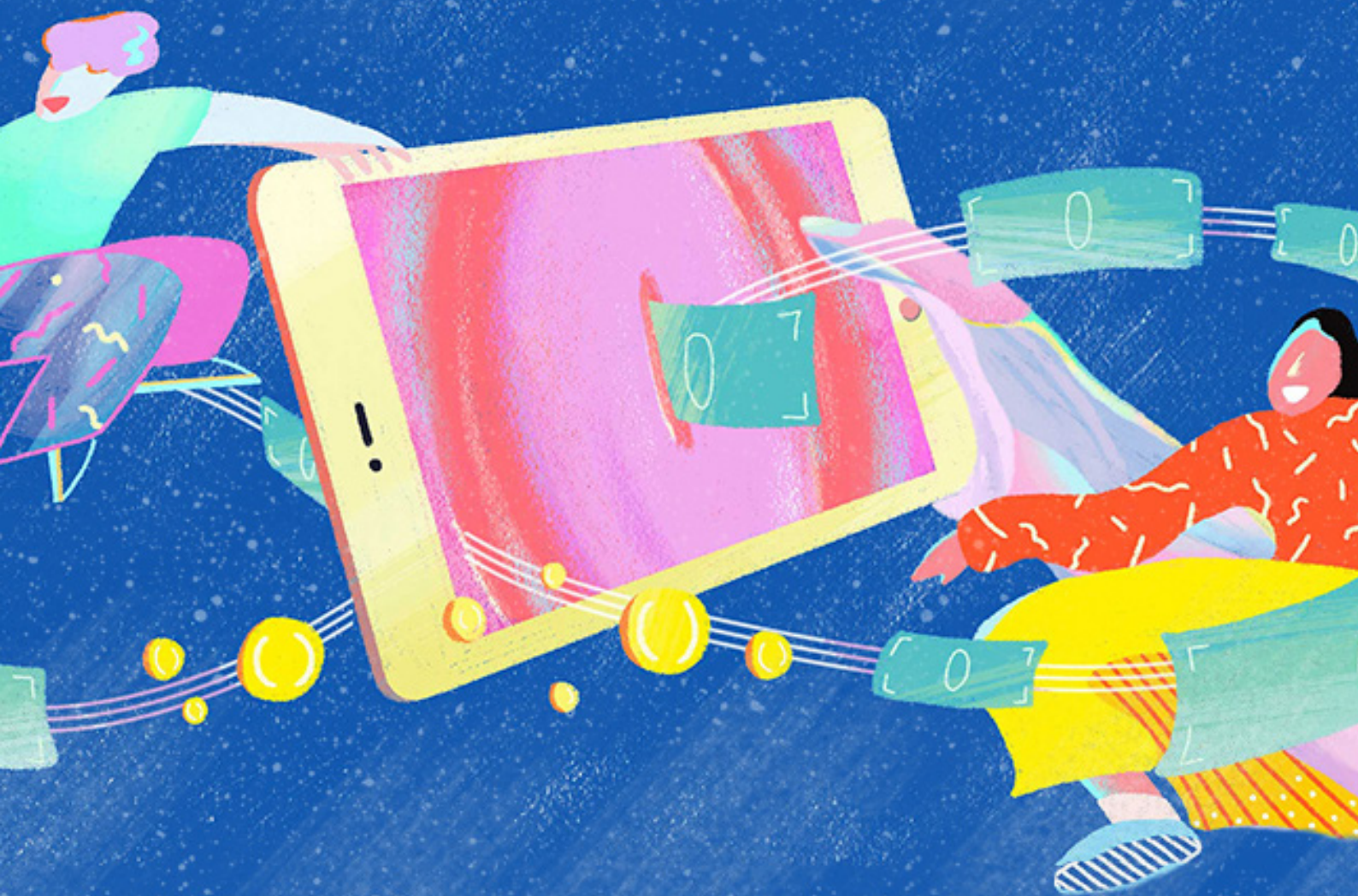


How to get your customers to pay by Direct Debit



GO CARDLESS

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Chapter 1

Why move customers to Direct Debit?

With over half of payments in Europe being paid late, and 47% in Australia, many businesses are looking to Direct Debit to help them get paid on time, every time.

