# AUDDIS

Automated Direct Debit Instruction Service

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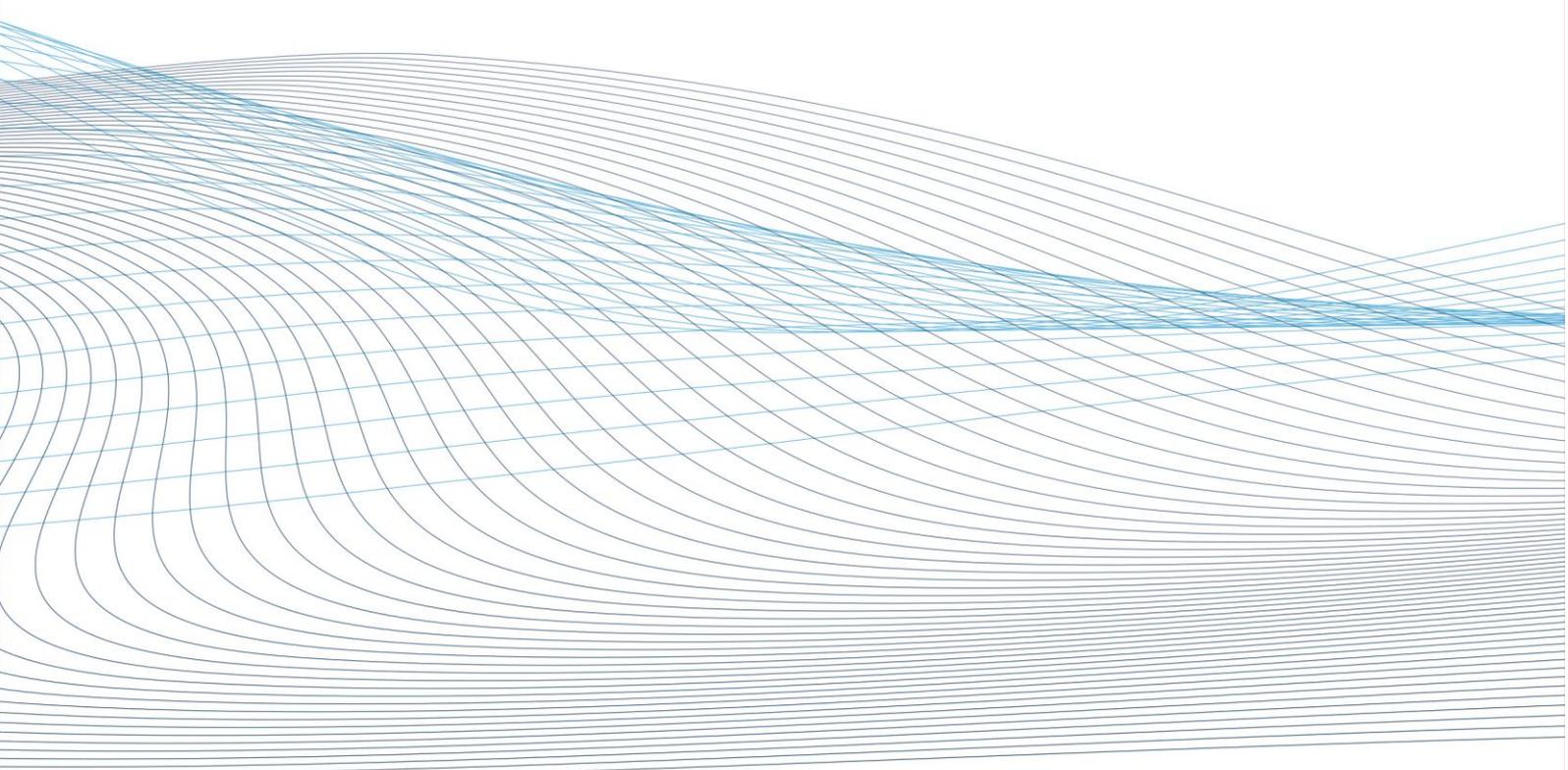
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# 1   INTRODUCTION

## 1.1   MAKING DIRECT DEBIT EVEN EASIER AND MORE COST-EFFECTIVE

Direct Debit is one of the most widely used and accepted payment methods in the country. It saves time for everyone – consumers, businesses, utilities, charities, payment service providers (PSPs).

