



DIRECT DEBIT CANCELLATION GUIDE

YOUR PAYMENT PARTNER

FOR SAAS AND MARKETPLACE

What is a direct debit payment?

Direct debit is a payment instruction the payer gives to her/his bank allowing money to be automatically and occasionally periodically taken out of the payers bank account crediting the payee.



How does a customer cancel a direct debit payment?

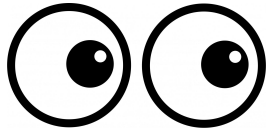
Customers are entitled to cancel direct debit payments at any time and the process for them is fairly easy and straightforward. An eligible cancellation should always be checked with the payee company and the customers bank.

The cancellation of an online direct debit payment can be done through mobile banking, by phone or in person at the local branch.



Can a customer cancel a direct debit without notifying the payee company?

Yes. They can indeed.



There can be several reasons why a customer disputes a transaction:

- The customer does not recognize the transaction on their bank statement or the transaction was fraudulent and the cardholder was not aware their credit/debit card was being used for this purchase.
- The service was not provided and a full refund was expected to be made to the cardholder. The cardholder may have cancelled this and did not follow the payee's T&Cs or maybe the refund was not issued.
- The service was not as expected/described in the description and a partial refund was expected to the cardholder.

How long after the payment date can a customer cancel a direct debit payment?

Disputed within 8 weeks

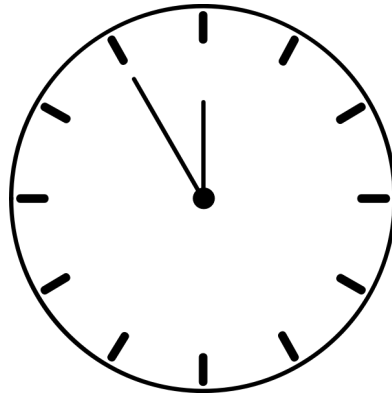
Customers are able to dispute a SEPA Direct Debit transaction on a “no questions asked” basis, meaning the funds will automatically be returned to them.

Disputed between 8 weeks and 13 months

Customers are still able to dispute transactions during that period. The arbitration process involves both the acquiring bank and the customer.

Disputed after 13 months

Disputes are no longer possible.



What action is required by the payee company after receiving a dispute

The main difference to credit card chargebacks is that they can not be challenged by the payee company and therefore, the dispute has to be accepted without further inquiry.

Therefore, our advice is to contact the customer immediately to clarify the reason for the chargeback. It is quite possible this could be a misunderstanding and can be resolved by contacting the customer directly.



How can the payee company prevent disputes?

Payyo helps with a special feature:

The **billing descriptor** with the payee's company name will appear on the bank statement of the customer. This can be a way of preventing the customer to dispute a payment: The customer can more likely recognize a charge on the bank statement.

Please contact your account manager to add a billing descriptor to your companies payyo account.

Other

DEFAULT BILLING DESCRIPTOR

JOHN DOE LTD

Save Payment Settings