

# Debtor Information Document

(Including Terms of Use for Italy)

(Not for accounts with HSBC Germany)

## 1. Introduction

SEPA is the Single Euro Payments Area, which covers 34 countries – all 28 European Union countries, three European Economic Area countries, Switzerland, Monaco and San Marino (excluding the Channel Islands and the Isle of Man).

The SEPA direct debit schemes allow funds to be collected in euro, in, and between all 34 SEPA countries. The SEPA direct debit schemes replaced the legacy national direct debit schemes in the euro-zone countries. A few legacy schemes were declared “niche schemes” and will continue until 1 February 2016.

There are two SEPA direct debit schemes: (i) the “Core” scheme, which everyone can use; and (ii) the “Business to Business” or “B2B” scheme which is only used for payments between non-consumers (legal persons or natural persons acting for purposes of their trade, business or profession).

This information sheet relates to both schemes and describes how they apply to those HSBC customers known as “Debtors”, who agree to direct debit payments being debited from their account under the Core and/or B2B scheme.

## 2. Accounts

SSEPA direct debits will only be made from accounts which are denominated in euro.

HSBC will pay SEPA direct debits under the 2 schemes in euro from euro-denominated accounts in the following countries:

- Belgium
- France
- Germany – has own documentation
- Greece
- Ireland
- Italy
- Luxembourg
- Malta
- Netherlands
- Spain

In the UK, we offer SEPA Core direct debits from current accounts denominated in euro, including multi-currency accounts where one currency is euro.

We reserve the right to select Clearing and Settlement Mechanisms (a “CSM”) for each country and/or scheme, and may not be “reachable” under all available CSMs in every country. We may not offer all the optional services associated with a particular country or CSM. Please speak to your regular HSBC contact for more information.

You may at any time, notify us that no SEPA direct debits shall be made from one or any of your accounts. We will reject any SEPA direct debit collections received after 1 Business Day<sup>1</sup> following receipt of such notice from you. You can also request us not to pay any Core scheme direct debits from your account whilst allowing B2B.

We will only pay SEPA B2B direct debits where we have received a copy of the mandate from you which is in accordance with the scheme Rulebook and signed in accordance with your account mandate.

## 3. Mandates

You can authorise SEPA direct debits to be debited from your HSBC accounts by entering into a SEPA direct debit mandate (a “Mandate”) with another party (a “Creditor”). Mandates are currently in paper form, although the SEPA direct debit schemes contemplate the use of electronic mandates (“e-mandates”) in the future. Mandates must take the form and contain the information required under the SEPA direct debit scheme rules. New Mandates may not be entered into by telephone (except where both your account and that of the Creditor are in Ireland under a local exceptional service).

Where you had a previous direct debit mandate under a “legacy” euro scheme, which is not a niche scheme, it is possible to continue to rely on this mandate for the SEPA direct debit Core scheme. The Creditors should have advised you directly if they changed the transactions from legacy scheme to the SEPA Core scheme.

When you enter into a Mandate under the Core scheme, it is retained by the Creditor. We will not receive a copy of the Mandate, (except in Greece under the CORE scheme and a local inter-bank agreement) and we therefore recommend that you retain a copy for your records. The Mandate will contain details which you will need if you wish to cancel or stop the direct debits.

Where the Mandate is for the B2B scheme, you must send your HSBC Branch a copy of the Mandate at least 2 Business Days<sup>1</sup> before the due date of the first direct debit. We will check that your account is eligible to pay SEPA B2B direct debits and that the Mandate is signed in accordance with the account mandate. We reserve the

right not to accept any Mandate and therefore not to pay any SEPA B2B direct debits presented to your account.

Under the B2B scheme if the Mandate is not received and processed by us at the due date of any direct debit (the "Settlement Date") we will reject the direct debit, without advice to you.

When you execute a Mandate with a Creditor, you are responsible for complying with the terms of that Mandate.

If you wish to amend or cancel a Mandate under the Core scheme, you must notify the relevant Creditor<sup>2</sup>.

For the B2B scheme, you must advise us of any requirements to cancel a Mandate.

Where you wish to change the account to be debited with Core collections (whether to another account with us or to an account with another bank), you will need to amend or cancel the relevant Mandate, and reissue it in accordance with your terms with the Creditor.

For the B2B scheme, you must inform us of any amendments to the Mandate at least 2 Business Days<sup>1</sup> before the Settlement Date of the next direct debit which will take place under the amended Mandate.