It's simpler for your customers, too, and is increasingly recognised by the consumer as being the 'easiest way to pay'.

AUDDIS – the Automated Direct Debit Instruction Service – automates the transfer of Direct Debit Instructions (DDIs) between you and the PSP. Quite simply it makes the processing of DDIs easier, faster, more efficient and cost-effective than ever before.

## 1.2   INCREASING THE BENEFITS OF DIRECT DEBIT

AUDDIS benefits everyone involved in a Direct Debit payment.

For service users:

- Lowers postage and set up costs for DDIs

- Provides faster identification of invalid account information significantly reducing unpaid Direct Debits

- Allows a reduction in the time between lodgement, when the PSP receives and accepts the DDI, and the collection of the first payment

- Enables you to provide a better quality of service through reduced processing delays and fewer manual steps

- Provides more accurate identification of a DDI through a mandatory reference

- Offers greater uniformity and ease of DDI processing

- Reduces the potential for re-keying errors, further improving the quality of service.

For PSPs it:

- Reduces processing time

- Reduces the potential for error

- Minimises paperwork and manual input

- Takes paper out of the banking system – and is now the accepted standard throughout the banking industry.


For consumers it:

&ndash;   Increases efficiency of the Direct Debit service/product offered

# 2   AUDDIS – THE BENEFITS

## 2.1   A SMALL CHANGE WITH MAJOR BENEFITS

Practically, AUDDIS has only one primary change from conventional DDI processing: the original paper Instruction is retained by you, not the PSP.

You simply enter the customer's details into your own system and send them electronically via the Bacstel-IP service to the customer's PSP.

It might seem a small change, but it brings major additional advantages for you.

**Earlier collection of first payment**
A major benefit which AUDDIS brings is the advantage of allowing collection of the first Direct Debit, two working days after the lodgement of the AUDDIS DDI with the PSP, provided the customer has received advance notice. It is however, recommended that 5 working days are left before the first collection to ensure that no lodgement rejections are received.

**Reduced paperwork**
As Direct Debits become the preferred payment option, the amount of paperwork will continue to increase, which is expensive for all concerned and can also result in processing errors and delays.

AUDDIS significantly reduces the amount of paper passed between you and the PSPs.

**Fewer errors**
The current system of double keying information from a DDI by both you and the PSP increases the possibility of input errors. These, in turn, waste time and money for everyone, and reduce the consumer's confidence in service users and PSPs, and ultimately the Direct Debit itself. AUDDIS reduces the opportunity for input errors by only requiring the information to be keyed in once.

**Time savings**
Add to these benefits a reduction in time in processing an AUDDIS Instruction, as well as the improvement in quality resulting in fewer customer queries, and the strength of the business case for changing to AUDDIS becomes even more compelling.

**First step towards Paperless Direct Debit**
With ongoing rapid growth of direct marketing, telesales, e-commerce and the internet, the importance of Paperless Direct Debit – which is only available to AUDDIS users – cannot be over emphasised.

With Paperless Direct Debit DDIs can be set up over the telephone or internet, via telephone keypad or face-to-face without the customer having to sign a paper Instruction.

- Direct Debit sign up at 'point of sale' eliminates much of the paperwork and postage associated with setting up Direct Debits

- First payments can be collected earlier as you don't need to wait for the customer to complete and return the DDI

- PSP details can be checked at 'point of contact', eliminating administration problems later

- Telesales techniques can help increase conversion of sales opportunities.

The customer also benefits from the certain knowledge that a letter confirming all the details of the paperless sign up will be sent to them.

## 2.2 GETTING IT RIGHT FIRST TIME

The earlier in the process that discrepancies are detected, the less chance of error when Direct Debit payments are processed. Indeed, AUDDIS service users have reduced the number of unpaids due to the reference and modulus checking processes introduced by AUDDIS.

**Core reference**
All AUDDIS Instructions must contain a core reference which is quoted on subsequent payments. This results in a more accurate matching of payments with Instructions.

**Modulus checking**
It is all too easy for customers to provide incorrect details when giving their sort code or account number, which delay setting up and collecting payments. Use of modulus checking ensures the account number is valid for the sort code.

All Bacs Approved Software Solutions will supply modulus checking routines as part of standard AUDDIS solutions. It is strongly recommended however that you apply the modulus checking routine within your own systems at the time the account details are captured. This will ensure any discrepancies are identified at the outset. See 'The Service User's Guide and Rules to the Direct Debit Scheme'.

