



## **DebiCheck debit orders will provide even greater protection What is**

### **DebiCheck?**

Most South Africans agree that debit orders are a convenient way to pay their accounts. However, over the past number of years, debit order abuse has become a major issue in South Africa. Some companies have been processing invalid debit orders to consumer bank accounts without the consumer's consent, and some consumers have avoided paying their debit orders that are valid by unfairly questioning and reversing these debit orders with their banks.

As a result, the South African Reserve Bank (SARB) asked the Payments Association of South Africa (PASA), whose members include the South African banks, to find a solution. And so, DebiCheck was introduced. A DebiCheck debit order is a new debit order electronically confirmed by the consumer, with their bank or service provider, on a once-off basis, at the start of a new contract that has been signed up with a company. DebiCheck is a new way in which the consumer can control how certain debit order collections are made from their bank account. DebiCheck ensures that consumers are in control of and aware of debit orders being processed to their bank account. Additionally, it provides the company or service provider that consumers are dealing with, with the comfort of knowing that the consumer has acknowledged and is aware of these debit orders. It also allows the consumer's bank to capture the debit order information by checking the information before the debit order is processed. DebiCheck puts the control back into the consumer's hands, giving consumers the comfort of knowing that DebiCheck debit orders must be processed within the agreed conditions that have been agreed to.

With the DebiCheck process, the consumer will confirm the debit order request once, at the start of the contract. This is done to inform the consumer's bank that permission has been granted for the money to be taken from the consumer's account. This means that the bank will now know the details of what the consumer has agreed to with the service provider or company and will not allow a DebiCheck debit order to be processed outside the terms that have been agreed to by the consumer.

Many companies or service providers have chosen to go the DebiCheck route and will continue to do so over time. Therefore, not all new debit orders will be affected at the same time, and not all debit orders will be a DebiCheck debit order. Consumers will need to check with the company or service provider whether their debit order is a DebiCheck debit order.

### **What would be expected from consumers?**

- Consumers must ensure that their bank has their correct mobile phone number. This is since consumers will initially need to approve their debit order on a once-off basis. Should the details of the DebiCheck debit order change over time, such as the payment date or amount, then the consumer may need to approve the debit order once again, if they are happy with the changes. Should the consumer not agree with the changes, then the consumer has the right to decline the DebiCheck debit order request. Should there not be any changes to the DebiCheck debit order, the consumer will not be asked to approve or decline the request.
- Should the consumer receive a request from their bank to either approve or decline the DebiCheck debit order, the consumer must not ignore the request if they no longer want the debit order to continue. Should this be the case in that the consumer wants to change or terminate the contract, the consumer would need to contact the company or service provider they have taken the contract out with and request that the debit order be changed or cancelled. Unfortunately, the bank will not be able to assist in this regard since the contract is between the company or service provider, and not with the bank.



- The DebiCheck process has been simplified by the banks to make it easier for the consumer to approve or decline a DebiCheck debit order. Most banks provide a choice of the various channels available to consumers, such as mobile banking, internet banking, ATM or going into the branch.

To understand the DebiCheck process better, consumers may ask their bank, company, or service provider to provide more information. Also, consumers can go to the DebiCheck website ([www.debichack.co.za](http://www.debichack.co.za)) and watch the video at the start of the DebiCheck website page which provides a visual guide around the DebiCheck process. Consumers may in addition access the 'How DebiCheck works' link, also to be found on the DebiCheck website.