

Terms and conditions for payments made by SEPA Core Direct Debit

VERSION: 01 January 2020

The following terms and conditions apply to payments made by the Customer to payees using a SEPA Core Direct Debit via his/her account held with the Bank.

1 General

1.1 Definition

A direct debit is a payment transaction initiated by the payee that is charged to the account of the Customer, for which the payment amount in question is specified by the payee.

1.2 Fees and changes to fees

1.2.1 Fees for consumers

The fees for direct debit transactions are set out in the “List of Fees and Services”.

Any changes to the direct debit fees are proposed to the Customer in written or electronic form (Textform) no later than two months prior to their entry into force. If an electronic communication method has been agreed between the Customer and the Bank in connection with the business relationship, such changes can be communicated by this method. The Customer can either approve or reject the changes before the proposed date of entry into force.

The Customer shall be deemed to have granted his/her consent if he/she does not notify the Bank of his/her rejection prior to the proposed date on which the changes are to come into force. The Bank shall make special reference to this consent effect in its offer. If changes to the fees are proposed to the Customer, the Customer can also terminate this business relationship without notice and free of charge prior to the proposed date on which the changes are to come into force. The Bank shall make special reference to this right of termination in its offer.

Changes to fees for the framework payment services agreement (current account agreement) shall be made in accordance with section 12 (5) of the General Terms and Conditions of Business.

1.2.2 Fees for Customers who are not consumers

The provisions set out in section 12 (2) to (6) of our General Terms and Conditions of Business remain applicable to fees and any changes thereto for payments made by Customers who are not consumers.

1.3 Reporting requirements under foreign trade legislation

The Customer has to comply with any reporting requirements under foreign trade legislation.

1.4 Out-of-court mediation and other complaints procedures

The Customer can contact the dispute resolution or complaint bodies designated in the “List of Fees and Services” for the settlement of disputes with the Bank.

2 SEPA Core Direct Debit

2.1 General

2.1.1 Main features of the SEPA Core Direct Debit Scheme

Under the SEPA Core Direct Debit Scheme, the Customer is able to make payments in euros, via the Bank, to the payee within the “Single Euro Payments Area” (SEPA). The countries and territories listed in the Appendix belong to the SEPA.

In order to execute payments using the SEPA Core Direct Debit scheme,

- the payee and his/her payment service provider must use the SEPA Core Direct Debit Scheme, and
- the Customer must provide the payee with the SEPA Direct Debit Mandate prior to the payment transaction.

The payee triggers the payment transaction in question by presenting the direct debits to the Bank via his/her payment service provider.

In the event of an authorised payment made on the basis of a SEPA Core Direct Debit, the Customer can request that the direct debit amount charged be reimbursed by the Bank within a period of eight weeks following the date of the debit entry against his/her account.

2.1.2 Customer identifiers

Within the context of the process, the Customer must use the IBAN¹⁾ issued to him/her and, for cross-border payments within the European Economic Area²⁾, also the Bank’s BIC³⁾ as his/her customer identifier vis-à-vis the payee, as the Bank shall be entitled to execute the payment under the SEPA Core Direct Debit solely on the basis of the customer identifier provided to it. The Bank and other parties involved shall execute the payment to the payee on the basis of the IBAN and, for cross-border payments outside of the EEA, also on the basis of the BIC specified by the payee as his/her customer identifier in the direct debit data record.

2.1.3 Transmission of direct debit data

In cases involving SEPA Core Direct Debits, the direct debit data can also be forwarded via the messaging system of the Society for Worldwide Interbank Financial Telecommunication (SWIFT), which has its registered office in Belgium and data centres in the European Union, Switzerland and the USA.⁴⁾

¹⁾ International Bank Account Number.

²⁾ See Appendix for the member states.

³⁾ Bank Identifier Code.

⁴⁾ In addition, “Regulation (EU) 2015/847 of the European Parliament and of the Council - of 20 May 2015 on information accompanying transfers of funds” (EU Funds Transfer Regulation) subjects the Bank to the obligation, for the purposes of combating money laundering and terrorist financing, to check and transmit information on the Customer, as the party issuing the order (payer) and on the beneficiary (payee) in connection with the execution of direct debits. This information consists of the name and customer identifier of the payer and the payee, as well as the address of the payer. For direct debits within the European Economic Area (EEA), the forwarding of the payer’s address can be dispensed with in the first instance, but may be requested by the payment service provider of the payee. When specifying names and, where appropriate, addresses, the Bank uses the data stored in its systems in order to comply with the statutory requirements. The Regulation means that the identity of the payer and the payee can always be determined unambiguously on the basis of the payment transaction data records themselves. This also means that the Bank has to check payment data, reply to enquiries made by other banks with regard to the identity of the payer/payee and, on request, make this data available to the responsible authorities.

