

General terms for direct debit debtors

Effective from 1 April 2020

1 What is direct debit?

With the Danish direct debit service (Betalingsservice), you can pay bills in DKK from creditors registered with the system.

Once you have issued a direct debit mandate, a creditor may debit your account and credit its own.

Direct debit is designed for recurring payments, but creditors may also execute one-off payments. Direct debit can also in some cases be used for payments into your account.

You must enter into a Direct Debit Agreement with your bank to enable direct debit payments, see 3 below.

2. Definitions

2.1 Creditor

The creditor is the business receiving your payment under a direct debit mandate.

2.2 Debtor

You are the debtor making the payment under a direct debit mandate.

2.3 Nets

Nets Denmark A/S, business reg (CVR) no 20 01 61 75, is the company operating Betalingsservice. As a payment service provider, Nets is subject to supervision by the Danish Financial Supervisory Authority. You can make enquiries about direct debit to Nets in two ways. You can contact Nets's customer services by telephone or by completing a contact form. For both, see the website betalingsservice.dk (in Danish only).

2.4 Direct Debit Agreement

A Direct Debit Agreement is an agreement between you and your bank that authorises you to pay bills through the direct debit system.

2.5 Direct debit mandate

A direct debit mandate is an agreement between you and a creditor that authorises the creditor to collect payments from you through the direct debit system.

2.6 Pre-notification statements

A pre-notification statement lists next month's payments from your account. You will receive the pre-notification statement in the way that you have agreed with your bank, ie digitally or by ordinary post.

2.7 Digital payment information

You will receive digital payment information, for instance, through your online or mobile banking service or your mailbox, eg e-Boks. Digital payment information may contain payment notifications from creditors and additional documents attached as supplements to pre-notification statements.

2.8 Business days

Business days are all days except Saturdays, Sundays, Danish public holidays, the Friday after Ascension Day, 5 June, 24 December and 31 December.

2.9 Payment date

The payment date is the day on which the amount is debited from your account. Payments are processed on business days only.

2.10 Refusal

If you refuse a payment, the system will not process the transaction. You can refuse a future payment, see 9 below.

2.11 Refund

Reversal of a payment results in a refund from the creditor's account to your account. You or your bank may request a refund of an effected payment, see 9 below.

3. Direct debit registration through a Direct Debit Agreement

You must enter into a Direct Debit Agreement with your bank to enable direct debit payments. The Direct Debit Agreement can be part of the agreement between you and your bank on the account you wish to use for your direct debit payments.

If you want to use direct debit, please contact your bank. Unless otherwise provided by legislation, your bank is not obliged to enter into a Direct Debit Agreement with you, but will make an individual assessment of you as a potential direct debit user.

Once you have entered into a Direct Debit Agreement with your bank, you can issue direct debit mandates at your discretion.

If you have no Direct Debit Agreement, your bank is entitled to reverse any payments already effected and cancel any direct debit mandates in accordance with 9 below.

4. Direct debit mandates

4.1 Effect

A direct debit mandate authorises a creditor to effect a transfer from your account to your creditor's account on the payment date specified by the creditor.

4.2 Issuing direct debit mandates

You may issue a direct debit mandate through various types of channels or solutions made available to you by for instance:

- your creditor
- your bank or
- Nets.

4.3 Direct debit request from creditor

When you have purchased goods or services and want to register future direct debit payments, creditor can offer to send you a direct debit request. The creditor will ask you to provide your mobile phone number or civil registration (CPR) number in order to send you the request.

4.4 New direct debit mandates in the pre-notification statement

The direct debit pre-notification statement will list any new direct debit mandates you have issued.

Mandated payments will at the earliest be effected in the month following pre-notification. Until then, you will have to pay the creditor in another way.

4.5 Identification and approval

If you issue a direct debit mandate digitally using a solution offered by Nets or your bank, your identity must be verified and you must approve the direct debit mandate. You may use NemID or another similar solution.

If your direct debit mandate is not issued digitally, your identity and your approval of the direct debit mandate must also be verifiable by the creditor or your bank.