Any dispute regarding the Mandate or any SEPA direct debit must be resolved directly between you and the relevant Creditor<sup>2</sup>.

**Direct debit Restrictions:** You may notify us of those Creditors whom you do wish to pay ("White List") or those whom you do not wish to pay ("Black List"). To enable us to carry out these instructions, we will require you to advise us of the SEPA DD scheme Creditor Identifiers for the Creditors listed. This is not applicable to the B2B scheme as we will only pay where we have received a copy of the Mandate from you. Please note that White Lists are currently not available to non-consumers in France.

You may also advise us of the amount to be paid under any Mandate; you can advise us of an actual amount to be paid or a maximum amount (except in France). Any collections received which do not exactly match the criteria advised, will be rejected without debit to your account and without advice to you.

You may also advise us of restrictions to the frequency (Periodicity) of direct debits for any particular Mandate, such as "weekly" or "monthly". Again any direct debits received which do not match the criteria advised, will be rejected without debit to your account or any advice to you. Please note that this service is currently not available to non-consumers in France.

To act on your instructions to restrict the amount or periodicity, we will require:

- The number of your account to be debited; (IBAN)
- The name of the Creditor;

- The Creditor's unique SEPA direct debit scheme identification number and
- The unique mandate reference number

#### **4. Dormancy**

If no direct debits are presented under a Mandate for a period of 36 months, it becomes "dormant" and the Creditor should request a new Mandate before making further direct debits. We will reject any direct debit which will take place under a Mandate which we can identify as dormant, without advice to you.

#### **5. Advance Notice to Debtor**

The Creditor should notify you of the Collections which will be made under the relevant Mandate before debiting your account. This notification may form part of another document from the Creditor such as a contract or invoice. The standard notification period is 14 calendar days before the Settlement Date, but this may be varied by agreement between you and the Creditor.

The Creditor may advise you from time to time when certain changes are made to your SEPA direct debit, for example where regular amounts or Settlement Dates change.

#### **6. Collections**

The Creditor will send us (as your bank) a request to make a debit from your account under a Mandate (known as a "Collection"). Unless you advise us otherwise, (see sections 3 & 4 above) we will, where able to do so, debit your account on the Settlement Date advised in the Collection (or the next Business Day if the Settlement Date is not a Business Day)

#### **7. Statement Entry**

We are obliged by the rules which govern the SEPA direct debit schemes, to provide certain details of the Collection to you when debiting your account. If you use internet banking, this information will be available via your internet banking service.

The details we must provide (or make available) are:

- The date of the debit to your account;
- The amount of debit in euro;
- The name of the Creditor;
- The Creditor identifier (CI);
- The unique mandate reference; and
- Certain remittance information sent by the Creditor;
- The identification code of the payment scheme;
- The Creditor's reference of the direct debit transaction.

<sup>1</sup> Except for Malta, "Business Day" means a day upon which we are open for business. For Malta, "Business Day" means Monday to Friday, except public and bank holidays.

<sup>2</sup> You may also wish to inform us about cancellation or amendment to direct debit instructions either by calling at any of our branches or via PBS/BTB, PIB, HSBCnet or Mobile Banking App.

## 8. Refusals – cancelling a payment

You are entitled to ask us to stop a SEPA direct debit payment before the Settlement Date. Any dispute regarding that “refusal” will need to be resolved by you directly with the relevant Creditor. Where you notify us in writing that you wish to stop a SEPA direct debit payment for any reason, we will not make that payment, provided that we receive the notice from you at least 1 Business Day prior to the Settlement Date.

The notice must contain such information as we reasonably require to enable us to identify the payment including:

- The number of your account to be debited; (IBAN)
- The name of the Creditor;
- The Creditor identifier (CI) and
- The unique mandate reference number.

For the Core scheme only, where the information provided does not allow us to fully identify the direct debit – we may need to process your instructions as a Refund after the Settlement Date.

Where we receive notice later than one Business Day before the Settlement Date, your request will be dealt with in accordance with the Requests for Refund process set out below.

## 9. Rejected Collections

We may reject a Collection from a Creditor in relation to your account at any time prior to the Settlement Date for any reason permissible under the rules governing the SEPA direct debit schemes, whether technical or otherwise.

Permissible reasons include that the data received is incomplete or that you have requested, before the Settlement Date, that we do not pay the Collection. When we will reject the Collection no entry will show on your account

## 10. Reversals and Cancellations

After the Creditor has sent you the notice that they propose to make a Collection from your account, they may “cancel or reverse” the Collection. This means that your account may not be debited. If your account is not debited when expected, please speak with the Creditor.