2.2 SEPA Direct Debit Mandate

2.2.1 Issuance of the SEPA Direct Debit Mandate

The Customer shall issue the payee with a SEPA Direct Debit Mandate. By doing so, he/she authorises his/her Bank to honour SEPA direct debits of the payee. The mandate is to be issued in writing or in the manner agreed with his/her bank. This authorisation also includes explicit approval of the fact that the payment service providers involved in the direct debit collection and any intermediaries will access, process, transmit and save the personal data relating to the Customer that is required in order to execute the direct debit. The SEPA direct debit mandate must contain the following declarations of the Customer:

- authorisation of the payee to collect payments from the Customer's account by means of a SEPA Core Direct Debit and
 - instruction to the Bank to honour the SEPA Core Direct Debits drawn by the payee on his/her account.
- The SEPA Direct Debit Mandate must contain the following authorisation data:
- particulars of the payee,
 - a creditor identification number,
 - identification as a one-off or recurring payment,
 - name of the Customer (if available),
 - name of the Customer's bank and
 - his/her customer identifier (see section 2.1.2).
- The direct debit mandate may contain other information in addition to the authorisation data.

2.2.2 Direct debit authorisation as a SEPA Direct Debit Mandate

If the Customer has granted the payee a direct debit authorisation in which it authorises the payee to collect payments from his/her account via direct debit, he/she instructs the Bank, at the same time, to honour the direct debits drawn on his/her account by the payee. By issuing the direct debit authorisation, the Customer authorises his/her bank to honour direct debits of the payee. This direct debit authorisation is deemed to be a SEPA Direct Debit Mandate. Sentences 1 and 3 also apply to direct debit authorisations issued by the Customer before these terms and conditions came into force.

The direct debit authorisation must contain the following authorisation data:

- particulars of the payee,
 - name of the Customer,
 - customer identifier in accordance with section 2.1.2 or account number and bank sort code of the Customer.
- The direct debit authorisation may contain other information in addition to the authorisation data.

2.2.3 Revocation of the SEPA Direct Debit Mandate

The SEPA Direct Debit Mandate can be revoked by the Customer by issuing a declaration to the payee or his/her bank – preferably in writing – stating that subsequent payment transactions are no longer authorised.

If the Bank receives such a revocation notice, the revocation becomes effective from the business day, in accordance with the “List of Fees and Services”, following the day of receipt of the revocation. The payee should also be notified of the revocation so that he/she does not collect any further direct debits.

2.2.4 Restriction on and refusal of SEPA Core Direct Debits

The Customer can separately instruct the Bank to restrict or refuse payments relating to SEPA Core Direct Debits. The Bank must receive this instruction at the latest by the end of

the business day, as defined in the “List of Fees and Services”, preceding the due date specified in the direct debit data record. This instruction should be issued in writing where possible and should preferably be sent to the department of the Bank responsible for managing the account. This instruction should also be issued to the payee.

2.3 Collection by the payee of the SEPA Core Direct Debit on the basis of the SEPA Direct Debit Mandate

(1) The SEPA Direct Debit Mandate issued by the Customer remains with the payee. The latter adds the authorisation data and any additional data to the data record in order to collect SEPA Core Direct Debits. The respective direct debit amount is specified by the payee.

(2) The payee electronically transmits the data record for collecting the SEPA Core Direct Debit to the Bank, as the paying agent, via his/her payment service provider. This data record also incorporates the Customer's instruction issued to the Bank to honour the SEPA Core Direct Debit in question (see section 2.2.1 sentences 2 and 4 and section 2.2.2 sentence 2). The Bank shall waive the form agreed for the issuance of the SEPA Direct Debit Mandate with regard to the receipt of this instruction (see section 2.2.1 sentence 3).

2.4 Payment transaction executed on the basis of the SEPA Core Direct Debit

2.4.1 Debiting the Customer's account with the direct debit amount

(1) SEPA Core Direct Debits received from the payee are debited from the Customer's account on the due date specified in the data record based on the direct debit amount specified by the payee. If the due date is not a business day of the Bank as defined in the “List of Fees and Services”, the account shall be debited on the next business day.