Subsequently, renewed identification or approval will not be required for each individual payment transaction.

For details on how to refuse, or request refund of, payments, see 9 below.

4.6 Change of account numbers

If you wish to change the account number designated in a direct debit mandate, you must contact your bank. If the reason for your change of account number is that you are changing banks, please contact your new bank.

4.7 Transfer of direct debit mandate upon change of debtor

If you wish to transfer a direct debit mandate to another person, the direct debit mandate must be cancelled and reissued for the new debtor, unless your bank has obtained consent to the transfer of the direct debit mandate from you to the recipient and adequate documentation for this. This will allow the bank to complete the transfer. This provision also applies in the event that the new debtor is already bound by the direct debit mandate together with you but must be solely liable going forward, for instance in the event of termination of cohabitation.

5. Processing of personal data by Nets

When you enter into the Direct Debit Agreement, you also accept that your bank or creditor discloses the required information about you to Nets to be able to identify you and execute the direct debit agreement. See Betalingsservice's personal data policy at the website www.betalingservice/privat/gdpr. In the personal data policy you can read about your rights, the legal basis for processing personal data, your personal data processed by Nets and how Nets protects your personal data. If you do not want your personal data to be processed by Betalingsservice, you may terminate your Direct

Debit Agreement at any time, see 12 below. Once the agreement has been terminated, you will no longer be able to use the direct debit service.

6. Pre-notification by Betalingservice

6.1 Pre-notification statements

If payments fall due next month, you will receive one or more statements pre-notifying you of future payments.

Pre-notification statements will be sent digitally, unless otherwise specified. You may be able to receive pre-notification statements in print, depending on the options offered by your bank.

If you only receive pre-notification statements digitally, the rules on digital payment information in 7 below should be read carefully.

6.2 When will you receive a pre-notification statement?

If you receive pre-notification statements digitally, you will receive them before the turn of a month.

If payments fall due next month, you will receive pre-notification statements in print before the beginning of the month, assuming regular postal delivery services.

6.3 Contents of pre-notification statements

A pre-notification statement specifies the amount, payment date, creditor's name and payment details that make it easy for you to identify the payment.

Additional documents with information from creditors may be enclosed with the pre-notification statement.

6.4 Pre-notification statement as invoice The pre-notification statement and any additional documents attached as supplements may replace an invoice. The same applies to digital payment information.

6.5 Copy of pre-notification statement in print

You can order copies of pre-notification statements from your bank. Your bank can provide a copy in the year the payment was effected and the subsequent five calendar years.

Your bank will inform you of the fee for this service on request.

7. Digital payment information

7.1 Access to digital payment information

Nykredit's online banking service and/or your mailbox will store digital payment information for at least 13 months after the month of payment.

Your bank will inform you on request of the period of time digital information is stored in your online banking service, and your mailbox provider can inform you what applies to your mailbox.

If you need to store digital payment information beyond this period, your bank and/or the mailbox provider can explain the various storing and printing options to you. They can also tell you what to do if you change banks.

7.2 Your obligations in relation to digital payment information

You are responsible for checking that you have received the pre-notification statement and any supplementary payment information such as payment notifications from creditors and additional documents attached as supplements.

You must contact your bank immediately if you have not received the digital pre-notification statement as expected at the turn of the month or if your IT equipment prevents digital receipt. Your bank will then resend payment information digitally or in print.

If you fail to contact your bank immediately, you may forfeit the option of refusing a payment, see 9 below.

You are responsible for ensuring that your own IT equipment (computer, software, Internet access etc) is set up to receive digital payment information. You are also responsible for any lack of access to the information due to, for instance, failure by your Internet service provider to give you access to the Internet.

8. Payment processing

8.1 Funds in your account

Your account must hold sufficient funds at the payment date. If the funds in your account are insufficient on a payment date, your bank is entitled to reverse a payment, see 9 below.

8.2 Payment processing date A payment is debited from your account on the payment date specified by the creditor in the pre-notification statement.

