

# GOCARDLESS LIMITED - PAYER TERMS OF USE - PAY BY BANK COMMERCIAL

## GoCardless Limited

### Pay by Bank Commercial - Payer Terms and Conditions

#### 1. **What are these terms and who do they apply to?**

- 1.1 These terms and conditions (**Terms**) apply to you (**you, your**) when you use the Pay by Bank Commercial (**Pay by Bank Commercial**) payment initiation service provided by GoCardless Limited (**GoCardless, we, us, our**) to make recurring payments from a bank account in your name to a merchant that both you and GoCardless have a relationship with (**Merchant**).
- 1.2 By accessing or using Pay by Bank Commercial through any means, you are agreeing to be bound by these Terms which govern your use of Pay by Bank Commercial. If you do not agree to these Terms, you cannot use Pay by Bank Commercial.
- 1.3 These Terms are in English and any communications we send to you will be in English. We will communicate with you by email to your email address. If you have any questions about these Terms, including if you want to request a copy of these Terms, please contact our support team at [help@gocardless.com](mailto:help@gocardless.com).
- 1.4 We can make changes to these Terms by giving you two (2) months' notice of such changes. We will give you notice of any such changes by email to your email address. If you do not notify us within the two (2) month notice period that you do not accept such changes, you will be deemed to have accepted them.

#### 2. **What are Variable Recurring Payments and what is Pay by Bank Commercial?**

- 2.1 Variable Recurring Payments (**VRPs**) are a digital, real time, and secure recurring payment solution which provides an alternative to traditional direct debit and 'card-on-file' payments. VRPs enable payers to instruct recurring payments to be made securely by granting a long-lived consent to a payment initiation service provider which allows the payment initiation service provider to initiate a series of payments on the payer's behalf. Following the authentication at the bank when setting up the VRP, the payer will not be required to authenticate each individual payment. The long-lived consent will have payment parameters which will create controls such as maximum amount, frequency and duration of each payment ensuring individual payments are initiated within an agreed framework.
- 2.2 Pay by Bank Commercial is an iteration of commercial VRPs which lets payers move funds from an account owned by them to a beneficiary which can be a different person or legal entity. For example, a payer can set up a Pay by Bank Commercial mandate to instruct funds to be paid on a regular basis from their account to an account owned by a Merchant, such as a utilities company in order to pay for regular energy bills.

#### 3. **What is Pay by Bank Commercial?**

- 3.1 Pay by Bank Commercial is GoCardless' payment solution which allows a Merchant to set up a mandate with you which will then be used by the Merchant to take recurring payments from you.
- 3.2 Pay by Bank Commercial is a payment initiation service provided by GoCardless whereby, based on your consent, we initiate a series of payments from your bank account on your behalf to pay another account belonging to the Merchant (**Merchant Account**). The payments made are based on parameters agreed between you and the Merchant. It enables you to make these payments from your account to the Merchant Account without having to use a debit or credit card through a third party.
- 3.3 Once you have set up the recurring payment instruction, you won't need to do anything else and all the payments will be made by GoCardless initiating the payments from your bank

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account on your behalf, without you having to access your online banking or mobile banking app and instructing each payment to be made.

- 3.4 You must give us your explicit consent before we can enable you to use Pay by Bank Commercial to make regular payments to the Merchant Account.
- 3.5 In order to use Pay by Bank Commercial you must: (a) be over 18 years old; (b) hold an account with a UK bank denominated in pounds sterling which is reachable through Pay by Bank Commercial (**Bank**) and is accessible online (**Bank Account**). If you are using Pay by Bank Commercial for business purposes, and the Bank Account is a business bank account, GoCardless will assume that any individual accepting these Terms on your behalf and agreeing to the Payment Agreement (defined below) has authority to do so on your behalf, and you agree that we are entitled to make this assumption and you will be bound by any acts or omissions of any individual acting on your behalf.
- 3.6 GoCardless will not charge you any fee for using Pay by Bank Commercial .

