

# Terms and Conditions for Direct Debit Payments under the SEPA Core Direct Debit Scheme

The present translation is furnished for the customer's convenience only. The original German text of the Terms and Conditions for Direct Debit Payments under the SEPA Core Direct Debit Scheme («Bedingungen für Zahlungen mittels Lastschrift im SEPA-Basislastschriftverfahren») is binding in all respects. In the event of any divergence between the English and the German texts, constructions, meanings or interpretations, the German text, constructions, meanings or interpretations shall govern exclusively.

The following terms and conditions shall apply to payments which the customer makes to payees (creditors) by SEPA core direct debit through his/her account held with the Bank.

## 1. General

### 1.1 Definition

A direct debit is a payment transaction initiated by the payee and charged to the customer's account where the amount of the payment is specified by the payee.

### 1.2 Charges

**1.2.1 Charges applicable to consumers** Charges for direct debit payments are set out in the »List of Prices and Services«.

Any changes in the charges shall be offered to the customer in text form no later than two months before their proposed date of entry into force. If the customer has agreed an electronic communication channel with the Bank within the framework of the business relationship, the amendments may also be offered through this channel. The amendments shall be deemed to have been approved by the customer, unless the customer has indicated disapproval before their proposed date of entry into force. The Bank shall expressly draw the customer's attention to this consequent approval in its offer. If the customer is offered amendments of charges, the customer may also terminate the business relationship free of charge with immediate effect before the proposed date of entry into force of the amendments. The Bank shall expressly draw the customer's attention to this right of termination in its offer.

**1.2.2 Charges for customers who are not consumers** Charges and amendments to charges for payments made by customers who are not consumers shall continue to be governed by the provisions stipulated in No. 12, paragraphs 2 to 6 of the Bank's General Business Conditions (Allgemeine Geschäftsbedingungen).

### 1.3 Out-of-court dispute resolution and other complaints procedures

Consumers may have any disputes with the Bank resolved by the German private banks' Ombudsman. Where disputes resulting from the scope of application of the law on payment services (Sections 675 c – 676 c of the German Civil Code) are involved, customers who are not consumers also may request their resolution by the German private banks' Ombudsman. Further details are contained in the »Rules of Procedure for the Settlement of Customer Complaints in the German Private Commercial Banking Sector«, which are available on request or can be downloaded from the Internet at [www.bankenverband.de](http://www.bankenverband.de). Complaints should be addressed in writing to the Customer Complaints Office at the Bundesverband deutscher Banken (Association of German Banks), Postfach 04 03 07, 10062 Berlin, Germany. In addition, the customer may make complaints at any time in writing or orally on the record of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn, Germany, and Lurgiallee 12, 60439, Frankfurt, Germany, about breaches by the Bank of the German Payment Services Supervision Act (ZAG – Zahlungsdienstleistungsaufsichtsgesetz), Sections 675c to 676c of the German Civil Code (BGB) or Article 248 of the Introductory Act to the German Civil Code (EGBGB – Einführungsgesetz zum Bürgerlichen Gesetzbuch).

## 2. SEPA core direct debit

### 2.1 General

**2.1.1 Main features of the SEPA core direct debit scheme** The SEPA core direct debit scheme enables the customer to effect payments in euros via the Bank to a payee within the Single Euro Payments Area (SEPA). The states and regions listed in the appendix are recognised to be part of the Single Euro Payments Area.

For payments to be effected by the SEPA core direct debit:

- the payee and his/her payment service provider must use the SEPA core direct debit scheme and
- the customer must issue the payee with a SEPA direct debit mandate before the payment transaction.

The payee initiates the respective payment transaction by submitting the direct debits to the Bank via his/ her payment service provider. If a payment which has been made on the basis of a SEPA core direct debit is authorised, the customer shall be entitled to claim a refund of the amount debited from his/her account within an 8-week period from the date on which the customer's account was debited.