8.3 Specification of payment date

The creditor must specify a payment date in accordance with the agreement between you and the creditor. Changes to agreed payment dates are subject to agreement between you and the creditor.

8.4 Payment and receipt

Collection of payments through Betalingsservice will discharge you from your payment obligation to your creditor.

A statement of account specifying the payment is considered evidence of payment. This does not apply, however, if the payment is subsequently refunded.

8.5 Maximum processing time

The maximum processing time is one business day.

9. Refusals and refunds

9.1 General deadline

You may refuse a scheduled payment or request refund of a payment already effected on or before the 7th day in the month of payment.

If the pre-notification statement schedules a payment on, say, the 25th day of the subsequent month, you may refuse a payment on or before the 7th day in the month of payment.

If the payment has already been effected, the amount will be debited from the creditor's account and credited to your account. The list of account entries will show the refund.

You can refuse or request a refund of the full amount only. Only the payment in question will be refused or refunded – not future payments under the direct debit mandate.

If you want to stop all future payments, you must cancel the direct debit mandate you issued to the creditor in question, see 11 below, or, if you do not intend to make any direct debit payments in future, terminate your Direct Debit Agreement, see 12 below.

9.2 Refusal/refund of payments You must notify your bank of any refusal or request a refund of a payment on or before the 7th day of the month of payment.

You can notify your bank digitally through your bank's online banking service, by letter or in another way as agreed with your bank.

9.3 Your bank's reversal of payments Your bank may reverse a payment if:

- your account does not hold sufficient funds and the sum to be paid exceeds DKK 1,000,
- you have not entered into a Direct Debit Agreement

with your bank,

- your bank has terminated the Direct Debit Agreement before the payment date,
- the direct debit mandate has expired because your account relationship with your bank has ended before the payment date, or
- payment data or processing is defective.

Nets must receive your bank's request for a reversal not later than two business days after the payment date. If Nets receives the request in time, Nets will ensure that the full amount is debited from the creditor's account and credited to your account.

Your bank will notify you after the refund of the payment.

9.4 Deadlines

If the deadline for a refusal, a refund or a reversal is a non-business day, the deadline will be the next business day.

10. Disputing payments

10.1 Unauthorised and incorrect payments

Payments are unauthorised if there is no valid direct debit mandate.

Payments are incorrect if they are not registered and booked correctly or if they are affected by technical failure or similar failure caused by Nets or your bank, for example a discrepancy between the notified amount and the booked amount.

10.2 Your right of dispute

You may take a dispute to your bank stating that

- a payment is incorrect, or
- a payment is unauthorised because you have not issued a direct debit mandate to the creditor for the payment in question.

You must contact your bank as soon as possible after detecting an incorrect or unauthorised payment and not later than 13 months after the payment date.

If the payment is incorrect or unauthorised, your bank will reverse the entire amount. Your position will be the same as before processing of the payment.

10.3 Deadlines

If the deadline for disputing a payment is a non-business day, the deadline will be the next following business day.

11. Termination of direct debit mandates

11.1 Cancellation by you

You may notify your bank or your creditor that you wish to terminate a direct debit mandate at any time.

11.2 Effective date

Your termination of a direct debit mandate will take effect as soon as possible and not later than three business days after Nets has received your request for termination from your bank or the creditor.

11.3 Lapse due to inactivity

A direct debit mandate may lapse if the mandate has been inactive for a period of 15 months. If a direct debit mandate lapses, this will be stated in the pre-notification statement.

11.4 Lapse on termination of Direct Debit Agreement

If your Direct Debit Agreement with your bank is terminated, all direct debit mandates under the Direct Debit Agreement will lapse, see 13 below.

11.5 Deregistration by creditor

If your creditor ceases to use direct debit, your direct debit mandate with the creditor automatically lapses.

11.6 Effect of termination and lapse

If a direct debit mandate has been deregistered or has lapsed, your creditor can no longer collect direct debit payments from your account. Pre-notified, but not yet processed, payments will not be processed.