In exceptional circumstances where the Creditor reverses or cancels a Collection, your account may be credited up to 5 Inter-Bank business days<sup>3</sup> after the original debit.

## 11. Returns

If, for any reason permitted by the SEPA direct debit schemes rules, we decide not to pay a Collection within 5 Inter-Bank business days<sup>3</sup>, for the Core scheme or 2 Inter-Bank business days<sup>3</sup> for the B2B scheme after the Settlement Date, we will return the Collection and credit your account with the amount previously debited.

## 12. Requests for Refund – Core Scheme only

Should you wish to claim a refund for a SEPA direct debit payment after the payment has been made to the Creditor, you are entitled to claim a refund in the following two situations:

### (a) Authorised Payment Refunds:

Under the Core Scheme, you may claim a refund at any time up to 8 weeks after the Settlement Date<sup>4</sup>. In order to claim a refund, you must provide us with notice that must contain the following information:

- The date of the relevant debit to your account;
- The number of your account debited (IBAN)
- The amount which was debited;
- The name of the Creditor; and
- (if there is more than one debit on the same day from the same Creditor) the unique mandate reference

You are entitled to request a refund in this way after your account with us has been closed, provided we receive the notice from you within 8 weeks after the Settlement Date. In this case, you will need to agree with us for the delivery to you of any funds received under a refund.

### (b) Unauthorised Payment Refunds

If a SEPA direct debit payment has been debited from your account but was not authorised by you (for example, if the relevant Mandate with the Creditor had expired or had previously been cancelled), you are entitled to claim a refund without delay, and in any event no later than 13 months (one month for France) after the Settlement Date. You must provide such evidence and other information as we may require to prove that the SEPA direct debit payment in question was unauthorised.

Where we are required to do so, we will credit your account with the amount claimed, whilst the investigation takes place, reserving the right to re-debit the monies, should the relevant Creditor proves that the Collection was authorised.

We may, in our discretion, either accept your claim or notify you that the claim has been rejected. A notice of rejection will be given without delay, following any consultation with the Creditor’s bank (which may take up to 30 calendar days) and will contain any supporting evidence with which the Creditor’s bank has provided us.

Any disputes in relation to the outcome of a refund claim must be settled directly between you and the relevant Creditor.

You are entitled to request a refund in this way after your account with us has been closed, provided we receive the notice from you without delay, and in any event no later than 13 months (one month for France) after the debit of your account. In this case, you will need to agree with us for the delivery to you of any funds received under a refund.

<sup>3</sup> “Inter-Bank business day” means a days on which banks are usually open for business, being a day other than Saturday or Sunday and the closing days identified in the Trans-European Automated Real-time Gross settlement Express Transfer System (“TARGET”) long term calendar, published by the European Central Bank..

<sup>4</sup> No refund will be made if you have agreed with us for the particular payment to be made and, where appropriate, details of the payment are provided or made available to you by any means at least four weeks before the payment is made from your account.

### 13. Requests for Refund – B2B Scheme only

Under the B2B Scheme, you may be entitled to obtain a refund for wrongly executed, erroneous, or fraudulent payments. In this event, you are entitled to claim a refund without delay, and in any event no later than 13 months (one month for France) after the Settlement Date, providing such evidence and other information as we may require to prove that the SEPA B2B direct debit payment in question was wrongly executed, erroneous or fraudulent.

We may, in our discretion, either refund you the full amount of the relevant SEPA direct debit payment or notify you that the claim has been rejected. A notice of rejection will be given without delay, following any consultation with the Creditor's bank (which may take up to 20 Inter-bank business days) and will contain any supporting evidence with which the Creditor's bank has provided us.

Any disputes in relation to the outcome of a refund claim must be settled directly between you and the relevant Creditor.

You are entitled to request a refund in this way after your account with us has been closed, provided we receive the notice from you without delay, and in any event no later than 13 months (one month for France) after the Settlement Date. In this case, you will need to agree with us for the delivery to you of any funds received under a refund.

### 14. Our obligations

Our obligations and those of the Creditor's bank under the rules which govern the SEPA direct debit schemes are not subject to any claims or defences in the contractual or other arrangements which you may have in place with any Creditor.

[www.hsbcnet.com/sepa](http://www.hsbcnet.com/sepa)

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Registered in England - Number 14259w

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