In a 2018 survey of 736 SMEs taking Direct Debit payments through GoCardless, 84% said they spent less time chasing invoices and 74% spent less time on reconciliation; while 80% said their cash flow had improved and 78% said their business' average debtor days had reduced.

But how do you go about getting your customers to move to this way of paying? In this guide, we'll cover:

- How to explain GoCardless to customers
- When and how to ask customers to switch to Direct Debit
- Different approaches to moving customers to Direct Debit
- What to say to when making the request
- Dealing with objections
- What your customer sees when they pay through GoCardless

"We've had good feedback from customers about how easy it is to pay with Direct Debit. Even those merchants who were reluctant to move at first realise that it has made their lives easier. In the majority of cases, Direct Debit benefits both us and our customers."

Iain Worthington, Finance Director, VIA – unified communications for business

Chapter 2

How to explain GoCardless to customers

Direct Debit doesn't just benefit your business, it brings a whole host of benefits to your customers too - benefits that add to the value and quality of service you're already delivering.

But, how do you go about explaining GoCardless to your customers?

1. Introduce GoCardless

GoCardless is an online tool which makes it easy for your regular customers to pay you by Direct Debit.

Direct Debit is a well known and trusted payment method globally. In fact, it accounts for around 75% of regular consumer payments in the UK (source: Finance UK, 2017), [50% of cashless payments in Germany](#) and [36% of non-cash payments in Australia](#) – so your customers are probably familiar with it, and likely already use it, for example to pay energy bills, gym memberships or nursery fees.

Here are a few other things you can tell your customers about GoCardless and Direct Debit:

- Direct Debit can be used to pay for regular payments of all types - including variable business invoices, software subscriptions, even instalments for a holiday.
- GoCardless is a leading Direct Debit provider, processing over £5 billion in payments annually for more than 30,000 organisations in the UK, Europe and Australia, including Sage, TripAdvisor and Les Mills.

2. Explain the benefits

Here are a few things you can tell your customers about the benefits of paying by Direct Debit through GoCardless.

- You only need to set up payment once - complete an online form and, unlike with a bank transfer, cash, cheque or card payment, you won't have to remember to pay next time. Which means no accidental disruptions to your service, subscription or membership.
- Unless you change bank accounts, you won't have to worry about updating your payment details either (unlike, if your debit card expires, or is lost or stolen).
- Paying through GoCardless gives you certainty. You'll know exactly how much you're paying and when it will come out, which can help with budgeting.

The benefits of switching to Direct Debit differ depending on how a customer currently pays, so see [Chapter 5](#) of this guide for more tailored tips.

Chapter 2

How to explain GoCardless to customers

3. Give reassurance

Sometimes, customers worry that they'll lose control of their finances. If so, why not tell them the following:

- With GoCardless you are notified that a payment is coming out in advance, giving you the chance to raise any issues about the payment.
- With Direct Debit, your payments are protected. For example, in the UK, you are fully protected under the [Direct Debit Guarantee](#), meaning you have the right to cancel and receive a full refund for any payment taken in error.
- You can cancel the Direct Debit mandate at any time for example through your online banking, immediately stopping future payments (although this will of course affect access to your services).
- GoCardless is ISO 27001 accredited, (ISO 27001 is a widely recognised, internationally accepted standard for information security). It is also authorised by the UK Financial Conduct Authority to provide payment services as an [Authorised Payment Institution](#) across the European Union.

4. Consider a transparent approach

In some instances it helps to be honest with your customers and say how them paying by Direct Debit will help your business.

For example, for smaller businesses or clubs where there is a closer relationship between the customer and the merchant, explaining that Direct Debit will help your business run more efficiently, keep costs down and save time, is often enough to get customers onboard.

Some larger organisations, where the customer has an invested interest in the efficiency of the merchant, also take this route. For example, in the UK, [Harrow Council](#) communicate on their website that Direct Debit keeps their costs down which will, in turn, help to keep council tax down.

5. Show customers where to go for more information

If your customer wants to know more, why not send them to the GoCardless website - for example, to our [Direct Debit guide for payers](#) in the UK, our [SEPA Direct Guide](#) for payments in Europe or our [local homepage in Australia](#).

GoCardless merchant, Michael O'Dowd from [M&M Window Cleaning](#), recommends "keeping the explanation short and directing your customer to GoCardless' website," so that customers can look over any additional information in their own time.