The pre-notification statement will show terminated or expired direct debit mandates.

12. Your termination of the Direct Debit Agreement

12.1 No termination notice

You may terminate your Direct Debit Agreement with your bank at any time.

12.2 Effect of your termination

On termination, all direct debit mandates under the Direct Debit Agreement will lapse. Consequently, your creditor can no longer collect direct debit payments

from you.

Payments listed in the pre-notification statement will not be processed if they fall due for payment after the termination of the Direct Debit Agreement.

12.3 Effective date

Your termination of the Direct Debit Agreement will take effect as soon as possible and not later than three business days after your bank has received your notice of termination.

13. Your bank's termination of the Direct Debit Agreement

13.1 Your bank's notice of termination

Your bank may terminate the Direct Debit Agreement by giving at least two months' written notice.

Your bank may terminate the agreement without notice in the event of a material breach of contract on your part. Your bank will inform you in writing of the reason for termination. An example of a material breach would be if you failed to ensure sufficient funds in your account on several occasions, see 8 above.

13.2 Effect of termination of the Direct Debit Agreement

If your Direct Debit Agreement with your bank is terminated, all direct debit mandates under the Direct Debit Agreement will cease. Consequently, you will have to pay your creditors in another way.

14. Your bank's failure to meet its obligations

If a direct debit payment is not effected because your bank is subject to reconstruction or bankruptcy proceedings, the creditor may collect payment from you in another way.

In this situation, the creditor may not claim that you have defaulted on your payment obligations if you effect payment within the new deadline set by the creditor.

15. Your bank's liability

Your bank is liable for damages resulting from any delay or default in performing its obligations if such delay or default is due to errors or negligence.

Even in areas where stricter statutory liability applies, your bank is not liable for losses due to:

- the breakdown of/lack of access to IT systems or damage to the data of these systems which can be attributed to the events below regardless of whether your bank itself or an external supplier is responsible for the operation of the systems;
- failures in your bank's power supply or telecommunications, statutory intervention or administrative acts, natural disasters, war, insurrections, civil riots, sabotage, terror or vandalism (including computer viruses and hacking); strike, lockout, boycott or blockade regardless of whether the conflict is directed at or initiated by your bank itself or its organisation and regardless of the reason for the conflict. This also applies where the conflict only affects part of your bank;
- other circumstances beyond your bank's control.

Your bank's exemption from liability does not apply if:

- your bank should have anticipated the factor that caused the loss when the agreement or contract was concluded or should have avoided or overcome the reason for the loss; or
- your bank is liable for the factor which caused the loss pursuant to current legislation.

16. Fees

16.1 Your bank

Your bank will inform you of current Betalingsservice fees on request.

16.2. Creditor

Some creditors will charge you for paying through direct debit. This should be specified on your invoice.

17. Changes to and availability of terms

17.1 Notification of changes

Changes to these terms which are to your disadvantage are subject to two months' notice. Other changes may take effect without notice. You will be notified of changes eg by email, post or through Nykredit's online banking service.

17.2 Approval of changes

You are assumed to have approved the pre-notified changes unless you inform your bank that you do not wish to be bound by the new terms. In that case, you will be deemed to have terminated your Direct Debit Agreement not later than on the day the changes take effect.

17.3 Availability of terms

A copy of these General terms for direct debit debtors is always available on request from your bank.

18. Law, jurisdiction and disputes

These terms are governed by Danish law.

If you wish to complain about Nets or Nets's products, please contact Nets.

If you wish to complain about a creditor's direct debit collection, please contact the creditor.

Disputes in relation to your bank or the creditor's bank may be brought before The Danish Financial Complaint Board or the ordinary courts in the jurisdiction of your bank's domicile.

Disputes relating to Nets's business conduct as payment service provider may be brought before the Danish Financial Supervisory Authority.

Nets is licensed by the Danish Financial Supervisory Authority to carry on business as a payment institution under FSA no 22002.

19. Languages

The original language of these General terms for direct debit debtors is Danish, and communication with you will be in Danish.