

COMMERCIAL BANKING

---



SEPA DIRECT DEBIT –  
CREDITOR SERVICES

---

Product & Services Terms & Conditions



LLOYDS BANK



# Contents

---

Important Information	1
1. Definitions	3
2. Purpose of these Product & Services Terms & Conditions	5
3. The Service	5
4. Your Undertakings	6
5. Transmission of Direct Debit Instructions	8
6. Refunds	8
7. Rejects and returns	10
8. Cancellation of SEPA Direct Debit Mandates	10
9. Processing	11
10. Secure access to the SEPA Direct Debit Service for Creditors	11
11. Liability	12
12. Charges	14
13. Communications and electronic records	14
14. Contact details	14
15. Termination	14

---

## Core Banking Agreement

(“**The Agreement**”) contains terms, conditions and important information that apply to certain of our products and services.

Those products and services can be identified as they state in the header Core Banking Agreement.

# Important Information

The following documents detail both your and our rights and obligations in relation to the **Products**.



## RELATIONSHIP TERMS & CONDITIONS

These contain the general relationship terms and conditions for all **Products** under **The Agreement**;



## PRODUCT & SERVICES TERMS & CONDITIONS

These contain additional terms and conditions for a specific **Product** provided under **The Agreement**; and



## GENERAL INFORMATION ON PAYMENTS, CHARGES & CONTACTS

This contains the general information you will need to know in respect of payments and standard charges under **The Agreement**. Also included are general contact details and information on large print, Braille and call recording.

## You need to read

Product & Services Terms & Conditions, relating to a **Product** that we agree to provide to you alongside the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts.

You can find a copy of each of these at [lloydsbank.com/corebankingagreement](https://lloydsbank.com/corebankingagreement) or request a copy from your relationship team.





# 1. Definitions

- 1.1 Words and expressions as defined in the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts have the same meaning in these Product & Services Terms & Conditions unless otherwise stated in these Product & Services Terms & Conditions. We also use the following defined terms throughout these Product & Services Terms & Conditions.

## Account

means any and each sterling account or non-sterling currency account held by you with us in relation to which you have issued a **SEPA Direct Debit Mandate**.

## B2B Scheme

means the SEPA Business to Business Direct Debit Scheme as made binding between you and us by virtue of these Product & Services Terms & Conditions.

## B2B Scheme Rulebook

means the SEPA business to business scheme rulebook as amended from time to time by the European Payments Council.

## B2B Scheme Rules

means the rights and obligations set out in the **B2B Scheme Rulebook**.

## Collection

means a payment transaction initiated by you under which an amount is to be collected from the **Debtor's Account** for your benefit in accordance with the **Core Scheme Rules** or the **B2B Scheme Rules** (as applicable).

## Core Scheme

means the SEPA core direct debit scheme including any optional scheme features as made binding between you and us by virtue of these Product & Services Terms & Conditions.

## Core Scheme Rulebook

means the SEPA core direct debit scheme rulebook as amended from time to time by the European Payments Council.

## Core Scheme Rules

means the rights and obligations set out in the **Core Scheme Rulebook**.

## Creditor

has the meaning given to it in each of the **Rulebooks**.

## Creditor Identifier

means the **Creditor** identification code required to be included in each **SEPA Direct Debit Mandate** under the **Core Scheme Rules** and the **B2B Scheme Rules**.

## Debtor

means the holder of the account to be debited to whom you issue the **SEPA Direct Debit Mandate** to initiate **Collections**.

## Debtor's Account

means any account which is to be debited that is held by a **Debtor** at a bank which participates in either the **Core Scheme** or the **B2B Scheme** and referred to in a **SEPA Direct Debit Mandate**.

## Digital Identification Service

has the meaning given to it in the **PKI Customer Agreement**.

## Direct Debit Instruction

has the meaning given to that expression in clause 3.1 below.

## PKI Customer Agreement

means an agreement between you and us relating to the access and use by you of the **Digital Identification Service**, a copy of which can be found at **lloydsbank/pki-agreement**, or such other address as we may specify from time to time.

## Rulebook

means the **Core Scheme Rulebook** and/or the **B2B Scheme Rulebook**, as applicable.