"Direct Debit is a method customers know and trust. They fully understand how it works and have an expectation of what agreeing to make payments through this channel involves. GoCardless has made delivering this service level possible."

Nicki Harris, Customer Success Manager,
[Vax](#) – floor care products

Chapter 3

When and how to ask customers to switch to Direct Debit

Trigger points

There are certain times in your relationship with a customer that it makes more sense to ask them to switch. For example:

- When you are signing up a new customer
- When a customer is late paying you and you are calling/emailing to chase for payment
- When you are changing pricing for existing customers
- The start of a new tax year

Consider the right trigger points for your business. Then make use of the relevant tips below and the talking points and email templates in Chapter 5 of this guide.

Asking existing customers

Here are a few more tips and tactics for making the request to existing customers.

- **Identify the worst offenders.** Segment customers to identify which companies send you the most bank transfers/cheques or have the most late payments. Focus your time on the biggest pain point for your business, so you will start to see immediate results.
- **Be proactive and phone up.** Get an administrative employee to take a one or two day "holiday" to call these customers. Or, use an intern.
- **Be opportunistic.** Make the most of the times when you're naturally talking to customers about a payment. For example, if you're chasing them about a late payment, let them know how the problem can be avoided with Direct Debit.

- **Include a CTA on the bill.** Provide clear and prominent Direct Debit sign-up instructions on your bills/invoices, and your website. If you use GoCardless through your accounting or membership software, you may be able to add a 'Pay Now' button to your invoices where customers can create a mandate, for example in Xero and Sage.
- **Ask whoever owns the relationship to email or call the client.** Provide them with key talking points or an example email which they can top and tail as appropriate ([See Chapter 5 of this guide](#)). The ask will be different depending on what payment you're asking them to move away from - see next chapter for pointers on what to say.
- **Set a timeline.** We recommend being clear on when you need customers to sign up by (to get access to any benefit or incentive for example), or you might find the move will drag on.

Chapter 3

When and how to ask customers to switch to Direct Debit

Embedding GoCardless into customer onboarding

When taking on new customers, here are some tips to getting them signed up to Direct Debit with GoCardless from the outset.

- **Talk about your payment options at the start** – as soon as you have a working relationship with a new customer, talk openly about pricing, invoicing and payment – and set clear expectations that Direct Debit is your preferred payment channel.
- **Include your preferred payment option in contracts and engagement letters** – it's hard to change habits; set your new customer up to pay via Direct Debit by default in your contract/service agreement, so they have to "opt-out" to pay by another method.
- **Make it clear how to sign up to GoCardless** – don't leave customers in the dark: show them how easy it is to set up GoCardless (see [Chapter 7](#) of this guide).
- **Email customers to explain the benefits of Direct Debit** – outline the key benefits of using Direct Debit and position GoCardless as the ideal solution (see [Chapter 2](#) and [Chapter 5](#) for content to help you do this).
- **Include the call to sign up to Direct Debit on the first bill or invoice.** Include clear Direct Debit payment instructions on the first bill/invoice, and your website.
- **Place GoCardless at the top of the payment method selection.** When offering payment methods either put GoCardless first or as the default (or only) option.

Chapter 4

Different approaches to moving customers to Direct Debit

Incentivise the switch

Some customers might be incentivised just by the fact that Direct Debit lets them pay in instalments. For example if they usually pay annually, point out that Direct Debit allows them to spread costs throughout the year and pay on a day which suits them (GoCardless lets you collect payments on any day of the month).

If that's not enough to get your customers to move, why not try financial or product incentives, for example:

- Offer a one-off charitable donation for every customer who switches to Direct Debit, and ask customers to vote on their preferred charity to receive it.
- Give a free gift. UK conservation charity, [The National Trust](#), offered a free pair of binoculars to people who pay by Direct Debit, for example.
- Try a discount on your product or service. Some energy providers, including [EDF](#) in the UK, and [Origin energy](#) in Australia offer a percentage off your bill. While UK gallery, [The Tate](#), offered £10 off membership fees for those who choose to pay by Direct Debit.
- Consider waiving any admin fees. [Norwich Residential Management \(NRM\)](#), in the UK, encourage their residents to pay service charges by Direct Debit in an instalment plan, rather than by cheque or bank transfer - if they do, NRM waive the £25 payment administration fee.
- Try a limited time offer. Window cleaning firm, Premier Clean, offered customers who chose GoCardless 10% of their next clean for a limited period.

