

Conditions governing payments made by direct debit in the SEPA Core Direct Debit Scheme

The following conditions apply to payments made by clients to payees in the SEPA Core Direct Debit Scheme via their accounts at the bank.

1. General

1.1 Definitions

A direct debit is a payment transaction initiated by the payee and charged to the client's account, with the amount of the payment in question specified by the payee.

1.2 Fees and changes thereto

1.2.1 Fees for consumers

The fees for direct debit payments can be found in the "Schedule of prices and services".

The client shall be informed in writing of changes to the fees for direct debit payments at least two months before such changes take effect. If the client has agreed to use an electronic communication channel to correspond with the bank in the context of their business relationship, notice of the changes may also be provided in this manner. The client may either agree to or reject the changes before the proposed date of their entry into force. The client shall be considered to have agreed to the changes if it does not reject them before the proposed date of their entry into force. The bank shall make particular reference to this deemed approval in its notification to the client.

If the client is notified of changes to fees, it may terminate this business relationship before the proposed date of their entry into force with immediate effect, free of charge. The bank shall make special reference to the right of termination in its notification to the client. Changes to fees for the general payment services agreement (giro agreement) are based on No. 12(5) of the General Terms and Conditions.

1.2.2 Fees for clients who are not consumers

Fees for payments made by clients who are not consumers and any changes thereto are regulated in accordance with the provisions in No. 12(2) to (6) of the General Terms and Conditions.

2. SEPA Core Direct Debit

2.1 General

2.1.1 Key features of the SEPA Core Direct Debit Scheme

The SEPA Core Direct Debit Scheme allows the client to make payments in euros via the bank to payees within the Single Euro Payments Area (SEPA). The countries and territories set out in the appendix are in the SEPA.

To execute payments in the SEPA Core Direct Debit Scheme

- the payee and its payment service provider must use the SEPA Core Direct Debit Scheme and
- the client must issue a SEPA direct debit mandate to the payee before the payment transaction.

The payee initiates the payment transaction by submitting the direct debits to the bank via its payment service provider.

The client may request that the bank reimburse the debited amount within a period of eight weeks of the debit entry if the payment was authorised on the basis of a SEPA Core Direct Debit.

2.1.2 Unique identifiers

The client must use the IBAN¹ disclosed to it and, for cross-border payments (outside the European Economic Area)², also the bank's BIC³ as its unique identifier vis-à-vis the payee as the bank is entitled to execute the payment based on the SEPA Core Direct Debit solely on the basis of the unique identifier provided to it. The bank and the other involved bodies shall execute the payment to the payee using the IBAN provided by the payee in

the direct debit record as its unique identifier and, for cross-border payments outside the EEA, also the BIC provided.

2.1.3 Transmission of direct debit data

With SEPA Core Direct Debits, direct debit data may also be sent via the messaging transmission system of the Society for Worldwide Interbank Financial Telecommunication (SWIFT), based in Belgium and with data centres in the European Union, Switzerland and the US.

2.2 SEPA direct debit mandate

2.2.1 Issue of the SEPA direct debit mandate

The client issues a SEPA direct debit mandate to the payee. It thereby authorises its bank to redeem the payee's SEPA Core Direct Debits. The mandate is issued in writing or in the manner agreed with the client's bank. This authorisation also includes express consent to the retrieval, processing, transmission and storage of the client's personal data that is required for the payment service provider and any intermediary institutions involved in the collection to execute the direct debit.

The SEPA direct debit mandate must include the following from the client:

- Authorisation of the payee to collect payments from the client's account based on the SEPA Core Direct Debit, and
- Instructions to the bank to redeem the SEPA Core Direct Debits drawn on its account by the payee.

The SEPA direct debit mandate must include the following authorisation data:

- Payee's name,
- A creditor identifier,
- Indication as to whether the payment is one-off or recurring,
- Client's name (if available),
- Name of the client's bank and
- Its unique identifier (see No. 2.1.2).

