

EU-addenda 2

Many companies are now insisting that regular contract payments are made by the Direct Debit system and are charging a premium to process payments made by any other method. They are also, in many cases, refusing to do business unless the customer accepts this payment method. This is because it is a guaranteed payment system. What that means is the bank cannot refuse a payment requested by a company providing them with the correct debit details. Neither can the account holder refuse the payment or instruct the bank not to pay. This effectively gives any company holding your correct debit details more control over your account than you OR the bank. This must be against the rights of the account holder, as you can be taken into overdraft without your knowledge OR consent.

I have 3 direct debits, all long standing from before I knew of this problem, all for small amounts and I trust these 3. I will never agree to any direct debits, I use standing orders for regular payments. I also, for reasons of security, have a master account where my income arrives. I have a secondary (payments) account where I transfer enough money to satisfy my outgoings. The secondary account has the direct debits, standing orders and all other business is done by on line debit card payments. The more direct debits you have, the greater the risks. You are reliant on the system security of those who hold your data. They are vulnerable to cyber criminals or, possibly, disgruntled staff committing a crime against you via their system. As a retired IT consultant who has done some work on system security, I know that many cyber attacks are never reported, they are often covered up in the interests of "maintaining client confidence in our IT system". Recently there were at least 2 major banks who had a shut down of both their ATM machines AND their web sites. This was explained as "a system glitch" and the other was put down to "planned system maintenance". Much more likely that it was cyber criminals hacking the system, introducing a Denial of Service routine and blackmailing the banks to have all put right. The only cyber attacks ever reported are where they are so big, they are public knowledge and they make the six o'clock news. This system must be changed to consider firstly, the rights of the account holder, then the system can be agreed to suit the banks and the retailers.