Make it compulsory

If customers really won't budge, you might want to consider making it compulsory for them to pay you by Direct Debit.

This is a good option for your business if:

- Cash flow is becoming a problem
- If you are spending a large proportion of your time chasing payments
- You don't have a finance or admin team available to chase payments
- Efficiency of payment collection is important to you
- If you are looking to grow your business and need to have simple and consistent payment processes that are easy to scale

While you may have to turn down the odd client who won't change; you'll free yourself up to focus on winning the right kind of business.

If you find it difficult to enforce this change on existing customers, start by including it as a condition to new customers only (see [Chapter 3](#) of this guide).

Chapter 4

Different approaches to moving customers to Direct Debit

"GoCardless works flawlessly with regular orders," says Kiril, "so it's the only way to pay for Söt by Mörk – we wanted to kick off this new venture on the right foot."

Kiril Shaginov, co-founder at Mörk Chocolate – Speciality hot chocolate powder (wholesale & retail) and cake wholesaler

"When we engage with new clients, part of the set-up process is to complete a GoCardless mandate. We will only complete work for clients if an active GoCardless mandate is in place."

Paul Bulpitt, co-founder at The Wow Company – accountants and business advisers

Chapter 5

What to say when asking a customer to pay by Direct Debit

The benefits of switching to Direct Debit differ depending on how a customer currently pays you. These key talking points and email templates, split by current payment method, will help you get started.

Bank transfer

If bank transfer is a customer's preferred payment option, try using these key talking points.

Preferred payment option

Direct Debit through GoCardless is now our preferred way to take payments - it's simple, easy to use and benefits both of us.

Set and forget

You set up payment once, and after that, it's taken automatically on the invoice due date. No need to set diary reminders or log into your internet banking to make a payment.

Never get chased for late payment

Payments are automatic, so you won't get chased for payments and there's no risk of late payment fees *[if your business has them]*.

You're still in control and protected

You'll receive notifications of payment before funds are taken and under your Direct Debit Guarantee scheme, you're guaranteed a refund if any payment is taken in error.

Better for budgeting

Paying through GoCardless makes your payment predictable, which can make it easier to budget for our services.

[Optional] Financial reward

Moving to Direct Debit reduces admin time for us, so we're passing on this benefit to you through *[incentive details here]*. You'll get access to the benefit as soon as you have signed the Direct Debit mandate.

Tell them how to sign up

After this call, you'll receive a payment authorisation email from GoCardless which requests that you complete a Direct Debit mandate. This gives us permission to collect the agreed funds from your bank account at the agreed time.

Chapter 5

What to say when asking a customer to pay by Direct Debit

Example email

Here's an example message you could send to your customers, asking them to make the switch.

Hello [Name],

Pay your next invoice through GoCardless

Direct Debit through GoCardless is now our preferred payment method. We think you'll find it easier to pay through GoCardless, and it benefits us too, so for every customer that signs up to pay through GoCardless we're [Insert incentive details here, e.g. *waiving our £25 admin fee/offering a free gift/discount/charitable donation*]

All you need to do is enter your details online here [enter link to Direct Debit signup page]. Unlike with a bank transfer, you won't have to remember to make future payments: as soon as [your invoice due date is reached/subscription fee is due], we'll collect payment straight from your pre-agreed bank account.

You'll be notified before each payment is taken and your payments are protected, so you're guaranteed a refund if a payment was ever taken in error.

GoCardless is an approved Direct Debit provider, who work with over 30,000 businesses across the UK, Europe and Australia, including Sage, TripAdvisor and Les Mills.

If you have any questions, you can find out more details on the [GoCardless website](#) or get in touch with us on [phone number].

All the best, [Name and Company]

Chapter 5

What to say when asking a customer to pay by Direct Debit

Cash/cheque

Cash and cheques come with a heavy admin burden for your business. If a customer is paying you in this way, try using these key talking points to get them to move to Direct Debit.

Preferred payment option

You set up payment once, and after that, it's taken automatically on the invoice due date. No need to set diary reminders or draw out large sums of cash.

Set and forget

You set up payment once, and after that, it's taken automatically on the invoice due date. No need to set diary reminders or log into your internet banking to make a payment.

