

SEPA Direct Debit

SDD Core & SDD B2B

Debtor Information (not applicable for HSBC DE)

1. About SEPA

SEPA creates a borderless system of Euro payments throughout SEPA countries and territories by putting a consistent set of standards, rules and conditions in place. The ultimate goal is to make sending and receiving SEPA zone payments as easy and cost effective as non-urgent domestic payments.

The SEPA direct debit schemes allow funds to be collected in euro, in, and between all 36 SEPA countries.

2. Accounts

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

- ◆ Belgium
- ◆ France
- ◆ Ireland
- ◆ Italy
- ◆ Luxembourg
- ◆ Malta
- ◆ Netherlands
- ◆ Spain
- ◆ UK (HSBC offers the SDD Core debits from current accounts denominated in euro only)

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

3. SDD Core & SDD B2B

There are two SEPA direct debit schemes:

- a. **SDD Core** is a mandatory scheme open to all consumer and business users and is commonly used for recurring payments
- b. **SDD B2B** is an optional scheme open only to business users

4. 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"). A Mandate may exist as a paper document which is physically signed by the Debtor. Alternatively, the Mandate may be an electronic document which is signed using a legally binding method of signature. When you sign a Mandate with a Creditor, you are responsible for complying with the terms of that Mandate. Any disputes must be resolved directly between you and the Creditor.

SDD Core Mandates:

- ◆ **Storage:** the mandate is retained by the Creditor. We will not receive a copy of the Mandate, 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
- ◆ **Amendment:** If you wish to amend or cancel a Mandate such amendments or cancellation cannot be made by us and therefore must be agreed directly between you and the relevant Creditor
- ◆ **Change of Account:** Where you wish to change the account to be debited (whether to another account with us or to an account with another bank), you will need to inform about it your creditor who will amend the exiting between you mandate
- ◆ **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

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. 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.

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 Identifier (CI)
- ◆ The unique mandate reference number

SDD B2B Mandates:

- ◆ **Storage:** the mandate must be registered with HSBC before a SDD B2B payment can be processed to ensure it is verified. You must send your HSBC Branch a copy of the Mandate at least 5 Business Days¹ before the “Settlement 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.
- ◆ **Processing:** Under the B2B scheme if the Mandate is not received and processed by us at Settlement Date we will reject the direct debit, without advice to you
- ◆ **Cancellation:** You must advise us of any requirements to cancel a Mandate.
- ◆ **Amendment:** you must inform us of any amendments to the B2B Mandate at least 5 Business Days before the Settlement Date of the next direct debit which will take place under the amended Mandate.

5. 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.

6. 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.

7. 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, 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).

8. 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.

9. 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 one Inter-bank 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 SEPA 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 1 Inter-bank Business Day¹ before the Settlement Date, your request will be dealt with in accordance with the Requests for Refund process set out below.

¹ An inter-bank business day is when banks are open for business between banks

10. 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.

When we will reject the Collection no entry will show on your account.

11. 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 after the original debit.

12. Returns

If, for any reason permitted by the SEPA direct debit schemes rules, we decide not to pay a Collection (e.g. insufficient funds or technical limitations), we will return the Collection and credit your account with the amount previously debited.

SDD Core – returns will be processed within 5 Interbank business days

SDD B2B – returns will be processed within 3 interbank business days.

13. Requests for Refund

Under the Core Scheme only, you may claim a refund at any time up to 8 weeks after the Settlement Date. 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

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 been or had previously been cancelled), you are entitled to claim a refund without delay, and in any event no later than 13 months (8 weeks 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 prove that the Collection was authorised. We may, in

our discretion, either accept your claim or notify you that the claim has been rejected.

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 (8 weeks 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.

SDD B2B – you may only be entitled to 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 (8 weeks for France) after the Settlement Date, providing such evidence and other information as we may require to prove that the SDD B2B 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

SDD Core & B2B Refunds after account closure:

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.

14. HSBC’s 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.

Contact Information

Find out more about SEPA by visiting our website at: hsbcnet.com/sepa

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