**Increased customer satisfaction**
AUDDIS means customers will notice an improvement in your customer service, even though the operational changes are invisible to the consumer.
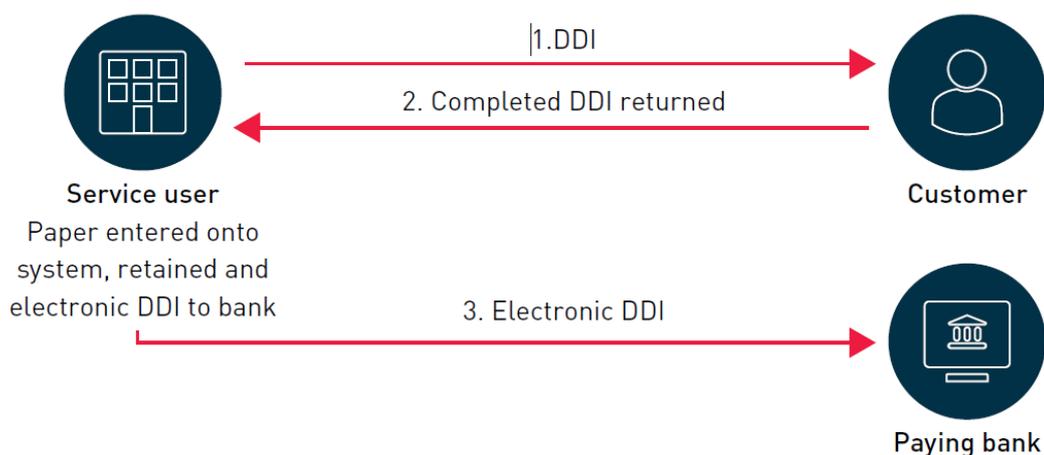
**Direct Debit Guarantee**

The Direct Debit Guarantee protects customers in the event an error is made in the payment of a Direct Debit by you or the paying PSP. AUDDIS, does not affect the Guarantee. In fact AUDDIS makes the Guarantee easier to implement by reducing manual involvement and therefore the risks of error and indemnity claims. In the event of an error the customer's PSP still remains responsible for making an immediate refund to the customer. If the error is caused by you the PSP will reclaim the amount from you.

# 3   HOW TO GET AUDDIS WORKING FOR YOU

## 3.1   TIME TO SWITCH TO AUDDIS

AUDDIS is standard throughout the banking industry. All PSPs accept AUDDIS Instructions, so it does not matter who your customers PSP with, you can expect the same level of service.

There has never been a better time to switch to the simpler way of managing your Direct Debits.

**How to start**

Contact your PSP who will assess the benefits that AUDDIS will bring to your Direct Debit operations and your ability to satisfy the AUDDIS criteria. If you both agree that AUDDIS is suitable for your organisation, the next steps are:

- Complete and submit an AUDDIS application form

- Prepare your systems, including software, to accept the new submission and message formats

- Complete the AUDDIS testing procedures

- Go live on AUDDIS.

Public

Don't delay, contact your PSP today. They will provide you with the best available support to ensure a smooth transfer over to AUDDIS.

Full details on switching to AUDDIS are covered in the 'AUDDIS Service Definition' and 'AUDDIS Migration Guide', both of which are available from your PSP.

## 3.2    ARE YOU OVERLOOKING THE BENEFITS OF ADDACS?

ADDACS, the Automated Direct Debit Amendment and Cancellation Service, is another valuable enhancement to the Direct Debit service. It improves the speed of processing DDI amendment and cancellation information between you and the PSP.

Customers notify their PSP of any changes or cancellations to their DDIs. The paying PSP consolidates all amendment and cancellation details and passes the information to you using ADDACS. This is sent electronically and offers a wide range of benefits.

- DDI amendments and cancellations are applied faster and more accurately

- Details of your amendments and cancellations are accessible from 8.00am onwards the working day after they have been input by the paying PSP

- Administrative and problem resolving costs associated with re-keying errors are virtually eliminated as you can feed the amendment and cancellation information automatically into your DDI database

### MORE INFORMATION

To find out more about using AUDDIS and other services to improve the speed and efficiency of your Direct Debit scheme, contact your PSP or visit www.bacs.co.uk

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