Never get chased for late payment

Payments are automatic, so you won't get chased for payments and there's no risk of late payment fees *[if your business has them]*.

You're still in control and protected

You'll receive notifications of payment before funds are taken and under your Direct Debit Guarantee scheme, you're guaranteed a refund if any payment is taken in error.

Better for budgeting

Paying through GoCardless makes your payment predictable, which can make it easier to budget for our services.

[Optional] Financial reward

Moving to Direct Debit reduces admin time for us, so we're passing on this benefit to you through *[incentive details here]*. You'll get access to the benefit as soon as you have signed the Direct Debit mandate.

Tell them how to sign up

After this call, you'll receive a payment authorisation email from GoCardless which requests that you complete a Direct Debit mandate. This gives us permission to collect the agreed funds from your bank account at the agreed time.

Chapter 5

What to say when asking a customer to pay by Direct Debit

Example email

Here's an example message to send to your customers.

Hello [Name],

Pay your next invoice through GoCardless

Direct Debit through GoCardless is now our preferred payment method. We think you'll find it easier to pay through GoCardless, and it benefits us too, so for every customer that signs up to pay through GoCardless we're [Insert incentive details here, e.g. waiving our £25 admin fee/offering a free gift/diskcount/charitable donation]

All you need to do is enter your details online here [enter link to Direct Debit signup page]. Unlike with cash and cheques, you won't have to remember to make future payments: as soon as [your invoice due date is reached/subscription fee is due], we'll collect payment straight from your pre-agreed bank account.

You'll be notified before each payment is taken and your payments are protected, so you're guaranteed a refund if a payment was ever taken in error.

GoCardless is an approved Direct Debit provider, who work with over 30,000 businesses across the UK, Europe and Australia, including Sage, TripAdvisor and Les Mills.

If you have any questions, you can find out more details on the [GoCardless website](#) or get in touch with us on [phone number].

All the best, [Name and Company]

Chapter 5

What to say when asking a customer to pay by Direct Debit

Credit/debit card

If your customer typically pays each time using a credit or debit card, try using these key talking points to persuade them to switch to Direct Debit.

Preferred payment option

Direct Debit through GoCardless is now our preferred way to take payments - it's simple, easy to use and benefits both of us.

Set and forget

You set up payment once, and after that, it's taken automatically on the invoice due date. No need to set diary reminders or go to our payment gateway to make a payment.

Never get chased for late payment

Payments are automatic, so you won't get chased for payments and there's no risk of late payment fees [*if your business has them*].

You're still in control and protected

You'll receive notifications of payment before funds are taken and under your Direct Debit Guarantee scheme, you're guaranteed a refund if any payment is taken in error.

Better for budgeting

Paying through GoCardless makes your payment predictable, which can make it easier to budget for our services.

[Optional] Financial reward

Moving to Direct Debit saves us money on transaction fees and admin time in processing the payments, so we're passing on this benefit to you through [*incentive details here*]. You'll get access to the benefit as soon as you have signed the Direct Debit mandate.

Tell them how to sign up

After this call, you'll receive a payment authorisation email from GoCardless which requests that you complete a Direct Debit mandate. This gives us permission to collect the agreed funds from your bank account at the agreed time.

Chapter 5

What to say when asking a customer to pay by Direct Debit

Example email

Here's an example message you could send to your customers, asking them to make the switch.

Hello [Name],

Pay your next invoice through GoCardless

Direct Debit through GoCardless is now our preferred payment method. We think you'll find it easier to pay through GoCardless, and it benefits us too, so for every customer that signs up to pay through GoCardless we're *[Insert incentive details here, e.g. waiving our £25 admin fee/offering a free gift/discount/charitable donation]*

All you need to do is enter your details online here *[enter link to Direct Debit signup page]*. Unlike with credit or debit card payments, you won't have to remember to make future payments: as soon as *[your invoice due date is reached/ subscription fee is due]*, we'll collect payment straight from your pre-agreed bank account.

You'll be notified before each payment is taken and your payments are protected, so you're guaranteed a refund if a payment was ever taken in error.

GoCardless is an approved Direct Debit provider, who work with over 30,000 businesses across the UK, Europe and Australia, including Sage, TripAdvisor and Les Mills.

If you have any questions, you can find out more details on the [GoCardless website](#) or get in touch with us on *[phone number]*.