#### **4. *Who is providing Pay by Bank Commercial to you?***

- 4.1 GoCardless is providing Pay by Bank Commercial to you. The address of our head office is:

Sutton Yard  
65 Goswell Road  
London  
EC1V 7EN

Contact details: [help@gocardless.com](mailto:help@gocardless.com)

- 4.2 GoCardless is authorised and regulated by the Financial Conduct Authority under the Payment Services Regulations 2017 (Firm Reference Number: 597190).
- 4.3 By using Pay by Bank Commercial you understand and agree that: (a) we are providing it to you only and you should not share your access to Pay by Bank Commercial with anyone else; (b) you must not use Pay by Bank Commercial for any fraudulent, unlawful or abusive purpose; and (c) you must only use Pay by Bank Commercial in relation to your own Bank Account using your own security details for that Bank Account.
- 4.4 In providing Pay by Bank Commercial, we will do so with reasonable care and skill, although we do not make any particular commitments or promises to you about Pay by Bank Commercial, including its reliability or availability or that it will be suitable for your needs. Notwithstanding this, your statutory rights remain unaffected.

#### **5. *How do you set up a Pay by Bank Commercial mandate to pay funds to the Merchant Account?***

- 5.1 In order to use Pay by Bank Commercial to make recurring payments from your Bank Account to the Merchant Account, you will need to set up a Pay by Bank Commercial mandate instruction (**Payment Agreement**) with the Merchant setting out the parameters of your Payment Agreement.
- 5.2 The Payment Agreement will set out: (a) the legal name and/or trading names of the Merchant to which the payments are payable; (b) the frequency of the payments or the date(s) on which the payments under the Payment Agreement will be made; (c) the maximum amount of each payment; (d) the end date of the Payment Agreement; and (e) any other relevant parameters that are agreed between you and the Merchant.
- 5.3 You should carefully check the Payment Agreement before you accept it to make sure it matches the agreement you have made with the Merchant (i.e. it matches your understanding and expectations of what you are purchasing from the Merchant). In particular you should check: (a) the expected frequency (or frequency) of your payments which will be made using Pay by Bank Commercial; (b) the expected period over which your payments will be made

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using Pay by Bank Commercial; and (c) the expected (variability of) amounts of your payments that will be made using Pay by Bank Commercial. If you don't agree with the Payment Agreement that has been created you should raise this with the Merchant before agreeing to it.

- 5.4 Once you have created the Payment Agreement with the Merchant, the Merchant will send the Payment Agreement to us and we will ask you to confirm the Payment Agreement. When you confirm the Payment Agreement, you are giving us your explicit consent to instruct your Bank to make payments from your Bank Account in accordance with the Payment Agreement and asking us to redirect you to your Bank to confirm the Payment Agreement with them.
- 5.5 Once you have given your explicit consent to us, we will redirect you to your Bank so you can provide the Bank with your Bank Account login and security details (**Security Details**) and go through authentication with them. Your Bank will only allow the Payment Agreement to be set up and subsequent payments to be initiated by us and executed by the Bank after you give them your Security Details and successfully authenticate the Payment Agreement with them. Once your Bank has confirmed authentication, we will initiate payments from your Bank Account to make the payments in accordance with the Payment Agreement and your Bank will execute the payments from your Bank Account.
- 5.6 In giving your consent to the creation of the Payment Agreement, you are giving your explicit consent to GoCardless initiating all payments made in accordance with the Payment Agreement. We will only initiate payments from your Bank Account in accordance with the parameters stipulated in the Payment Agreement.
- 5.7 In order to initiate payments in accordance with the Payment Agreement, you agree to GoCardless sending a confirmation of funds request to your Bank. Your Bank shall only provide us with a yes or no confirmation of whether the funds are available in your Bank Account to initiate each payment and not the full balance amount.
- 5.8 GoCardless will capture, use and store your Bank Account name, number and sort code solely for the purpose of directing you to your Bank and setting up the Payment Agreement. GoCardless will store these Bank Account details in an encrypted format but will not decrypt these details for use unless required to do so to process a refund or if you expressly agree to save these for returning payments. In all other cases, GoCardless will not decrypt your Bank Account details without your prior consent. The Merchant will see the name on your Bank Account, but GoCardless will not share your Bank Account details with the Merchant. You give your express consent to GoCardless capturing, using and storing your Bank Account details in this way.

