

The 10 step approach to collecting Direct Debits

This paper simply covers the high level requirements for joining the scheme. Please see MC003 (An introduction to Direct Debits) MC004 (Getting started with AUDDIS and Paperless Direct Debits) and MC008 (Dealing with unpaid Direct Debits) for further information. These are available by emailing me on info@mintoconsultancy.co.uk

Overall, I would allow a minimum of 2 months to achieve Direct Debit originator status.

1). Quotations

Seek quotations from BACS software companies for any automation you may require. **I can supply contacts if required.** Ensure that the product links in to your accounts package and meets your long term needs.

2). Potential usage

Consider the potential for Direct Debits and your likely take up. **I can give advice on marketing and potential returns.** Also factor in the potential use of Direct Credits for 'payments out' when considering this service.

3). Cost benefit

Weigh up the benefits of adopting the service based on savings that could be made. Bear in mind that administration, customer service and customer retention should be considered in addition to any reduction in bank charges.

4). Apply to join the scheme

You will need to approach your bank to obtain 'Direct Debit sanction'. Also you will need to become an AUDDIS originator. Please see my newsletters for details

5). Complete the DD indemnity

Once confirmed to the scheme you will need to complete an indemnity in favour of all the participant banks. This signifies your agreement to repaying any indemnity claim that they settle on your behalf with their customers. This is a fundamental safeguard in the process.

6). Obtain a BACS user number (OIN)

To enable you to collect and make payments through the BACS service you need an OIN. This will be obtained from the BACS liaison department of your sponsor bank.

7). The communication

You will need to send copies of your Direct Debit Instruction (DDI) and any other literature concerning DD to your sponsoring bank for prior approval.

8). Systems testing

This is to ensure that your accounts package can 'talk to' BACS via your BACS software package. Your BACS software supplier should guide you through the 'test' processes.

9). Obtain the paperwork

Send out your previously agreed paperwork including your DDI to your customer for completion and return. You will need to lodge the DDI with the paying bank either in the post or electronically through the AUDDIS service.

10). START COLLECTING YOUR DIRECT DEBITS!

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