## Service

means our SEPA direct debit services to you as a **Creditor** in respect of any **Collection** as set out in these Product & Services Terms & Conditions.



# account

means any and each sterling account or non-sterling currency account held by you with us in relation to which you have issued a SEPA Direct Debit Mandate



### SEPA Direct Debit Mandate

means the written expression of consent and authorisation given by the **Debtor** to you to allow you to initiate **Collections** for debiting the specified **Debtor's Account** (in respect of which instruction you transmit **Direct Debit Instruction(s)** in accordance with these Product & Services Terms & Conditions).

### SEPA Direct Debit Mandate Information

means, in respect of each **SEPA Direct Debit Mandate**, the mandatory set of information which the **Rulebook** requires you as a **Creditor** to provide to us as creditor bank under the **Rulebook's** Business Requirements for Datasets.

### User Guide

means the guidelines that we provide from time to time in connection with the **Service**, including guidance in hard copy form (for example, in a user manual or by letter); spoken guidelines (through any technical helpdesk we or a third party may operate); guidance through any online help service available as part of the **Service**; and any updates of any of the above items.

### User Instruction

means an instruction, authorisation or request (payment or otherwise) given to us through the **Service** by a user on your behalf. Your consent for a transaction can be provided as follows:

- by providing your account details to us and requesting a transfer of monies or for an automated payment to be made from your **Account**;
- by entering your PIN or providing any other security code;
- by submitting a payment request via an electronic channel which requires PKI smartcard approval, and consent to the transaction will be provided at the time that the actions set out above are taken.

service



In the event that the provisions of these Product & Services Terms & Conditions are inconsistent or conflict with either or both of the Rulebooks, the provisions of the Rulebook(s) will prevail.





## 2. Purpose of these Products & Services Terms & Conditions

- 2.1 You must have an **Account** with us to enable you to benefit from the provision of the services to be provided by us under these Product & Services Terms & Conditions.
- 2.2 In the event of any conflict between (1) these Product & Services Terms & Conditions and/or the **Rulebooks** and (2) Relationship Terms & Conditions, these Product & Services Terms & Conditions and/or the **Rulebooks** shall prevail.
- 2.3 Each of our services and products have separate terms and conditions applying to them (including in the form of other Product & Services Terms & Conditions). These Product & Services Terms and Conditions apply to the **Services** only.
- 2.4 Subject to clause 2.5 and clause 2.6, if separate terms and conditions (including in the form of other Product & Services Terms & Conditions) are provided to you by us for the supply by us of any of our other services or products, (either electronic, automated or other), the provisions of any such separate agreements will apply to those products and services.
- 2.5 To the extent of any conflict between these Product & Services Terms & Conditions and any other separate terms and conditions relating to the supply of the **Services** you receive from us, these Product & Services Terms & Conditions will take precedence.
- 2.6 To the extent of any conflict between these Product & Services Terms & Conditions and any other separate terms and conditions relating to the supply by us of any of our other products and services (either electronic, automated or other), the terms and conditions relating to such other products and services will take precedence in respect of the provision by us to you of those products and services.

## 3. The Service

- 3.1 You request and authorise us to rely upon and act on any instruction for the **Collection** of direct debits from **Debtors** (each a “**Direct Debit Instruction**”) and to take steps in connection with or in reliance on these instructions as we may consider appropriate.
- 3.2 In the event that the provisions of these Product & Services Terms & Conditions are inconsistent or conflict with either or both of the **Rulebooks**, the provisions of the **Rulebook(s)** will prevail.

