

# Regular Payments

## Important things you need to know

### What is a 'regular payment'?

A 'regular payment' represents an agreement between you and a merchant in which you preauthorise the merchant to bill your card account at predetermined intervals (e.g. monthly or quarterly) or at intervals as agreed by you. The amount may differ or be the same for each transaction. These arrangements may also be known as a 'direct debit' arrangement.

There are two types of 'regular payments': 'recurring payment' and 'instalment payment'.

'Recurring payments' are when you authorise a merchant to bill your account on a recurring basis (such as monthly or fortnightly) for an ongoing service. For example you may ask your local gym to charge your monthly membership fee to your credit card each month.

An 'instalment payment' is a single purchase made up-front which is billed to you in subsequent multiple periods. For example, you may have purchased a new television from your local appliance store and you are being billed by the merchant in a series of future periods.

### What are the benefits of 'regular payments'?

There are many benefits of setting up 'regular payments' including:

- ✦ Timely payments to the merchant;
- ✦ Saves you time as the payment is processed automatically; and
- ✦ May save you money as you do not have to pay for cheques, money transfers or postage.

### Your responsibilities and obligations

'Regular payment' arrangements are an agreement between you and the merchant. You should keep a record of all 'regular payment' arrangements you have entered into and store this information in a safe place. A template for recording your 'regular payment' arrangements is available from the Australian Payments Clearing Association website.

### What are my responsibilities with Regular Payment Arrangements?

When your account details change, you are responsible for notifying any merchants with whom you have a 'regular payment' agreement. Account changes include a change in card number and/or change of card expiry date. Until you notify the merchant, your financial institution is required to process transactions from the merchant.

We recommend you keep a copy of any change in account details letter sent to your merchant and your earlier 'regular payment' agreements. This correspondence will be required when your merchant does not comply with your request in a timely manner and you decide to dispute any incorrectly charged 'regular payments'.

You can use the template for a Change of Advice letter available from the Australian Payments Clearing Association website to advise your debiting organisations of any changes in your Credit Card account number or other account details. Note: Keep a record of the debiting and crediting organisations you have advised of a change to your account details.

### Your rights if there's a dispute

Any issues with your 'regular payments', including the failure of the merchant to act on a change in account details advice, should in the first instance, be taken up directly with the merchant. For further assistance to resolve an issue between yourself and a merchant, please call us on 13 19 87 or visit your local branch.