### ***Once the Payment Agreement is made, will you be told when payments are being made from your Bank Account to the Merchant?***

- 5.9 If either the amount or the frequency of a payment in the Payment Agreement varies, you will be notified each time before GoCardless initiates each payment (**Pay by Bank Commercial Pre-Notification**). You will not be notified if the Payment Agreement is for the same amount or at the same frequency. Each Pay by Bank Commercial Pre-Notification will include: (a) the upcoming payment date; (b) the amount of the upcoming payment; (c) the Merchant's full legal name and trading name and/or brand name (if relevant), address and company number (if applicable) (to enable you to identify the Merchant); and (d) a reminder that you should contact the Merchant if you do not recognise the payment or wish to cancel the Payment Agreement.
- 5.10 You must immediately notify the Merchant or GoCardless if you become aware that any information in a Pay by Bank Commercial Pre-Notification is incomplete or inaccurate. You must immediately respond to any request by the Merchant or GoCardless in relation to a Pay by Bank Commercial Pre-Notification.

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- 5.11 If the Merchant becomes aware that any of the information included in the previous Pay by Bank Commercial Pre-Notification is inaccurate, incomplete or does not include all of the information listed in section 5.9 then a further Pay by Bank Commercial Pre-Notification will be promptly submitted.
- 5.12 You will also be notified at least forty-eight (48) hours prior to the expiry of the Payment Agreement. Once the Payment Agreement expires you will be required to set up a new Payment Agreement in order to continue to use the Merchant's service.
- 5.13 Subject to applicable data protection law and for a minimum period of six (6) years following the later of; (i) the last Pay by Bank Commercial payment initiated by GoCardless in connection with the Payment Agreement; or (ii) expiry or revocation of the Payment Agreement, we will maintain records in connection with your payments using Pay by Bank Commercial. These records will include: (a) your Payment Agreement; (b) your consent to the Payment Agreement; (c) records of your request to initiate the payment; (d) any Payment Agreement cancellation requests; (e) any information relating to a Payment Agreement that is set up in a manner that your Bank or GoCardless considers is not in compliance with applicable law or regulation, which is detrimental to you or which reflects negatively on Pay by Bank Commercial ; and (f) any complaints.
6. ***How do you change or cancel a Pay by Bank Commercial Payment Agreement and/or payment, how do you get information about a Pay by Bank Commercial Payment Agreement and how can these Terms be terminated?***
- 6.1 We will initiate each payment under the Payment Agreement in line with the timings confirmed to you when you set up the Payment Agreement. You cannot revoke your consent to individual payments; if you want to cancel any payment under the Payment Agreement you need to cancel the Payment Agreement itself.
- 6.2 Once you have set up a Payment Agreement you cannot change it. If you want to change a Payment Agreement, including any payment to be made under a Payment Agreement, you need to cancel the Payment Agreement and then set up a new Payment Agreement with the Merchant on the revised parameters. If you agree to changes with the Merchant in this way, the Payment Agreement will constitute a new Payment Agreement under these Terms.
- 6.2 If you want to cancel a Payment Agreement, the easiest way to do this is through your Bank using your online banking or mobile application. You can also cancel a Payment Agreement by contacting the Merchant and asking them to cancel the Payment Agreement. If you have any problems cancelling your Payment Agreement with your Bank and/or the Merchant please contact us at [help@gocardless.com](mailto:help@gocardless.com).
- 6.3 You won't be able to cancel any upfront payment made under the Payment Agreement with us as this will be initiated as soon as you accept the Payment Agreement, although if the funds for the upfront payment have not left your Bank Account you may be able to stop the payment by contacting your Bank, but that would be for your Bank (not GoCardless) to decide.
- 6.4 If you want to find out information about any Payment Agreement you can do this either by: (a) accessing the Payment Agreement information with your Bank through your online banking or mobile application; or (b) contacting the Merchant and asking for information about the Payment Agreement from the Merchant. If you have any problems accessing information about any Payment Agreement with your Bank and/or the Merchant please contact us at [help@gocardless.com](mailto:help@gocardless.com).
- 6.5 These Terms come into effect when you set up the Payment Agreement and will continue in force for the duration of the Payment Agreement, unless terminated earlier by either you or us. GoCardless can terminate these Terms: (a) for convenience on three (3) months' notice to you; (b) immediately if GoCardless believes you have breached these Terms or otherwise acted fraudulently or unlawfully in using Pay by Bank Commercial or; (c) if GoCardless is