## 4. Your Undertakings

- 4.1 You undertake to us:
- 4.1.1 to comply with the **Core Scheme Rules** or the **B2B Scheme Rules** (as applicable) relating to **Creditors**;
  - 4.1.2 to comply with the terms of **SEPA Direct Debit Mandates** agreed with your **Debtors**;
  - 4.1.3 to use a form of **SEPA Direct Debit Mandate** which complies with the **Rulebook** and to ensure that each **SEPA Direct Debit Mandate** document contains the mandatory legal wording and mandatory information required under the **Core Scheme Rules** or the **B2B Scheme Rules** (as applicable);
  - 4.1.4 to pre-notify each **Debtor** of the amount and due date of the **Collection** of its debt in accordance with the terms of the relevant **SEPA Direct Debit Mandate**;
  - 4.1.5 to initiate **Collections** with us in accordance with the timeframe and other technical requirements set out in these Product & Services Terms & Conditions and the relevant **Rulebook**;
  - 4.1.6 to obtain and use a **Creditor Identifier** when effecting **Direct Debits** under these Product & Services Terms & Conditions;
  - 4.1.7 that upon obtaining each **SEPA Direct Debit Mandate**, you will verify that each **SEPA Direct Debit Mandate** is correctly and fully completed, duly authorised, within the **Debtor's** capacity and unconditional;
  - 4.1.8 to collect, process and dematerialise, and store data relating to **SEPA Direct Debit Mandates** in accordance with the requirements of the relevant **Rulebook**;
  - 4.1.9 after cancellation of a **SEPA Direct Debit Mandate**, to store the **SEPA Direct Debit Mandate** according to the applicable national legal requirements and, in respect of a **SEPA Direct Debit Mandate** under the **Core Scheme**, for as long as may be required for a **Debtor** to obtain a refund for an unauthorised transaction under the **Core Scheme Rulebook**;
  - 4.1.10 that within one **Business Day** of request by us, you shall provide us with information relating to a specific **SEPA Direct Debit Mandate** and any **Collections** made pursuant to the **Service** and a copy of the relevant **SEPA Direct Debit Mandate** in such form as we may request;
  - 4.1.11 that you are responsible and liable for the amendment of the **SEPA Direct Debit Mandate** characteristics should one or more of these characteristics change during the lifetime of the **SEPA Direct Debit Mandate**;
  - 4.1.12 at our request, to complete any forms and provide all information that, in our reasonable opinion, are necessary for us to provide or you to receive the **Service**;
  - 4.1.13 to comply with any **User Guides** to the extent applicable to you as a **Creditor** under the **Core Scheme** or the **B2B Scheme** and to the extent that they apply to the technical functionality which we may offer from time to time in the provision of the **Service**; and
  - 4.1.14 that you will not send to us any **Direct Debit Instructions** on the basis of any **SEPA Direct Debit Mandate** in respect of which you have not complied with your obligations under sub-paragraphs (4.1.1) – (4.1.14) of this clause 4.
- 4.2 Once you obtain a **SEPA Direct Debit Mandate**, you shall immediately inform the **Debtor** of the **Debtor's** rights and obligations under the relevant **Rulebook**, namely that:
- 4.2.1 it is free to accept or reject **Collections**;
  - 4.2.2 it can set limits on the validity period of the **SEPA Direct Debit Mandate** and the maximum collection amount allowed;
  - 4.2.3 it may at any time cancel the **SEPA Direct Debit Mandate** at its bank;
  - 4.2.4 it may agree with you as to the advance notice to be given of the debit amounts and the dates from which they will be debited, so as to have sufficient funds deposited in its account on the date on which a debit is due to be effected;
  - 4.2.5 it must have sufficient funds in the relevant **Debtor's Account** on the date on which a debit is due to be effected;
  - 4.2.6 (in respect of **Debtors** under the **Core Scheme**) it is entitled to a refund for any direct debit made under the **SEPA Direct Debit Mandate** within eight weeks from the date on which the amount of the direct debit was due to be debited from its account;
  - 4.2.7 (in respect of **Debtors** under the **Core Scheme**) if a refund is requested in respect of an unauthorised transaction, it must present its claim to its bank within 13 months of the debit date; and
  - 4.2.8 (in respect of **Debtors** under the **B2B Scheme**) it must check all elements comprising the **SEPA Direct Debit Mandate**.

