

Blocking a Direct Debit FAQ

Background

The Mutual Banking Code of Practice is a (**Code**) which sets standards of good practice which Qudos Bank has subscribed to. Subscribers to the Code have made a commitment to improve the standards of practice and service in the mutual banking industry, promote informed decisions making about their services and act fairly and reasonably in delivering those services.

Under Section 20.1 of the Code, we're required to stop or cancel a direct debit facility linked to a member's transaction account promptly upon request by the member.

The process to block a direct debit will be different if it has been processed from a transaction account or a Visa credit/debit card.

The member may request Qudos Bank to block the direct debit for various reasons such as financial hardship or for other reasons i.e. the contract has ended.

You should ask the member if they've contacted the business or merchant beforehand to confirm that they're abiding by the terms and conditions of the agreement which was entered into and to ensure there are no additional fees or charges.

We also suggest that the member keeps a copy of any written request for record keeping purposes.

Scenario 1 Block direct debit from an account

*"I have a monthly direct debit organised with my gym company Fitness First that comes out of **my savings account**. I'm travelling overseas for 2 months and I would like to block/stop direct debit for this period?"*

Scenario 2 Cancel a direct debit authority from an account

*"I have a monthly direct debit organised with my gas company AGL that comes out of my **savings account**. I was asked to complete the direct debit authority form when I first started using their services. I no longer require this and I'd like to know what I should do to stop the direct debit?"*

Scenario 3 Debit from a Visa Card

*"I have a monthly direct debit organised with NETFLIX that comes out of my **Visa Credit/Debit Card**. I completed a direct debit authority form when I first signed up to use their services. I no longer require this and I'd like to know what I should do to stop the direct debit?"*

Refer to point 6 for processes.

FAQs

Question	Answer
1. What is a direct debit?	<p>A direct debit transaction is an electronic transfer of funds which has been authorised by the member to debit their transaction account on a regular basis.</p> <p>The member has provided the <u>other</u> business or merchant an authority to debit the account.</p> <p>A direct debit can be processed:</p> <ol style="list-style-type: none">1. through direct entry, which means the BSB and an account number has been provided, or,2. through Visa, when a Visa debit/credit card has been provided.
2. What is the difference between the two direct debit types?	<p>Merchants and businesses may use different systems to process a direct debit.</p> <p>Direct debits are managed through third party systems i.e. through the Visa Network or the Direct Entry banking system.</p> <p>The authority has been provided to the third party to process the direct debit and not Qudos bank.</p>
3. What is periodical payment (auto transfer)?	<p>A periodical payment is an electronic transfer of funds the member has organised to debit their account and to transfer to another account on a certain day of the month on a regular basis. The transfer may be to an internal account or to an external bank account.</p> <p>The member can cancel the payment at any time by accessing online banking or by contacting us.</p> <p>A periodic payment gives the member <u>more control</u> over the transfer as the authority is held with Qudos Bank.</p> <p>The member can:</p> <ul style="list-style-type: none">> change the date;> change the frequency;> change the amount;> suspend the payment permanently or temporarily.
4. What details should I check on the account?	<p>Check how the direct debit has been processed:</p> <ul style="list-style-type: none">> is it from a Visa credit/debit card?> is it from a transaction account,?> is it a periodic payment (auto transfer)? Refer to point 3. <p>The process to block or suspend a direct debit is different for each direct debit type.</p>

5. What questions should I ask the member before responding?

You can ask the member:

- > the name of the business/third party that they wish to block? Some businesses can have multiple supplier IDs. It's important that the correct one is blocked.
- > if the block is a permanent block or temporary suspension?
- > if the member wants to cancel the authority held with the merchant/business permanently?
- > the amount and the next scheduled debit date?
- > the reason for blocking the payment?
- > has the member advised us of any financial hardship or circumstances that require urgent attention or special consideration?
- > has the debit been processed?

There are different steps to follow when blocking a direct or cancelling a direct debit authority.

The member should also check whether there are any fees or charges associated from the other party.

6. What is the difference between blocking a direct debit and cancelling a direct debit authority?

Block a Direct debit on an account

A direct debit can be blocked permanently or temporarily by Qudos Bank. Each debit user (business) has a unique Supplier ID which is used when blocking a direct debit.

This stops the debit from being processed to the account. Blocking a direct debit does not cancel the authority held with the other merchant/business.

Blocking a debit is effective immediately. The member can elect to block all debits on an account or just one debit associated with the debit user.

Refer to Scenario 1.

Cancel a Direct Debit on an account

If the member wants to cancel the direct debit authority they should contact the merchant/business.

We can send a [Direct Debit Cancellation Form](#) to the merchant/business on behalf of the member once signed.

This option is generally required if the direct debit is to be cancelled permanently.

Refer to Scenario 2.

All forms should be sent to: directentrypays@qudosbank.com.au for actioning or the member can send it directly to the merchant/business.

Direct Debit on a Visa Card

A temporary block can't be placed on a Visa card in the banking system.