(2) The account shall not be debited, or the debit amount shall be reversed no later than on the second business day as set out in the “List of Fees and Services” (see section 2.4.2), if

- the Bank has received a revocation of the SEPA Direct Debit Mandate in accordance with section 2.2.3,
- the Customer does not have sufficient funds available in his/her account or a sufficient line of credit to honour the direct debit (insufficient funds); the Bank does not make partial payments,
- the IBAN of the payer specified in the direct debit data record cannot be assigned to any account held by the Customer at the Bank or
- the direct debit cannot be processed by the Bank, as
 - a creditor identification number is missing in the direct debit data record or the Bank identifies the creditor identification number as being evidently incorrect,
 - a mandate reference is missing,
 - the issue date of the mandate is missing or
 - no due date is specified.

(3) Furthermore, the account shall not be debited, or the debit amount shall be reversed at the latest on the second business day after it was debited (see section 2.4.2), if a separate instruction from the Customer as defined in section 2.2.4 precludes this SEPA Core Direct Debit from being debited.

2.4.2 Honouring SEPA Direct Debit Mandates

SEPA Core Direct Debits are honoured if the debit entry against the Customer's account is not reversed at the latest on the second business day after it is made.

2.4.3 Notification of the non-execution or reversal of the debit entry or refusal to honour the direct debit

The Bank shall immediately notify the Customer, at the latest within the period agreed in accordance with section 2.4.4, of the non-execution or reversal of the debit entry (see section 2.4.1 (2)) or the refusal to honour a SEPA Core Direct Debit (see section 2.4.2). The Bank can also use the agreed method for providing account information for this purpose. In so doing, the Bank shall, to the extent possible, provide reasons, as well as options as to how errors that resulted in the non-execution, reversal or refusal can be rectified.

The Bank shall charge the fee shown in the "List of Fees and Services" for the justified refusal to honour an authorised SEPA Core Direct Debit due to insufficient funds (see section 2.4.1 (2), second indent).

2.4.4 Execution of the payment

(1) The Bank is obliged to ensure that the direct debit amount charged by it to the account of the Customer on the basis of the SEPA Core Direct Debit is received by the payment service provider of the payee at the latest within the execution period specified in the "List of Fees and Services".

(2) The execution period shall commence on the due date specified in the direct debit data record. If this day is not a business day as defined in the Bank's "List of Fees and Services", the execution period shall commence on the following business day.

(3) The Bank shall notify the Customer of the payment execution using the method agreed for providing account information and in the agreed frequency.

2.5 Customer's claim for reimbursement in the event of an authorised payment

(1) The Customer is entitled to request, in cases involving an authorised payment made on the basis of a SEPA Core Direct Debit, that the direct debit amount charged be refunded by the Bank within a period of eight weeks from the date of the debit entry against his/her account, without having to state reasons. Within this context, the Bank shall restore the account to the state in which it would have been if the payment had not been debited. This shall not affect any payment claims of the payee against the Customer.

(2) The refund claim pursuant to subsection 1 shall be excluded as soon as the respective amount of the direct debit entry has been authorised by the explicit consent of the Customer given directly to the Bank.

(3) Customer claims for reimbursement in the event of an authorised payment that was not executed, or was not executed correctly, shall be based on section 2.6.2.

2.6 Reimbursement, adjustment and compensation claims of the Customer

2.6.1 Reimbursement in the event of an unauthorised payment

In the event of a payment made without the authorisation of the Customer, the Bank cannot assert a claim against the Customer for the reimbursement of its expenses. The Bank is obliged to reimburse the Customer for the direct debit amount charged to his/her account. In so doing, the Bank shall restore the account to the state in which it would have been if the unauthorised payment had not been debited. This obligation must have been fulfilled at the latest by the end of the business day in accordance with the "List of Fees and Services" following the day on which

the Bank was informed, or otherwise became aware of the fact, that the payment was not authorised. If the Bank has informed a responsible authority in writing of justified grounds to suspect fraudulent behaviour on the part of the Customer, the Bank shall review and fulfil its obligation under sentence 2 without delay if the suspicion of fraud is not confirmed.

2.6.2 Claims in the event of non-execution, incorrect or delayed execution of an authorised payments

(1) In the event of the non-execution or incorrect execution of an authorised payment, the Customer can claim the immediate reimbursement of the direct debit amount in full from the Bank insofar as the payment was not made or was incorrect. The Bank shall then restore the account to the state in which it would have been were it not for the incorrectly executed payment transaction.

(2) Over and above the claim pursuant to subsection 1, the Customer can request a reimbursement from the Bank for those fees and interest invoiced to him/her by the Bank in connection with the non-execution or incorrect execution of the payment or which the Bank has charged to the Customer's account.

(3) If the direct debit amount was not received by the payment service provider of the payee until after the expiry of the execution period specified in section 2.4.4 (2) (delay), then the payee can demand that his/her payment service provider credit the direct debit amount to the payee's account as if the payment had been executed in a due and proper manner.