- 4.3 You shall dematerialise any amended **SEPA Direct Debit Mandate**, archive the document, and send the information on the amended **SEPA Direct Debit Mandate** to us as part of the next **Collection** if the changes are of any concern to us. The amendments which would be of concern include (but are not limited to):
- 4.3.1 Your need to change the unique **SEPA Direct Debit Mandate** reference because of internal organisational changes;
  - 4.3.2 Your identity has changed, for example, due to merger, acquisition or organisational changes;
  - 4.3.3 You have changed your name; or
  - 4.3.4 the **Debtor** decides to use another account at another bank or at the same bank.
- 4.4 You shall be responsible and liable for any amendment you make to the **SEPA Direct Debit Mandate** characteristics should one or more of these characteristics change during the lifetime of the **SEPA Direct Debit Mandate**.
- 4.5 If your identity changes (for example, because of merger or acquisition), you shall ensure that your successor informs the **Debtor** of the related **SEPA Direct Debit Mandate** amendments.
- 4.6 You must issue a **Direct Debit** respecting the time-cycle of the first **Direct Debit**, when the cause of the amendment is that the **Debtor** decides to use another account in another bank.
- 4.7 If we issue any guidance applicable to you issued under the relevant **Rulebook**, or if we issue any guidance to you related to risk mitigation, such guidance will be binding on you.
- 4.8 You may only initiate **Collections** after receiving the signed **SEPA Direct Debit Mandate** from the **Debtor**.
- 4.9 You shall initiate **Collections** in accordance with the timing requirements set out in the relevant **Rulebook**, including:
- 4.9.1 sending a pre-notification to the **Debtor** at the latest 14 calendar days before the due date of the **Collection** (unless otherwise agreed between you and the **Debtor**); and
  - 4.9.2 sending the **Collection** to us after the pre-notification is sent to the **Debtor**, but not earlier than 14 calendar days before the due date of the **Collection** (unless otherwise agreed between you and us); and
- 4.9.3 if, for any reason, you submit to us a **Collection** too late to allow us to comply with the timescales required by the relevant **Rulebook**, you:
- 4.9.3.1 agree that the due date of that **Collection** will be automatically replaced by the earliest possible date thereafter; and
  - 4.9.3.2 confirm that you have explained this to the **Debtor** and have agreed this change to the due date with the **Debtor** in accordance with the requirements of clause 4.2.4 above.
- 4.10 You confirm that you have read and understood the **Rulebook(s)** applicable to you as a **Creditor** under one or both of the **Core Scheme** and/or the **B2B Scheme**.

## IMPORTANT



If your identity changes (for example, because of merger or acquisition), you shall ensure that your successor informs the Debtor of the related SEPA Direct Debit Mandate amendments

## 5. Transmission of Direct Debit Instructions

- 5.1 When you transmit any **Direct Debit Instruction** to us, you shall provide us with the **SEPA Direct Debit Mandate Information**.
- 5.2 You will only transmit to us **Direct Debit Instructions** which:
  - 5.2.1 are based on a bank account held at a bank which is a participant in the **Core Scheme** or **B2B Scheme** (as applicable), of which the **Debtor** expressly declares itself to be holder, and has the necessary power and capacity to operate; and
  - 5.2.2 do not aggregate various **Collections** in the same **SEPA Direct Debit Mandate**, unless the **Debtor** has expressly consented to aggregation.

## 6. Refunds

- 6.1 In respect of **Collections** presented under the **Core Scheme**, you shall comply with the requirements applicable to **Creditors** in the **Core Scheme Rulebook** relating to refunds. you must contact the **Debtor** to handle the claim.
- 6.2 If we forward to you a request for a refund in respect of an unauthorised transaction received from a **Debtor's** bank in accordance with the **Core Scheme Rules**, you shall investigate the request and take one of the following actions:
  - 6.2.1 accept the refund claim; or
  - 6.2.2 dispute the claim – in which case a copy of the **SEPA Direct Debit Mandate** must be provided to us if this has been requested by the **Debtor's** bank.
- 6.3 If you dispute a refund claim you shall provide us with sufficient information to enable us to provide information to the **Debtor's** bank as set out in the **Core Scheme Rules**.
- 6.4 In respect of any refund claim under the **Payment Services Regulations**, you shall provide us with sufficient information and any other assistance to enable us to discharge our obligations under those Regulations.
- 6.5 If we are obliged to refund the **Debtor's Account** any amount debited by us pursuant to the **Service** (for example, for a reason relating to compliance with the **Rulebooks** or an incorrect or unauthorised **Direct Debit Instruction** provided to us by you) we shall refund the **Debtor's Account** accordingly and you will pay us on demand and we may without prior notice debit your **Account(s)** with us for an amount equal to the refunded amount together with any related interest, all third-party charges we may incur in connection with such refund, any clearing charges and reasonable costs.