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required to do so under applicable law or regulation or is otherwise required to do so by a regulator or the VRP scheme operator. If we do so, your Payment Agreement will be cancelled with effect from the point of termination and no further payments will be initiated by us to the Merchant under the Payment Agreement.

6.6 You can terminate these Terms at any time by sending us an email to [help@gocardless.com](mailto:help@gocardless.com). When you terminate these Terms we will cancel your Payment Agreement as soon as possible and, at the latest, within five (5) working days of the date of termination. If your Payment Agreement involves a payment being initiated within this five (5) day period, we cannot guarantee the payment will not be initiated and shall have no liability to you for any such payment initiated within this timeframe. You should also contact your Bank and the Merchant and ask them to cancel the Payment Agreement.

### **7. *How does Pay by Bank Commercial work and how and when will GoCardless access your Bank Account to initiate payments under the Payment Agreement?***

7.1 Pay by Bank Commercial works through GoCardless accessing your Bank Account in accordance with your explicit consent and the Payment Agreement to initiate payments from your Bank Account to pay the Merchant on a periodic basis.

7.2 If the Payment Agreement includes an upfront payment, as well as recurring payments, the upfront payment will be initiated by GoCardless as soon as you successfully set up the Payment Agreement, and each subsequent payment will be initiated on a periodic basis thereafter in line with the Payment Agreement and as instructed to us by the Merchant. If the Payment Agreement does not involve an upfront payment and is for recurring payments only, each payment will be initiated on a periodic basis in line with the Payment Agreement and as instructed to us by the Merchant.

7.3 For each payment made to the Merchant, funds will usually leave your Bank Account within two (2) hours of GoCardless initiating the transaction in line with the Payment Agreement, although it could be longer depending on how long your Bank takes to execute the payment order. We will confirm the successful initiation of the payment order, but it is your Bank (not GoCardless) who is responsible for executing it.

7.4 We will never ask you to share your Security Details with us, and neither GoCardless nor the Merchant will be able to see or access your Security Details at any time. Your Bank will only act on the Payment Agreement after you give them your Security Details and successfully authenticate the Payment Agreement with them. Once your Bank has confirmed authentication, we will instruct your Bank to make the payments on a one-off and/or recurring basis in accordance with the Payment Agreement and your Bank will execute the payments from your Bank Account.

7.5 In setting up the Payment Agreement, you are agreeing with your Bank that GoCardless and/or the Merchant should be treated as a 'trusted beneficiary' meaning GoCardless can initiate each payment under the Payment Agreement on your behalf without you having to provide your Security Details to your Bank for each payment.

### **8. *Can Cardlesse refuse to allow you to use Pay by Bank Commercial ?***

8.1 Yes, we may refuse to allow you to use Pay by Bank Commercial including refusing to set up a Payment Agreement and/or refusing to initiate any payment under a Payment Agreement if we think the conditions set out in these Terms are not satisfied, or if it would be unlawful to set up a Payment Agreement and/or initiate any payment under any Payment Agreement. If we do so, we will notify you by email to your email address of the refusal and how you can rectify any errors that led to the refusal, unless notifying you would be unlawful.