**2.1.2 Unique identifiers** The customer must use the IBAN<sup>1</sup> notified to him and the BIC<sup>2</sup> of the Bank as his/her unique identifier vis-à-vis the payee, as the Bank is authorised to effect a payment by SEPA core direct debit solely on the basis of the unique identifier it has received. The Bank and the intermediary institutions involved will execute the payment to the payee on the basis of the IBAN and BIC provided in the direct debit collection dataset from the payee as his/her unique identifier.

**2.1.3 Transfer of direct debit information** Direct debit collection datasets resulting from SEPA core direct debits may be transferred from the payee's payment service provider to the Bank via the messaging system operated by the Society for Worldwide Interbank Financial Telecommunication (SWIFT), which is based in Belgium and has data centres in the European Union, Switzerland and the US.

### 2.2 SEPA direct debit mandate

**2.2.1 Issuing a SEPA direct debit mandate** The customer shall issue a SEPA direct debit mandate to the payee. He thereby authorises his/her Bank to pay the SEPA core direct debit drawn by the payee. The mandate must be issued in writing or in the manner previously agreed with the Bank. The following customer declarations must be included in the SEPA direct debit mandate:

- authorisation of the payee to collect payments from the customer's account by SEPA core direct debit, and
- instructions to the Bank to pay SEPA core direct debits drawn on his/her account by the payee.

The SEPA direct debit mandate must include the following information (authorisation data):

- payee name and address,
- creditor identifier,
- identification of one-off payment or recurring payments,
- customer name,
- name of customer's bank, and
- customer's unique identifier (see No. 2.1.2).

The direct debit mandate may include further information in addition to the authorisation data.

**2.2.2 Revocation of a SEPA direct debit mandate** The SEPA direct debit mandate may be revoked by the customer by means of a declaration to this effect. The revocation shall take effect on the business day, as stated in the »List of Prices and Services« («Preis- und Leistungsverzeichnis»), following the day of receipt of the revocation. The revocation should preferably be stated in writing and sent to the branch where the account is held. It should, in addition, be given to the payee.

**2.2.3 Rejection of individual SEPA core direct debits** The customer may issue the Bank with a separate instruction not to effect specific SEPA core

Explanatory footnotes

1 IBAN - International Bank Account Number

2 BIC - Bank Identifier Code

direct debits. This instruction must be received by the Bank no later than the end of the business day, as stated in the »List of Prices and Services« (»Preis- und Leistungsverzeichnis«), before the due date specified in the direct debit collection dataset. This instruction should preferably be made in writing and preferably be sent to the branch where the account is held. It should, in addition, be given to the payee.

### 2.3 Collection of a SEPA core direct debit by the payee under the SEPA direct debit mandate

(1) The SEPA direct debit mandate issued by the customer shall remain with the payee. The payee shall enter the authorisation data and any additional information into the dataset that is required for the collection of SEPA core direct debits. The respective debit amount charged shall be specified by the payee.

The payee shall transfer the dataset required for the collection of SEPA core direct debits electronically to the Bank (acting as paying agent) via his/her payment service provider. This dataset shall also represent the customer instruction to the Bank, included in the SEPA direct debit mandate, to pay the respective SEPA core direct debit (see No. 2.2.1 sentences 2 and 4). For receiving this instruction, the Bank shall waive the form agreed on for issuing the SEPA direct debit mandate (see No. 2.2.1 sentence 3).

### 2.4 Payment transactions based on SEPA core direct debit

#### 2.4.1 Debiting the customer's account with the direct debit amount

(1) Incoming SEPA core direct debits from the payee shall be debited from the customer's account on the due date specified in the dataset with the direct debit amount that the payee has specified. If the due date does not fall on a business day, as described in the »List of Prices and Services«, the account shall be debited on the following business day.

