Direct Debit Scheme must first obtain agreement from the Bank of St. Helena. Organisations will only be allowed to participate in the Direct Debit Scheme if they 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.

2.2 Customer Setup

An organisation that sends you regular bills and which is a participating organisation in the Direct Debit Scheme may invite you to pay your bills by Direct Debit. To participate in the scheme you must complete a Mandate form, which contains the following information:

- Your name and billing address, as known to the billing organisation;
- The billing organisation's reference number for you;
- The Bank of St. Helena account number you wish to be debited (which must be a Current Account that you have authority operate);
- Your name and address, as known to the bank for the account you have nominated;
- Authorisation signature(s), as required for creating debits to this account.

This information will appear in a standard layout on the Mandate Form, as shown in 4 below. Note that the billing organisation may add its own details in the areas shown in yellow.

Having completed the form, you then send it to the **bank** for processing. (Note: you should not return it to the billing organisation, as it contains your banking details.)

On receipt of the form the bank will inform the Billing Organisation that you have joined the scheme. From that point, until you cancel the Mandate (as explained in 2.4 below), the billing organisation can request settlement of your bills through the Direct Debit Scheme.

2.3 Billing Process

Each billing period the billing organisation will issue a bill to you in the normal way. The bill will state the date in which it will be settled, and the last date on which you may query the bill before it will be settled.

If you have a query you must contact the billing organisation at your earliest opportunity. If the query results in a change to your bill the billing organisation will advise you how to proceed.

If you have no queries, or no changes result from your queries, the bill will be settled automatically from your nominated account on the specified date.

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

Scheme Rules - Customers

Please make sure the account will have sufficient funds to settle the bill on the specified date. If it does not, the bill will not be settled and the billing organisation will contact you to demand payment by another means.

2.4 Mandate Cancellation

If you wish to stop paying an organisation by Direct Debit you must cancel the Mandate. You do this by writing to the bank, identifying the billing Mandate you wish to cancel.

From the date the bank processes the cancellation no further debits will be taken in respect of this billing organisation, even if the billing organisation requests them. Specifically, the bank undertakes that no debits will be taken commencing the working day after receipt of the cancellation, and will – on a best endeavours basis – attempt to prevent any debits being taken on the day the cancellation is received. However, if the Mandate withdrawal reaches the bank after a debit has already been processed the debit will not be reversed.

Note that if you cancel the Mandate before an outstanding bill is settled you will need to pay that bill (as all future bills) by another means.

2.5 Customer Protection

The Direct Debit Scheme has a number of inherent protections for you.

Firstly Direct Debits can only be operated by billing organisations recognised by the Bank of St. Helena. The bank will publicise this list and any changes to it. The criteria for acceptance to the scheme are given in 2.1 above.

No customer's account details (e.g. Account number / Signature) are revealed to the billing organisation. All interchanges between the billing organisation and the bank are based on a reference number, which cannot be used to operate your account or make debits outside the Direct Debit Scheme. Note that knowing this reference number:

- does not allow the billing organisation to obtain any details about your accounts or balances; and
- does not allow anyone other than the billing organisation to debit your account, and then only within the operation of the Direct Debit Scheme.

The scheme does not allow the billing organisation to take more than one debit per month. This prevents accidental double-charging.

You can cancel the Mandate at any time, as described in 2.4 above.

You can request from the bank, at any time, a list of all current Mandates on any of your accounts.

If the bank makes a mistake the bank will commit to making good the error (for example, refunding the debit, restoring any lost interest, etc.). Note that the bank will not take responsibility for errors made by the billing organisation.

2.6 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.

Scheme Rules - Customers

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.

Can I use Direct Debit for my quarterly bills, or just my monthly ones?

You can use Direct Debit for bills with any frequency from monthly, including quarterly, bi-annually, annually, and even for billings you get occasionally (as, for example, occurs with a retail account), as long as the organisation billing you is a member of the scheme (and if it isn't, why not suggest it joins?).

Can the billing organisation check my balance to make sure they get paid?

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

Will I get a receipt?

No receipt will be issued by the bank for bills paid by Direct Debit. The billing organisation may issue you with a receipt.

You may also request a bank statement at any time, which will clearly show the debit to the billing organisation.

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

If your nominated account does not have sufficient funds to settle the bill on the specified date the bill will not be settled. The billing organisation will contact you to demand payment by another means, in accordance with their procedures.

What will I see on my statement?

The entry will identify the recipient of the debit, as with an Account Transfer or Standing Order.

If I'm due a refund, how will I get it?

Refunds due from the billing organisation are processed by the billing organisation, through their normal procedures. The Direct Debit Scheme does not process refunds.

Note, however, that if the bank makes a mistake in the operation of your account it will make good the error, as described in 2.5 above.

Can I change the account that is debited?

If you wish to change the account which is debited to a different account then you must cancel the existing Mandate and complete a new Mandate form.

However, if the account itself changes (e.g. because you change your name or address, or add another person to the account) the existing Mandate will still operate.

Can I set up Direct Debit for payments from a company or society account?

Yes, any Current Account can have Direct Debits. The Mandate must be signed as required for making withdrawals from the account.

Scheme Rules - Customers

Once I've joined the scheme, what do I have to do?

Each month you should check the bill you receive and raise any queries before the specified date; make sure there will be sufficient funds in your nominated account on the settlement date; **and that's all!** The rest is automatic.

Do I need to create a new Mandate each year?

No. Unless you cancel the Mandate (as described in 2.4 above) it remains in force.

Can I suspend the scheme for a short while?

Not in the Pilot Scheme. In the Pilot Scheme you must cancel the Mandate and then create a new one to restart the scheme. The ability to suspend the scheme will be considered for inclusion in the full scheme.

What if I miss the 'query by' date?

If you do not register a query with the billing organisation by the specified date the organisation will issue its debit request for the amount specified on the bill and the Direct Debit Scheme will settle that amount. If a refund is subsequently agreed the billing organisation will settle this with you, using their normal refunds procedure.

Can I split the debit over more than one account?

No. The entire debit must be made to a single account.

Can I set up a Direct Debit with another person?

No. Only billing organisations accepted by Bank of St. Helena can operate the Direct Debit Scheme. If you represent such an organisation, and meet the criteria set out in 2.1 above, please contact the bank to discuss being a participant in the scheme.

Scheme Rules - Customers

4 Examples and Figures

Scheme Logo



(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)

Core Mandate Form

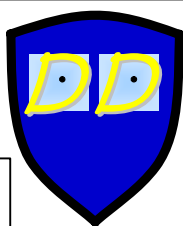
The core contents of the Mandate form are as follows, and will be the same for all organisations participating in the Direct Debit Scheme. In the issued documents the areas indicated in yellow will vary from organisation to organisation.



Direct Debit Mandate

Do not sign this form if you are unsure about the commitment you are making.

Please complete all the following details:



Direct Debit – The Easier Way To Pay
For enquiries on the Direct Debit Scheme please call
Bank of St. Helena on (+290) 2752

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):

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.

Authorised Signature(s): Date:

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