# REFUNDS

In respect of Collections presented under the Core Scheme, you shall comply with the requirements applicable to Creditors in the Core Scheme Rulebook relating to refunds. you must contact the Debtor to handle the claim



## 7. Rejects and returns

- 7.1 You shall effect all rejects and returns in relation to your **Collections** presented through us in accordance with the relevant **Rulebook**.
- 7.2 If we are required to:
  - 7.2.1 return to the **Debtor's Account** any amount debited by us pursuant to the SEPA Creditor Direct Debit service; or
  - 7.2.2 indemnify any **Debtor** for any damage suffered owing to incorrect debits, we shall credit the **Debtor's Account** accordingly and you will pay us on demand and we may without prior notice debit your account(s) with us for an amount equal to the returned or indemnified amount together with any related interest, all third-party charges we may incur in connection with such payment, any clearing charges and reasonable costs.

## 8. Cancellation of SEPA Direct Debit Mandates

- 8.1 You will notify us of the cancellation of any **SEPA Direct Debit Mandate** immediately upon such cancellation, and you will not transmit any **Direct Debit Instructions** to us based on a cancelled **SEPA Direct Debit Mandate**.
- 8.2 If you do not present a **Collection** under a **SEPA Direct Debit Mandate** for a period of 36 months (starting from the date of the latest **Collection** presented even if rejected, returned or refunded), you shall cancel the **SEPA Direct Debit Mandate** and will no longer initiate **Collections** based on this cancelled **SEPA Direct Debit Mandate**. If there is a further requirement for a **Direct Debit**, you shall establish a new **SEPA Direct Debit Mandate**.



We accept no liability for the processing by any clearing and settlement mechanism of Direct Debit Instructions we submit to it based on your Direct Debit Instructions.



## 9. Processing

- 9.1 We accept no liability for the processing by any clearing and settlement mechanism of **Direct Debit Instructions** we submit to it based on your **Direct Debit Instructions**.
- 9.2 We may refuse to process any **Direct Debit Instructions** or effect any **Collection**, with immediate effect and without prior notice, where any such **Direct Debit Instructions** are not transmitted to us in accordance with these Product & Services Terms & Conditions, where we reasonably believe that such action might be a violation of any applicable regulations, or where the corresponding **SEPA Direct Debit Mandate** has been requested by us but has not been delivered to us within the agreed deadline under clause 4.1.10 above.
- 9.3 If any clearing and settlement mechanism refuses to process any **Direct Debit Instructions** for any reason, and we have credited your **Account**, then we may, without prior notice, reverse the credit entry together with related interest and costs, including any third party charges.

## 10. Secure access to the SEPA Direct Debit Service for Creditors

- 10.1 The **PKI Customer Agreement** sets out the conditions by which you may issue **User Instructions** using the **Digital Identification Service**. Users must also qualify and be appointed as “Authorised Users” for the purposes of the **PKI Customer Agreement**. The **PKI Customer Agreement** outlines important provisions concerning the Security Procedures and Security Information (as defined in the **PKI Customer Agreement**). To ensure that the **SEPA Direct Debit Service for Creditors** is not accessible by unauthorised persons, it is essential that the Security Procedures set out in the **PKI Customer Agreement** are complied with at all times. You must comply, and must ensure that all your users comply, with the **PKI Customer Agreement** and **The Agreement**.