The direct debit mandate may also include information other than the authorisation data.

2.2.2 Direct debit authorisation as a SEPA direct debit mandate

If the client grants direct debit authorisation to the payee, whereby it authorises the payee to collect payments from its account by direct debit, it simultaneously instructs the bank to redeem the direct debits drawn on its account by the payee. By granting the direct debit authorisation, the client authorises its bank to redeem the payee's direct debits. This direct debit authorisation is considered a SEPA direct debit mandate. Sentences 1 to 3 also apply to direct debit authorisations granted by the client prior to the entry into force of these conditions.

The direct debit authorisation must include the following authorisation data:

- Payee's name,
- Client's name,
- Unique identifier pursuant to No. 2.1.2 or the client's account number and sort code.

The direct debit authorisation may also include information other than the authorisation data.

2.2.3 Cancellation of the SEPA direct debit mandate

The client may cancel the SEPA direct debit mandate by means of a declaration to the payee or its bank – in writing wherever possible – which shall revoke authorisation for any subsequent payment transactions.

If the notice of cancellation is sent to the bank, it shall take effect on the business day following the day on which the notice was received in accordance with the "Schedule of prices and services". The notice should also be sent to the payee to ensure it does not collect any further direct debits.

¹ International Bank Account Number.

² See the appendix for the Member States

³ Bank Identifier Code.

2.2.4 Limitation and non-approval of SEPA Core Direct Debits

The client may issue the bank separate instructions to limit or not to approve payments resulting from SEPA Core Direct Debits. The bank must receive the instructions by no later than the end of the business day preceding the due date specified in the direct debit record in accordance with the "Schedule of prices and services". These instructions should be issued in writing to the branch of the bank that holds the account, wherever possible. They should also be sent to the payee.

2.3 Collection of the SEPA Core Direct Debit by the payee based on the SEPA direct debit mandate

(1) The SEPA direct debit mandate issued by the client shall be kept by the payee. The payee assumes the authorisation data and adds any additional information to the record that is required to collect SEPA Core Direct Debits. The payee specifies the amount of the direct debit.

(2) The payee electronically transmits the record to the bank, which acts as the paying agent, via its payment service provider in order to collect the SEPA Core Direct Debit. This record also constitutes the client's instructions to the bank to redeem the relevant SEPA Core Direct Debit (see No. 2.2.1(2) and (4) and No. 2.2.2(2)). The bank agrees to receive these instructions in a form other than that agreed for the issue of a SEPA direct debit mandate (see No. 2.2.1(3)).

2.4 Payment transaction based on the SEPA Core Direct Debit

2.4.1 Debiting the amount of the direct debit from the client's account

(1) SEPA Core Direct Debits to be received by the payee are debited from the client's account on the due date specified in the record in the amount specified by the payee. If the due date does not fall on one of the bank's business days as set out in the "Schedule of prices and services", the account will be debited on the next business day.

(2) The account will not be debited or the debit will be reversed no later than two banking days⁴ after it was made (see No. 2.4.2) if

- the bank receives a notice of cancellation for the SEPA direct debit mandate pursuant to No. 2.2.3,
- the client does not have sufficient monies in its account to redeem the direct debit or an adequate credit facility (insufficient funds); the bank does not pay partial amounts,
- the payer's IBAN provided in the direct debit record cannot be assigned to any of the client's accounts at the bank,
- or
- the bank cannot process the direct debit as
 - no creditor identifier is provided in the direct debit record or the identifier provided is believed to be incorrect by the bank,
 - there is no mandate reference in the direct debit record,
 - the mandate does not have an issue date in the direct debit record or
 - no due date is specified in the direct debit record.

(3) Moreover, the account will not be debited or the debit will be reversed no later than two banking days after it was made (see No. 2.4.2) if separate instructions from the client pursuant to No. 2.2.4 prevent this SEPA Core Direct Debit.