All the best, [Name and Company]

Chapter 5

What to say when asking a customer to pay by Direct Debit

Standing order (Standing instruction)

If standing orders are a customer's preferred payment option, try using these key talking points and email template.

Preferred payment option

Direct Debit through GoCardless is now our preferred way to take payments - it's simple, and easy to use for both of us.

Less hassle to make changes

If a payment amount or date changes, you won't have to set up Direct Debit again (unlike with a standing order).

More informed

You'll receive notifications of payment before funds are taken and we will [*send our invoices as normal / we will agree payment terms in advance as normal*]. Under your Direct Debit Guarantee scheme, you have the right to a refund for any payment you believe was taken in error and you can cancel your Direct Debit mandate at any time through your online banking to prevent future payments

[Optional] Financial reward

Moving to Direct Debit reduces admin time for us, so we're passing on this benefit to you through [*incentive details here*]. You'll get access to the benefit as soon as you have signed the Direct Debit mandate.

Tell them how to sign up

After this call, you'll receive a payment authorisation email from GoCardless which requests that you complete a Direct Debit mandate. This gives us permission to collect the agreed funds from your bank account at the agreed time.

Chapter 5

What to say when asking a customer to pay by Direct Debit

Example email

Here's an example message you could send to your customers, asking them to make the switch.

Hello [Name],

Pay your next invoice through GoCardless

think you'll find it easier to pay through GoCardless, and it benefits us too, so for every customer that signs up to pay through GoCardless we're *[Insert incentive details here, e.g. waiving our £25 admin fee/offering a free gift/discount/charitable donation]*

All you need to do is enter your details online here *[enter link to Direct Debit signup page]*. As soon as *[your invoice due date is reached/ subscription fee is due]*, we'll collect payment straight from your pre-agreed bank account.

Unlike with a standing order, you'll be notified before each payment is taken and your payments are protected, so you're guaranteed a refund if a payment was ever taken in error.

GoCardless is an approved Direct Debit provider, who work with over 30,000 businesses across the UK, Europe and Australia, including Sage, TripAdvisor and Les Mills.

If you have any questions, you can find out more details on the [GoCardless website](#) or get in touch with us on *[phone number]*.

All the best, [Name and Company]

Chapter 6

Dealing with objections

Here are some common objections you might come across when asking customers to pay by Direct Debit, and some suggestions for how you can respond to them.

"I don't want to change my processes"

- Outline the benefits to customer and/or incentives (see [Chapter 4](#) and [Chapter 5](#) of this guide).
- Show how easy it is to do - explain the steps (see [Chapter 7](#) of this guide).
- Ask what they don't want to change and see if you can meet them halfway, or add additional benefits to them, e.g. let them choose their payment date or split payments over multiple instalments.

"I don't have time"

- Show how easy it is to do - explain the steps (see [Chapter 7](#) of this guide).
- Outline how they'll save more time this way (if they are paying by cheque/cash/bank transfer) by giving a simple comparison of how long it takes to pay by their usual method. E.g. 30 seconds spent filling in an online Direct Debit mandate form once vs. 2 minutes on a bank transfer every month.

"I don't have time"

- Let them know that you will still send invoices or agree payment in advance as usual.
- Tell them they're protected by the Direct Debit guarantee and are guaranteed a refund in case of any payment being taken in error.
- Tell them they are notified before a payment is taken and they can cancel their Direct Debit at any time to stop future payments.
- Let them know that they can change their payment date at any time by reaching out to you (assuming your business supports this).

"I'm worried about using GoCardless, I've never heard of them"

- Tell them that GoCardless is an approved Direct Debit provider, who work with over 30,000 businesses across the UK, Europe and Australia, including Sage, TripAdvisor and Les Mills.
- Let them know that GoCardless is ISO 27001 accredited, (ISO 27001 is a widely recognised, internationally accepted standard for information security).
- Let them know that GoCardless is authorised by the UK Financial Conduct Authority to provide payment services as an [Authorised Payment Institution](#) across the European Union.
- If they would like more information on GoCardless security credentials, you can point them to [this page](#).
- Explain that compared to other payment methods like cards, bank transfers and standing orders, your Direct Debit scheme offers more customer protection, including refunds of any payments taken fraudulently or in error.

