

pay **your** way

Has your payment bounced?

Helping customers manage their
payments to avoid fees caused by
bounced payments



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Introduction

If you have standing orders, Direct Debits or future-dated payments going out of your account you can potentially benefit from a 'retry' process that was introduced across the banking industry in September 2014.

Standing orders, Direct Debits and future-dated payments are collectively known as 'pre-notified payments'. The introduction of the retry process means that when one of these types of payment fails because of insufficient funds in your account, you have until 2pm – as a minimum – to pay

cleared funds into that account to cover the payment when it is subsequently 'retried' by your bank or building society later that same day.

Introduction of the retry process is the result of a collaborative banking industry initiative, brought about in

response to customer-demand. It builds on an agreement reached in June 2013 between the Financial Conduct Authority (FCA) and seven of the UK's biggest high street banks for them to use a same-day retry system.

The retry process

Early hours of the morning:
payment fails due to insufficient money in the customer's account

Before bank/building society cut-off time:
customer pays in cleared funds

Post cut-off time:
payment retried by bank/building society

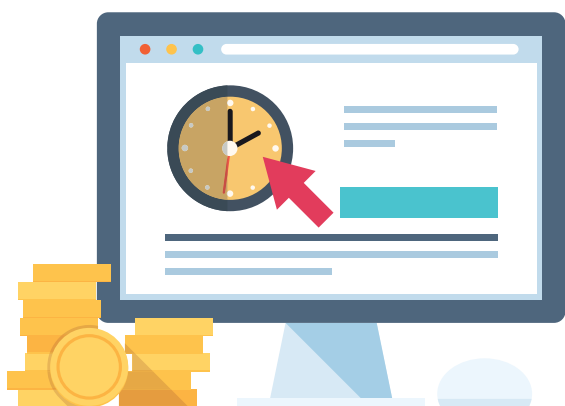
Payment successful



Key facts

Avoid charges and fees

You have until 2pm that day – as a minimum – to pay cleared funds into your account to meet a failed payment before it is subsequently ‘retried’ later the same day. By doing this you will avoid late payment charges or unpaid item fees that you may otherwise incur. Previously, a ‘bounced’ payment would not have been retried and it is likely that you would have incurred a late payment charge or unpaid item fee, as well as the possible loss of service or non-delivery of goods as a result of a payment of this nature not being processed.



Cut-off time may be later than 2pm

All participating banks and building societies will give you until at least 2pm to pay cleared funds into your account. But banks and building societies may compete on this aspect, with some potentially offering a cut-off time later than 2pm. You should contact your bank or building society to confirm what the cut-off time is for you.

Cheques

The new process should be viewed as a ‘safety net’ rather than a service to regularly use in a proactive manner, and it only covers automated payments that are pre-notified. Cheques, for instance, would not be ‘retried’ as part of this new process. However, banks and building societies can compete on this – so some may choose to include cheques as part of their individual retry process.

Banks and building societies involved

Adam & Company
Allied Irish Bank (GB)
Bank of Ireland
Bank of Scotland
Barclays Bank Plc
Clydesdale Bank Plc
Co-operative Bank Plc
Coutts
Coventry Building Society
Cumberland Building Society
Danske Bank
First Direct
First Trust Bank
Halifax
Handelsbanken
HSBC Bank Plc
HSBC Private Bank (UK) Limited
Intelligent Finance
Lloyds

M&S Bank
Metro Bank
Nationwide Building Society
National Westminster Bank Plc
Royal Bank of Scotland
Santander UK
Tesco Bank
TSB
Ulster Bank Ltd
Virgin Money Plc
Yorkshire Bank

Tips to help you manage your account

Although the retry process provides a safety net if you miss a payment due to insufficient funds, it makes sense to have cleared funds in your account so your payments can be met at the first time of asking. This will help you avoid potential late payment charges for any of your bills.

If you find that you are having problems regarding how you manage your account, the following tips can help you:

- Check your balance regularly to help make sure there's enough money in your account to cover any standing orders, Direct Debits and future-dated payments.
 - If your Direct Debits, standing orders or future-dated payments are leaving your account on an inconvenient date, review your monthly incomings and outgoings and move your payments so that they leave your account on a more suitable day.
 - The fastest way to get cleared funds into your account is by paying cash in to your own bank or by making a Faster Payment.
- (If you make a payment via phone or online banking the payment will generally go through as a Faster Payment. However, you should check this with your bank or building society if your payment is for more than £10,000.)
- If you are worried about timescales for making an important payment you should get in touch with your bank or building society.
 - Payments UK has more information about payment timescales on its consumer website at: www.payyourway.org.uk



In 2014 in the UK there were:

3.7 billion
Direct Debit payments

349 million
Standing Order payments

159 million
Future-Dated payments

Frequently asked questions

What types of payment are covered by the retry process?

The retry process covers 'pre-notified payments', i.e. standing orders, Direct Debits and future-dated payments. Other types of payment, such as cheques, are not generally included, but some banks and building societies may choose to include them as part of their individual retry process.

What is the best way for me to pay funds into my account to cover a payment that has failed earlier in the day due to lack of funds in my account?

The fastest way to get cleared funds into your account is by paying cash in to your own bank or building society or by making a Faster Payment.

Will my bank/building society get in touch with me if one of my 'pre-notified payments' has failed, to tell me that I need to pay Ex into my account by a certain time, and how will they notify me?

This is up to individual banks and building societies. If you want to be notified by your bank or building society then you should contact them to find out if they do this. If they do not you may want to consider alternative options or shop around to ensure you are with a bank or building society that best suits your needs.

What will happen if I pay funds in to cover a failed pre-notified payment but the funds don't clear before the retry takes place?

If the funds don't clear before the retry takes place then the standing order, Direct Debit or future-dated payment will not be processed. You may incur an unpaid item fee or charges due to being or going overdrawn. In addition, any goods or services that the payment relates to may be impacted. (For example, if a Direct Debit is not processed this could lead to the Direct Debit originator withdrawing the service they were providing.)

I want to pay funds into my account but I am not sure of the best method for me. How can I find out how long it takes for various payment methods to clear?

You should contact your bank or building society to understand what your options are in terms of the payment channels open to you and the cut-off times for each. Typically, the fastest way to get cleared funds into your account is to pay cash in to your own bank or building society or by making a Faster Payment.

If I think I paid money into my account in time for the retry but my bank/building society says I didn't, who do I complain to?

In the first instance you should make a complaint to your bank or building society using their official complaints procedure. If the matter is still not resolved to your satisfaction then you can take your case to the Financial Ombudsman, an independent body that settles disputes between financial organisations and their customers.

Why has 2pm been chosen as the minimum time, why isn't it later in the day?

In a situation involving a 'retry', consideration also has to be given to the payee, because the payment needs to be processed in sufficient time to reach the intended recipient on the due date. 2pm provides a suitable balance between giving customers time to pay cleared funds in and giving respective banks and building societies sufficient time to credit the account of the person or organisation receiving the payment. Research has also indicated that more than eight out of ten customers thought that a 2pm timescale would give them sufficient time to pay cleared funds into their account - most customers in this situation would choose to pay-in funds at lunchtime via online banking or a visit to a bank branch to pay in cash over the counter.

Where can I find out my bank/building society's cut-off time?

Your bank or building society's cut-off time is likely to be on its website or you could contact them and ask via an advertised phone number.

If you would like more information about your payment options, including anything in this leaflet, visit www.payyourway.org.uk, ask in your bank, or contact us – we'll be more than happy to help you.

By post:

Payments UK
2 Thomas More Square
London E1W 1YN

By email:

payyourway@paymentsuk.org.uk