### **9. *What happens if something goes wrong?***

9.1 If, following use of Pay by Bank Commercial you think a payment is (a) not what you expected or where you did not consent to such transaction; (b) fraudulent; (c) made outside

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the parameters of the Payment Agreement; or (d) an error, mistake or delayed, you should immediately contact your Bank who is responsible for investigating it and, where necessary, reimbursing you.

- 9.2 If you think that a payment has been made outside the agreed parameters of the Payment Agreement you could contact the Merchant. The Merchant is responsible for investigating in the first instance and, if applicable, fixing the issue. If such payment has been made outside the agreed parameters of the Payment Agreement and this has been done through fault or error of GoCardless, either the Merchant can refer you back to us to remediate the situation, or you can contact us directly by email at [help@gocardless.com](mailto:help@gocardless.com).
- 9.3 If you suspect somebody else has access to your Security Details and is fraudulently using them to access Pay by Bank Commercial you must contact us immediately by email at [help@gocardless.com](mailto:help@gocardless.com). If we have concerns around suspected or actual fraud or other security threats related to your use of Pay by Bank Commercial, we will contact you by email to your email address.
- 9.4 GoCardless will not be responsible for any loss you may suffer as a result of your material failure to comply with these Terms or caused by matters beyond our reasonable control (e.g. pandemic, industrial action, natural disaster etc). We are only responsible to you for foreseeable loss and damage caused by us and not for any indirect or consequential losses, although we do not exclude or limit our liability in any way if it would be unlawful to do so. We will not be liable to you for any loss or damage if the Bank and/or the Merchant is responsible for such loss or damage
- 9.5 You agree you will be liable to us for any losses which we can show were sustained by us as a direct result of your breach of these Terms.

### **10. What do I do if I want to raise a dispute about Pay by Bank Commercial?**

- 10.1 If you want to raise a dispute about the goods or services provided (or not provided) by the Merchant, you must raise this directly with the Merchant as this is not something GoCardless can help with.
- 10.2 If you have a dispute in relation to a payment that you have made to the Merchant whilst using Pay by Bank Commercial we will treat and resolve any disputes (**Dispute**) in accordance with applicable law and regulation. If you wish to raise a Dispute you must do so within thirteen (13) months of the disputed payment by emailing [help@gocardless.com](mailto:help@gocardless.com).
- 10.3 If you would like to raise a Dispute, you should contact the Merchant and attempt to resolve it with them in the first instance if you reasonably believe they are the appropriate party to contact.
- 10.4 If we receive a Dispute which we reasonably believe your Bank is required by applicable law and regulation to resolve then we will: (a) promptly upon receipt of the Dispute, forward it to your Bank; (b) inform you that the Dispute has been forwarded, together with an explanation of why it has been forwarded and the name of the Bank; and (c) will not provide you with our view as to whether the Bank will or is likely to provide you with a refund.

### **11. What is the law and jurisdiction governing these Terms?**

- 11.1 These Terms are governed by English law and the English courts have exclusive jurisdiction over any matter, claim or dispute (whether contractual or non-contractual) arising out of or in connection with the Terms or their subject matter or formation.

### **12. What do I do if I want to make a complaint about Pay by Bank Commercial ?**

- 12.1 If you wish to make a complaint about Pay by Bank Commercial please contact us first using the contact details below:

Please submit complaints via email to: [complaints@gocardless.com](mailto:complaints@gocardless.com)

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Complaints can also be submitted in writing to:

Complaints Team  
GoCardless Ltd  
65 Goswell Road  
London  
EC1V 7EN

- 12.2 We will do our best to resolve your complaint, but if you still aren't happy with our response and you are a consumer, micro-enterprise or other eligible complainant, you have the right to refer your case to the Financial Ombudsman Service:

Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Tel: 0800 023 4567

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

### **13. *What are the Financial Conduct Authority's contact details?***

- 13.1 The Financial Conduct Authority's contact details are:

Financial Conduct Authority  
12 Endeavour Square  
London, E20 1JN

Contact Centre: 0300 500 0597

Consumer Helpline: 0800 111 6768