Chapter 6

Dealing with objections

"I always pay you on time, so I don't see why I should have to change"

- Thank them for being a prompt payer, but explain the challenges you have in your business with admin overheads or other cash flow challenges.
- Explain that having customers on differing methods is more work for you, and your efficiency ultimately benefits, so you'd appreciate it if they could sign the mandate.
- Incentivise if needed (see [Chapter 4](#) of this guide).

"Customers have voted with their feet – today more than 80% have chosen to pay with GoCardless."

David Lester, Founder & MD, [Citrus HR](#) – HR software and consultancy

Chapter 7

What your customer sees when they pay through GoCardless

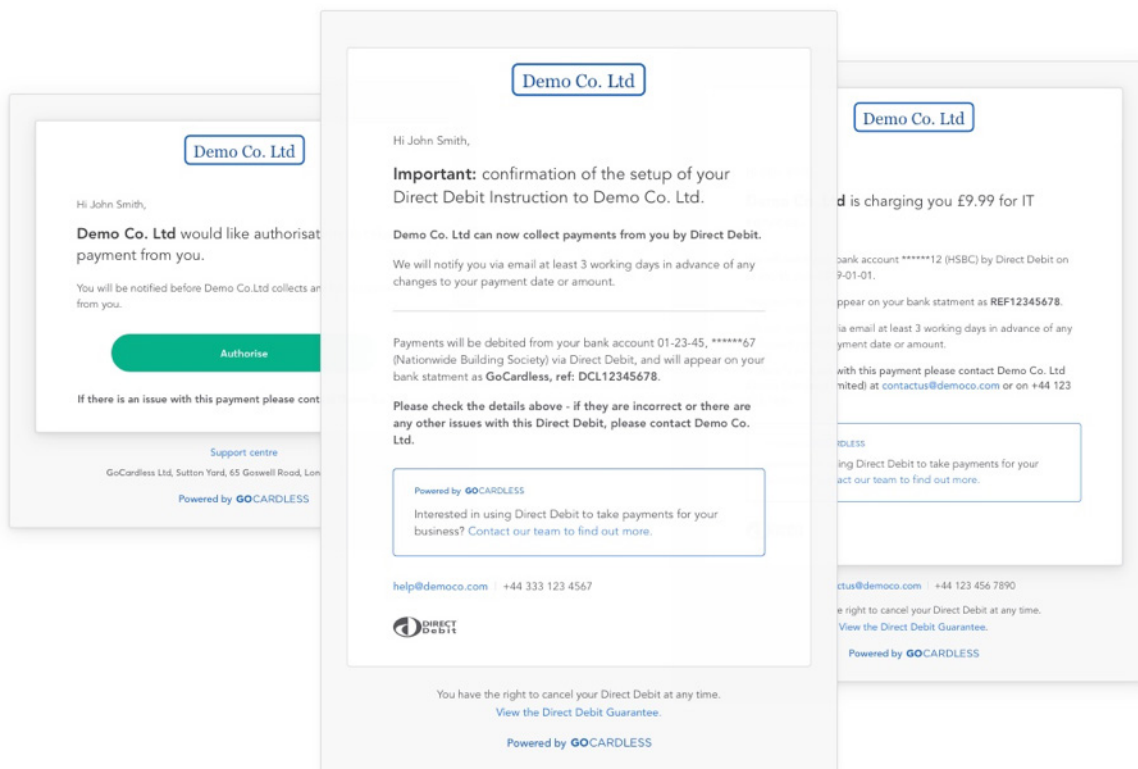
Before talking to your customers about GoCardless, it's helpful to see it from their point of view. Here, we'll show you what your customer would see if they signed up to GoCardless.

If you are using GoCardless through one of our software partners, for example Xero or Sage, please note that the emails will look a little different, according to the branding and house style of your software provider.

If you would like to see an example of an email from a specific software partner, please [contact our support team](#).

You can invite customers to pay through GoCardless via email.