(4) At the request of the Customer, the Bank shall follow up on the payment transaction and notify the Customer of the outcome of these efforts in the event that the payment transaction was either not executed at all or was executed incorrectly.

2.6.3 Compensation due to breach of duty

(1) In the event of the non-execution, incorrect or delayed execution of an authorised payment or in the event of an unauthorised payment, the Customer can demand that the Bank provide compensation for any loss not already covered by sections 2.6.1 and 2.6.2. This does not apply if the Bank is not responsible for the breach of duty. The Bank is liable for any fault caused by one of its intermediaries as if it were its own fault. If the Customer has contributed to a loss being incurred through negligent conduct, the extent to which the loss is to be borne by the Customer or the Bank shall be determined in accordance with the principles of contributory negligence.

(2) Liability under paragraph 1 is limited to EUR 12,500.

The limitation of liability to this amount does not apply

- to unauthorised payments,
- in the event of wilful intent or gross negligence on the part of the Bank,
- to risks specifically taken on by the Bank, or
- to interest losses incurred by the Customer if the Customer is a consumer.

2.6.4 Claims of Customers who are not consumers

By way of derogation from the claims referred to in sections 2.6.2 and 2.6.3, Customers who are not consumers shall only have claims for compensation, besides any claims for restitution pursuant to section 667 of the German Civil Code (BGB) and unjustified enrichment pursuant to sections 812 et seq. BGB, in accordance with the following

provisions in cases involving the non-execution, incorrect or delayed execution of an authorised payment, or in cases involving an unauthorised payment:

- The bank shall be liable for its own fault. If the Customer has contributed to a loss being incurred through negligent conduct, the extent to which the loss is to be borne by the Customer or the Bank shall be determined in accordance with the principles of contributory negligence.
- The Bank assumes no liability for the fault of the intermediaries involved by the Bank. In such cases, the liability of the Bank shall be limited to the careful selection and instruction of the first intermediary involved.
- A claim for compensation on the part of the Customer is limited, in terms of amount, to the direct debit amount plus any fees and interest invoiced by the Bank. Insofar as this involves the assertion of claims relating to consequential losses, the claim is limited to a maximum of EUR 12,500 per payment. This limitation of liability does not apply to wilful intent or gross negligence on the part of the Bank, to risks specifically taken on by the Bank or to unauthorised payments.

2.6.5 Exclusion of liability and objections

(1) Any liability on the part of the Bank pursuant to sections 2.6.2 to 2.6.4 shall be excluded in the following cases:

- The Bank proves to the Customer that the payment amount was received by the payment service provider of the payee in due time and in full.
 - The payment was executed in accordance with the incorrect customer identifier of the payee specified by the payee. In such cases, however, the Customer can ask the Bank to do everything in its power to recover the payment amount. If the payment amount cannot be recovered pursuant to sentence 2 of this subsection, then the Bank is obliged to provide the Customer, upon the latter's written request, with all available information allowing the Customer to assert a claim for the reimbursement of the payment amount. For the activities in accordance with sentences 2 and 3 of this subsection, the Bank shall charge the fee set out in the "List of Fees and Services".
- (2) Any claims of the Customer in accordance with sections 2.6.1 to 2.6.4 and objections raised by the Customer against

the Bank on the basis of the non-execution or incorrect execution of payments, or on the basis of unauthorised payments, are excluded if the Customer has not notified the Bank thereof no later than 13 months after the date of the debit entry relating to an unauthorised or incorrectly executed payment. The period shall only begin if the Bank informed the Customer of the debit entry relating to the payment using the method agreed for account information within one month of the debit entry being made at the latest; otherwise, the period shall start on the day on which such information is provided. The Customer can also assert claims for compensation under section 2.6.3 after the expiry of the time period specified in sentence 1 if he/she was prevented from complying with this time period through no fault of his/her own.

- (3) Claims on the part of the Customer are excluded if the facts on which a claim is based
- relate to an exceptional and unforeseeable event beyond the control of the Bank, the consequences of which could not have been avoided despite the exercise of due diligence, or
 - were caused by the Bank due to a statutory obligation.

Appendix

3 List of countries and territories belonging to SEPA

3.1 Countries of the European Economic Area (EEA)

Member States of the European Union: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Germany, Estonia, Finland, France (including French Guyana, Guadeloupe, Martinique, Mayotte, Réunion), Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Sweden, Slovak Republic, Slovenia, Spain and the United Kingdom of Great Britain and Northern Ireland.
Other countries: Iceland, Liechtenstein, Norway.

3.2 Other countries and territories

Guernsey, Isle of Man, Jersey, Monaco, Saint-Pierre and Miquelon, San Marino, Switzerland.