(2) The customer's account shall not be debited or the transaction shall be cancelled no later than the second business day following its activation (see No. 2.4.2) if:

- the Bank has received a revocation notice of the SEPA direct debit mandate as described in No. 2.2.2,
- the Bank has received notification from the customer that the request is being rejected as described in No. 2.2.3,
- the customer has insufficient funds in his/her account or does not have sufficient credit to cover the amount to be debited; the Bank shall not make partial payments,
- the payer's IBAN specified in the direct debit collection dataset does not correspond to any account held by the customer with the Bank, or
- the direct debit cannot be executed by the Bank because the following information is incomplete in the direct debit collection dataset:
  - a creditor identifier is missing or it is evidently inaccurate to the Bank,
  - a unique mandate reference is missing,
  - an issue date for the mandate is missing, or
  - no due date has been specified.

**2.4.2 Payment of SEPA core direct debits** SEPA core direct debits are paid if the debit entry on the customer's account is not cancelled later than the second business day (as per the »List of Prices and Services«) after the entry was made .

**2.4.3 Notification of non-execution or cancellation of debit entry or payment rejection** The Bank shall inform the customer without undue delay and no later than by the deadline agreed as per No. 2.4.4 if the debit has not been executed or has been cancelled (see No. 2.4.1 paragraph 2) or if SEPA core direct debit payment has been refused (see No. 2.4.2). This information may also be conveyed via the communication channels agreed for providing account information. In doing so, the Bank shall specify, as far as possible, the reasons that led to non-execution, cancellation or refusal of the payment and provide options to rectify the problem.

For informing the customer about a legitimate refusal, the Bank may levy the charge set out in the »List of Prices and Services«.

#### 2.4.4 Execution of payment

(1) The Bank shall be obliged to ensure that the debit amount charged by it to the customer's account on the basis of the SEPA core direct debit initiated by the payee is received by the payee's payment service provider within the execution timeframe specified in the »List of Prices and Services«.

(2) The execution timeframe shall begin on the due date specified in the direct debit collection dataset. If this date does not fall on a business day, as specified in the Bank's »List of Prices and Services«, the execution timeframe shall begin on the following business day.

(3) The Bank shall notify the customer of the execution of the payment via the communication channels agreed for providing account information and at the frequency agreed.

### 2.5 Customer refund claims for authorised payments

(1) In the case of authorised payments relating to a SEPA core direct debit, the customer shall be entitled to claim a refund of the amount debited within a period of eight weeks from the date his/her account held with the Bank was debited, without giving reasons. Any payment claims from the payee against the customer shall not be affected by this.

(2) The refund claim detailed in paragraph 1 shall be precluded as soon as the respective debit amount has been authorised by customer approval given directly to the Bank.

(3) The customer's entitlement to a refund for authorised payments that were not executed or were executed incorrectly shall be determined by No. 2.6.2.

### 2.6 Customer refund claims and claims for damages

**2.6.1 Refund of an unauthorised payment** In the event of an unauthorised payment, the Bank shall have no right to claim a refund of its expenses from the customer. The Bank shall refund the customer the debit amount that has been charged to his/ her account without undue delay. This will then return the account to its original balance before a charge was incurred by the unauthorised payment.

#### 2.6.2 Refund of an authorised payment that has not been executed or has been executed incorrectly

(1) If an authorised payment is not executed or is executed incorrectly, the customer may request the Bank to refund the debit amount charged in full without undue delay insofar as the payment was not executed or executed incorrectly. The Bank will thereby return the account to its original balance before the incorrect payment transaction occurred.

(2) In addition to the claim detailed in paragraph 1, the customer shall be entitled to demand a refund from the Bank of any charges or interest that the Bank has charged or which the Bank has debited from the customer's account in connection with a payment that has not been executed or has been executed incorrectly.

(3) Should a payment be executed incorrectly because the payment amount was not received by the payee's payment service provider until after the payment execution deadline (i.e. late) as described in No. 2.4.4, the claims detailed in paragraphs 1 and 2 shall be precluded. If the customer has suffered damages due to the late execution of the transaction, the Bank shall be liable as described in No. 2.6.3, and where customers who are not consumers are involved, the Bank shall be liable as described in No. 2.6.4.