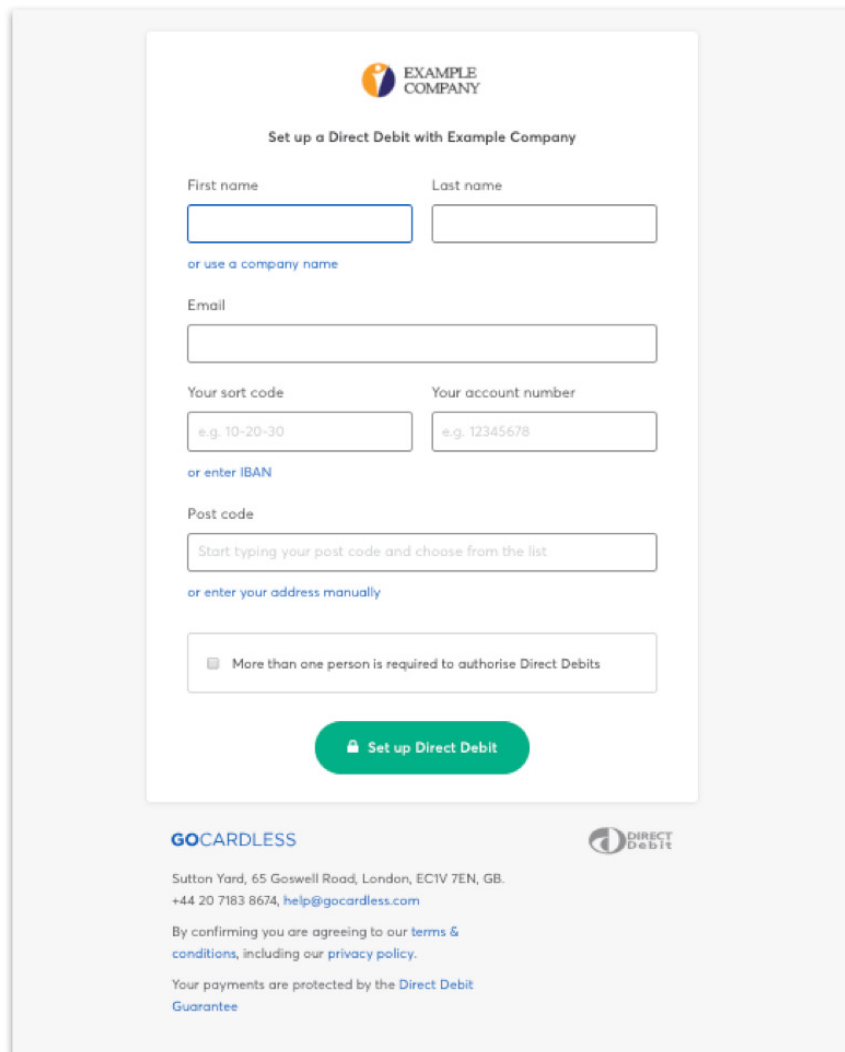
When you add a customer, they will receive a **payment authorisation email** which requests that they complete a Direct Debit mandate, giving you permission to collect funds from their bank account.



Chapter 7

What your customer sees when they pay through GoCardless

GoCardless mandates are set up by your customers online, and look like this:



The screenshot shows a web form titled "Set up a Direct Debit with Example Company". At the top is the "EXAMPLE COMPANY" logo. The form contains several input fields: "First name" and "Last name" (with a "or use a company name" link below), "Email", "Your sort code" (with an example "e.g. 10-20-30" and a "or enter IBAN" link), "Your account number" (with an example "e.g. 12345678"), and "Post code" (with a placeholder "Start typing your post code and choose from the list" and a "or enter your address manually" link). There is a checkbox labeled "More than one person is required to authorise Direct Debits". A green button labeled "Set up Direct Debit" is at the bottom of the form. Below the form, the GoCardless logo and contact information are displayed, along with a disclaimer about terms and conditions and a note about the Direct Debit Guarantee.

EXAMPLE COMPANY

Set up a Direct Debit with Example Company

First name

Last name

[or use a company name](#)

Email

Your sort code

Your account number

[or enter IBAN](#)

Post code

[or enter your address manually](#)

☐ More than one person is required to authorise Direct Debits

Set up Direct Debit

GOCARDLESS

Sutton Yard, 65 Goswell Road, London, EC1V 7EN, GB.
+44 20 7183 8674, help@gocardless.com

By confirming you are agreeing to our [terms & conditions](#), including our [privacy policy](#).

Your payments are protected by the [Direct Debit Guarantee](#)

DIRECT Debit

Once the Direct Debit mandate is agreed, and you begin to create individual payments or plans in the system, GoCardless automatically notifies your customers via email on your behalf with a clear instruction of who they are making the payment to.