2.4.2 Redemption of SEPA Core Direct Debits

SEPA Core Direct Debits are redeemed if the debit entry on the client's account is not reversed within two banking days after it was made.

2.4.3 Notification of the non-execution or reversal of the debit entry or rejection of redemption

The bank shall inform the client of the non-execution or reversal of the debit entry (see No. 2.4.1(2)) or a refusal to redeem a SEPA Core Direct Debit (see No. 2.4.2) without delay, and by the deadline agreed in No. 2.4.4 at the latest. Notification can also be provided using the channel agreed for account information. Wherever possible, the bank shall specify the grounds for this and provide options for rectifying the errors that caused the non-execution, reversal or rejection.

The bank charges the fee set out in the "Schedule of prices and services" when an authorised SEPA Core Direct Debit is justifiably rejected due to insufficient funds (see No. 2.4.1(2) second indent).

2.4.4 Execution of payment

(1) The bank is obliged to ensure that the amount it debits from the client's account based on the payee's SEPA Core Direct Debit is received by the payee's payment service provider within the execution period specified in the "Schedule of prices and services" at the latest.

(2) The execution period commences on the due date specified in the direct debit record. If this day does not fall on one of the bank's business days as set out in the "Schedule of prices and services", the execution period will commence on the following business day.

(3) The bank shall inform the client about the execution of the payment using the channel agreed for account information and at the agreed frequency.

2.5 The client's right to reimbursement of an authorised payment

(1) The client may request that the bank reimburse the debited amount within a period of eight weeks of the debit entry if the payment was authorised on the basis of a SEPA Core Direct Debit. It does not need to provide any reasons for such request. In executing the reimbursement, the bank will return the account to the state it would have been in had the payment not been taken. Any payment claims against the client on the part of the payee remain unaffected.

(2) The right to reimbursement pursuant to paragraph 1 is excluded if the debited amount was authorised based on the client's granting of express approval directly to the bank.

(3) The client's right to reimbursement where an authorised payment is not made or is executed incorrectly is regulated in No. 2.6.2.

2.6 The client's right to reimbursement, right of rectification and claims for compensation

2.6.1 Reimbursement in the event of an unauthorised payment

If a payment is made that has not been authorised by the client, the bank is not entitled to have its expenses reimbursed by the client. It is obliged to reimburse the amount debited from the client's account. In executing the reimbursement, the bank will return the account to the state it would have been in had the unauthorised payment not been taken. In accordance with the "Schedule of prices and services", this obligation must be fulfilled by the end of the business day following the day on which the bank was notified that the payment was not authorised or on which the bank otherwise became aware of this. If the bank has notified a competent authority in writing of legitimate grounds for suspecting fraudulent conduct on the part of the client, the bank shall review and fulfil its obligation resulting from sentence 2 without delay if the suspected fraud is not confirmed.

2.6.2 Claims for the non-execution or erroneous or delayed execution of authorised payments

(1) If an authorised payment is not executed or is executed erroneously, the client may demand that the bank reimburse the debited amount in full without delay provided that the payment was not made or was erroneous. The bank will return the account to the state it would have been in had the erroneous payment transaction not taken place.

(2) In addition to its entitlements pursuant to paragraph 1, the client may demand that the bank reimburse those fees and interest that the bank invoiced it in connection with the non-executed or erroneously executed payment or that the bank charged to the client's account.

(3) If the payee's payment service provider receives the debited amount after the end of the execution period stated in No. 2.4.4(2) (delay), the payee may demand that its payment service provider credit the debited amount to the payee's account as if the payment had been executed correctly.

(4) If a payment transaction has not been executed or has been executed erroneously, the bank shall trace the payment transaction at the client's request and inform the client of its findings.