## 11. Liability

- 11.1 You are fully and solely liable for the gathering, maintenance, validity, existence and activation of **SEPA Direct Debit Mandates**, and for their conformity with the **Debtor's** identity details and bank details. You will immediately clarify any doubts which we may have regarding the bank details pertaining to any **SEPA Direct Debit Mandate**, and you will immediately contact us in order to clarify any doubts you may have in that connection, and you will not use the **SEPA Direct Debit Mandate** until such doubts have been fully cleared.
- 11.2 You are also solely liable (i) for the completeness of the information detailed in files sent to us, and for conformity with the agreements entered into with **Debtors** and with these Product & Services Terms & Conditions, and (ii) for the **Direct Debit Instructions** contained in those files. We are not liable for revising the information contained in files which we receive.
- 11.3 We shall not be liable for any rejection of **Direct Debit Instructions** by any clearing and settlement mechanism or any bank at which a **Debtor Account** is held.
- 11.4 We shall not be liable for the origin and destination of funds, nor for the content of **Direct Debit Instructions** transmitted by you, and you shall have sole liability for the same.
- 11.5 We shall have no liability to you under these Product & Services Terms & Conditions or in our provision of the SEPA Creditor Direct Debit Service other than for direct losses to you, and then only if caused by our negligence or deliberate default. We will not be liable for indirect or consequential loss.
- 11.6 You agree to indemnify us from and against any and all losses, liabilities, demands, fees, charges, costs and expenses (including without limitation, legal fees and allocated costs for in-house legal services) ("Damages") incurred or sustained by us whether as a result of any actions, proceedings, claims or otherwise arising out of or in connection with:
- 11.6.1 these Product & Services Terms & Conditions;
- 11.6.2 Your failure to comply with the undertakings set out in clause 4.1 above;
- 11.6.3 any **Direct Debit Instructions** and/or our acting or relying on any **Direct Debit Instructions**; or
- 11.6.4 any amounts which are paid or returned to any **Debtor** or any other third parties in respect of reimbursement of amounts debited, including any indemnity payment we are required to make to a **Debtor's** bank under the applicable **Rulebook**, except in the event such Damages are directly caused by our negligence or deliberate default. This indemnity shall survive termination of these Product & Services Terms & Conditions.
- 11.7 Nothing in these Product & Services Terms & Conditions limits or excludes our liability in any way under the sections titled "Refunds for incorrectly executed payment instructions", "Refunds for incorrect payment amounts/sums" and "Refunds for unauthorised transactions" in the Relationship Terms & Conditions. Any limitation on your liability under the section titled "Your responsibility for unauthorised transactions" in the Relationship Terms & Conditions will not be affected or prejudiced by any term of these Product & Services Terms & Conditions.



# LIABILITY

Nothing in these Product & Services Terms & Conditions limits or excludes our liability in any way under the sections titled “Refunds for incorrectly executed payment instructions”, “Refunds for incorrect payment amounts/sums” and “Refunds for unauthorised transactions” in the Relationship Terms & Conditions. Any limitation on your liability under the section titled “Your responsibility for unauthorised transactions” in the Relationship Terms & Conditions will not be affected or prejudiced by any term of these Product & Services Terms & Conditions

## 12. Charges

12.1 We will charge you fees for the **Service**. Charges are set out in the Charges Schedule to these Product & Services Terms & Conditions.

## 13. Communications and electronic records

13.1 Records and audit logs maintained by us in relation to the **Service**, any **Collection, Mandate** or **Direct Debit Instruction** shall be deemed to be accurate until the contrary is proved, and the burden of proof that they are inaccurate shall lie with you.

## 14. Contact details

14.1 You can contact us:



---

by emailing the Lloyds Bank  
SEPA Direct Debit Helpdesk  
**GRPSEPADD@lloydsbank.co.uk**

14.2 We will update you in writing of any changes to contact details and/or procedure or by such other contact methods as we may from time to time advise you

14.3 Further contact details are set out within General Information on Payments, Charges and Contacts.

## 15. Termination

15.1 Notwithstanding any termination, we may (i) continue to process annulments which are validly communicated by **Debtors**, pertaining to debit instructions carried out; and (ii) debit your account with us for, and you will pay to us on demand, and without undue delay, any sums required to be returned or paid to any **Debtor** (directly or via another deposit bank). This clause 15.1 shall survive termination of these Product & Services Terms & Conditions.

15.2 If you discontinue the use of the **Service** or these Product & Services Terms & Conditions are terminated under this clause 15, we reserve the right to call for cash collateral in respect of any outstanding refund, return or reject liability we may have under the **Core Scheme Rules**, the **B2B Scheme Rules** or the **Payment Services Regulations**.







**LLOYDS BANK**

CBALB030 (01/18)