The member should contact the merchant directly to cancel the authority. We can send the Visa Card Direct Debit Cancellation Form to the merchant on behalf of the member once it has been completed.

All forms should be sent to: disputedtransactions@qudosbank.com.au or the member can send it directly to the merchant/business.

The other alternative is to cancel the card. This should be the last option offered as it will impact other direct debits processed on the card as well.

The member will not be able to use the existing card until a replacement arrives.

You should ensure the member understands the consequences if this option is selected.

Refer to scenario 3.

7. What notice period should the member provide?

You should advise the member to check with the merchant /business directly if a notice period is required to avoid any additional fees or charges.

Direct debit on an account

At least 2 business days is required to ensure the block has been added onto the unique supplier ID. This will prevent any further debits from the business/third party.

Direct debit on a Visa card

Where the direct debit has been set up on a Visa card, the merchant may require a longer notice period.

8. Can I accept the request to block a direct debit over the phone?

Yes, if the conversation is voice recorded i.e. in the Contact Centre you can action the request to block a direct debit on a supplier ID.

In all other situations you should ask the customer to send something through secure email or a signed fax requesting to block a direct debit.

Notes of the interaction must be added in Prosper (CRM).

<p>9. Can I accept the request to block a Visa direct debit over the phone?</p>	<p>Refer to point 6. The preferred approach is to advise the member to contact the merchant directly to cancel the Visa direct debit. We do not hold the authority to block the Visa direct debit.</p>
	<p>Please refer to Campaign Library Visa Card Direct Debit Cancellation Form to assist the member.</p> <p>Currently there is no quick solution to block a direct debit on a Visa card.</p> <p>The other option is to cancel the Visa card and list the card as lost/ stolen in FDI system as well.</p>
<p>9. What if there is a Visa authorisation (pending transaction) on the account?</p>	<p>When a direct debit has been processed on a card Visa will obtain an authorization requesting the funds.</p> <p>You <u>can't cancel the card</u> if the authorisation has been processed for the direct debit or any other pending transaction.</p> <p>Cancelling the card will <u>not stop the direct debit</u>.</p>
<p>10. What should the member do if they dispute the direct debit?</p>	<p>The member should contact the merchant directly for a refund if possible.</p> <p>If this is an unauthorised Visa transaction please refer to Card Disputes process for additional information.</p> <p>If this is an unauthorised direct debit refer this to directentrypays@qudosbank.com.au.</p>
<p>11. Is there a Direct Debit cancellation form?</p>	<p>Yes, there are two different forms. Please guide the member through the process if required or refer them to the Qudos Bank website FAQ where the forms can be located Direct Debit Cancellation Forms.</p>
<p>12. Where should the completed forms be sent?</p>	<p>The member can send the forms directly to the merchant/business or they can send the forms to:</p> <p>Cancelling a direct debit on an account directentrypays@qudosbank.com.au</p> <p>Cancelling a direct debit on a Visa card disputedtransactions@qudosbank.com.au</p>
<p>13. Can a member unblock a direct debit?</p>	<p>Yes, after identifying the member you can remove the block off the direct debit supplier ID.</p> <p>If the member contacted the merchant or business to cancel the direct debit they will need to notify them directly to reinstate the direct debit or arrange for a new authority.</p>

<p>14. Can a signatory request a block or unblock?</p>	<p>Yes, if the debit block has been processed through a transaction account. You can remove the block from the supplier ID.</p> <p>Please refer to point 13 as well.</p>
<p>15. Why would a member block a direct debit?</p>	<p>There are different circumstances why a block may be required:</p> <ol style="list-style-type: none"> 1. Financial hardship 2. Services /goods no longer required 3. End of contract i.e. Home loan has been paid out 4. Dissatisfaction with merchant or business 5. Insufficient funds in the account 6. Avoid fees or charges <p>We should take note of the members' request and assist where possible by providing clear instructions.</p> <p>In some instances, you may need to refer them onto another department such as Credit Control who handle Financial hardship request.</p>
<p>16. Is there a fee to block a direct debit?</p>	<p>No, Qudos bank does not charge a fee to block a debit.</p> <p>The member should check with merchant/business if there are any fees or charges beforehand.</p> <p>The member should also check and ensure that they are not breaching any contractual arrangements they have with the business.</p>
<p>17. Do I need to add notes in Prosper (CRM)?</p>	<p>Yes, all member interactions must be recorded in the CRM system.</p> <p>Some tips for note taking:</p> <ol style="list-style-type: none"> 1. Include a brief summary of the instruction received (including the context) 2. Use the "5 W" question technique (what, where, who, why and when) where applicable 3. always include important dates (i.e. Date the request was received and any information). <p><u>Do not</u> copy and paste internal communications into Prosper (such as emails to other Qudos staff or managers).</p>
<p>18. Why is accurate Prosper note recording important?</p>	<p>It ensures we have captured our interaction with the member and the requesting party.</p> <p>The information will be used by the us and may help protect us if an IDR or EDR complaint is lodged.</p>