2.6.3 Compensation due to a breach of duty

(1) If an authorised payment is not executed or is executed erroneously or late, or if an unauthorised payment is made, the client may demand compensation from the bank in addition to that set out in Nos. 2.6.1 and 2.6.2. This does not apply if the bank is not responsible for the breach of duty. In this context, the bank is responsible for the fault of an intermediary institution as if it were the bank's own fault. If the client has contributed to the loss based on its culpable conduct, the extent to which the bank and the client bear the loss shall be determined in accordance with the principle of contributory negligence.

(2) Liability pursuant to paragraph 1 is limited to EUR 12,500. This liability limit does not apply

- to unauthorised payments,
- in the case of intent or gross negligence on the part of the bank,
- to risks that the bank has assumed in a particular case, or
- to interest losses suffered by the client if the client is a consumer.

⁴ Banking days are all business days apart from: Saturdays, and 24 and 31 December.

2.6.4 Claims from clients who are not consumers

By way of derogation from the entitlements in Nos. 2.6.2 and 2.6.3, clients who are not consumers shall, in addition to any surrender claims pursuant to Sections 667 and 812 et seqq. of the German Civil Code (BGB), only have claims for compensation in the event of the nonexecution or erroneous or delayed execution of an authorised payment or an unauthorised payment in accordance with the following regulations:

- The bank is liable for its own culpable misconduct. If the client has contributed to the loss based on its culpable conduct, the extent to which the bank and the client bear the loss shall be determined in accordance with the principle of contributory negligence.
- The bank is not liable for the culpable misconduct of any intermediary institutions. In such cases, the bank's liability is limited to the careful selection and instruction of the first intermediary institution.
- Any claim for compensation on the part of the client is limited in amount to the debited amount plus the fees and interest charged by the bank. If a claim asserted in this context is a claim for consequential damages, it shall be limited to a maximum of EUR 12,500 per payment. These liability limits do not apply to intent or gross negligence on the part of the bank, to risks that the bank has assumed in a particular case, or to unauthorised payments.

2.6.5 Exclusion of liability and objections

(1) The bank's liability pursuant to Nos. 2.6.2 to 2.6.4 is excluded in the following cases:

- The bank proves to the client that the payee's payment service provider received the payment amount in full in due time.
- The payment was executed using the erroneous payee unique identifier provided by the payee. In this case, however, the client may demand that the bank endeavour where possible to recover the payment amount. If the payment amount cannot be recovered pursuant to sentence 2 of this subitem, the bank shall be obliged to provide the client with all available information on written request so that the client can assert a claim to reimbursement of the payment amount. The bank charges the fee shown in the "Schedule of prices and services" for the activities pursuant to sentences 2 and 3.

(2) Claims by the client pursuant to Nos. 2.6.1 to 2.6.4 and objections raised by the client vis-à-vis the bank resulting from the non-execution or erroneous execution of payments or unauthorised payments are excluded if the client did not inform the bank of this within 13 months after the day on which the unauthorised or erroneously executed payment was taken. This 13-month period shall only commence if the bank informs the client of the debited payment using the communication channel agreed for account information within no more than one month after the debit entry. In all other cases, the period commences on the day of notification. The client may assert claims for compensation pursuant to No. 2.6.3 after the end of the period set out in sentence 1 if it was prevented from meeting this deadline through no fault of its own.

(3) The client's claims are excluded if the circumstances giving rise to a claim

- are based on an unusual and unpredictable event over which the bank has no control and whose consequences could not have been avoided despite exercise of the necessary care,
- or
- were caused by the bank as a result of a statutory obligation.

Appendix: List of SEPA countries and territories

Countries in the European Economic Area (EEA)

Member States of the European Union:

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France (including French Guiana, Guadeloupe, Martinique, Mayotte, Reunion), Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Sweden, Slovakia, Slovenia, Spain, United Kingdom of Great Britain and Northern Ireland.

Other countries:

Iceland, Liechtenstein, Norway.

Other countries and territories

Guernsey, Isle of Man, Jersey, Monaco, Saint-Pierre and Miquelon, San Marino, Switzerland.