(4) If a payment transaction has not been executed or has been executed incorrectly, the Bank shall, at the request of the customer, track the transaction and inform the customer of the outcome.

#### 2.6.3 Compensation

(1) Should an authorised payment not be executed or be executed incorrectly or in the event of an unauthorised payment, the customer shall be entitled to claim compensation from the Bank for losses not already covered in No. 2.6.1 and 2.6.2. This shall not apply if the Bank is not responsible for breach of duty. The Bank shall be liable in this case for any fault on the part of an intermediary as if it were the Bank's own fault. In the event that the customer has contributed to the occurrence of the loss by any own fault, the principles of contributory negligence shall determine the extent to which the Bank and the customer shall have to bear the loss.

(2) Liability under paragraph 1 shall be limited to 12,500 euros. This liability limit shall not apply:

- to unauthorised payments,
- in the event of intent or gross negligence on the part of the Bank,
- in respect of risks the Bank has specifically taken on, and
- to interest losses arising for the customer, if the customer is a consumer.

**2.6.4 Claims for damages from customers who are not consumers for authorised payments that have not been executed or have been executed incorrectly, or unauthorised payments** Derogating from the refund claims described in No. 2.6.2 and the claims for damages described in No. 2.6.3, customers who are not consumers may only claim for damages, alongside any claims for restitution under Sections 667 and 812 ff. of the German Civil Code, in accordance with the following provisions:

In the event of an authorised payment that has not been executed or has been executed incorrectly, or an unauthorised payment, a customer who is not a consumer shall be entitled to claim compensation from the Bank for the damages arising from this. This shall not apply if the Bank is not responsible for breach of duty. In the event that the customer has contributed to the occurrence of the loss by any own fault, the principles of contributory negligence shall determine the extent to which the Bank and the customer shall have to bear the loss.

A customer claim for damage shall be limited to the direct debit amount plus the charges and interest charged by the Bank. If this relates to the enforcement of consequential damages, the claim shall be limited to a maximum of 12,500 euros in respect of each payment. This limitation of liability shall not apply in the event of intent or gross negligence on the part of the Bank and to risks the Bank has specifically taken on.

**2.6.5 Preclusion of liability and objection**

(1) Liability on the part of the Bank under No. 2.6.2 to 2.6.4 shall be precluded:

- if the Bank proves to the customer that the payment amount was received by the payee's payment service provider on time and in full,

or

- if the payment was executed in accordance with the incorrect unique identifier of the payee specified by the payee. In this case, however, the customer may request that the Bank makes every possible effort to recover the payment amount. The Bank shall levy the charge specified in the Bank's »List of Prices and Services« for the recovery of this payment.

(2) Claims by the customer under No. 2.6.1 to 2.6.4 and any objections by the customer against the Bank as a result of non-execution or incorrect execution of payments or as a result of unauthorised payments shall be precluded if the customer fails to duly inform the Bank within a period of 13 months at the latest after being debited for an unauthorised or incorrectly executed payment. This period shall start to run only once the Bank has informed the customer about the debit entry for the payment through the agreed account information channel no later than one month after the debit entry was made; otherwise the date on which the customer is informed shall determine when the period commences.

Customers may claim for damages under No. 2.6.3 also after the period specified in clause 1 has lapsed if, through no fault of their own, they were prevented from meeting the deadline.

(3) Any claims by the customer shall be precluded if the circumstances substantiating a claim

- are based upon an exceptional and unforeseeable event on which the Bank has no influence and whose consequences could not have been avoided even by exercising due diligence or
- were brought about by the Bank as a result of a legal obligation.

## Appendix: List of states and regions belonging to SEPA

### States from the European Economic Area (EEA)

**Members of the European Union:** Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom of Great Britain and Northern Ireland.

**Other states:** Iceland, Liechtenstein, Norway.

### Other states and regions

Mayotte, Monaco, Switzerland, Saint-Pierre and Miquelon.

