

SEPA CORE DIRECT DEBITS

Characteristics

As from 1st of March 2014, a new system is put in application, named the paneuropean system of SEPA Core Direct Debits. The system allows in the consumers, to make Direct Debit payments , either once off or on a repeated basis, in the countries of the European Union and the wider European Economic Space, among them Cyprus.

The SEPA Core Direct Debits is a secured and functional system, which facilitates the consumers with a simple way, to make their payments for the purchase of products and services in euro, in countries of the European Economic Space participating in SEPA. The verification of these payments can be done easily through the statement of the account that was debited.

Mandate

The system is activated, when the consumer completes a Mandate form. The Mandate must be filled in, signed by the consumer and delivered directly to the beneficiary (Organism). All existing Mandates will remain in effect, provided that the consumer does not wish to do any modifications on them.

With this Mandate, the consumer gives the authority to a beneficiary, for example a Common Utility Organism, to collect the payment via the SEPA Core Direct Debit system and at same time, gives the permission to the consumer's bank, to pay the beneficiary the requested amount for collection.

Prerequisites for Activating a SEPA Core Direct Debit Payment

A SEPA Core Direct Debit payment can only be activated, provided the consumer reports in the beneficiary the following information, which applies for all the countries that participate in the system:

- Completion and Signature of the Mandate.
- IBAN of account that will be debited.
- BIC code of the bank, where the debit account is maintained.

Charges

The charges for implementing a SEPA Core Direct Debit transaction become with complete transparency. The consumer is debited by his bank for the offered service and the beneficiary that collects, is debited separately by his own bank.

Rights of Consumers

The consumer has the right, to deny the execution of SEPA Core Direct Debit payment, prior the due debit value date.

If a consumer disagrees with the execution of a SEPA Core Direct Debit, he has the right to reject this payment within 8 weeks, starting from the date that his account was debited, provided that he gives his written instructions to the bank. On the other hand, if the consumer did not sign the Mandate, he has the right to reject the payment within 13 months, starting from the date that his account was debited.