

## **What is DebiCheck?**

DebiCheck is a specific type of debit order that requires a once-off electronic confirmation at the start of the agreement. It allows you to confirm the details of the debit order with your bank before it is collected from your bank account. DebiCheck has been endorsed by the South African Reserve Bank (SARB) and the Payment Association of South Africa (PASA).

## **What is a DebiCheck mandate?**

A mandate is the authorisation or permission you give to debit your bank account with the agreed amount. If the bank account is a third party bank account, permission must be obtained from the account owner.

## **Why DebiCheck and Why was it created?**

DebiCheck minimises the risk of fraudulent or unauthorised debit orders going off your account, because you need to give permission to debit your bank account. Over the past couple of years, there was an increase in debit order fraud. Debit orders were being collected from clients' bank accounts without them knowing what these debit orders were for. Consumers also disputed and reversed valid debit orders often to manage their monthly cashflow.

The South African Reserve Bank (SARB) therefore instructed the Payments Association of South Africa (PASA) to introduce and create a new kind of debit order, DebiCheck, to prevent invalid debit orders and disputes. DebiCheck debit orders were created to give consumers more control over their debit orders and to protect them from unauthorised debit orders.

## **How is DebiCheck different from our other type of debit orders?**

DebiCheck requires your confirmation of the debit order information with your bank at the start of your agreement. This permission allows your bank to have record of all your DebiCheck debit orders and your bank can verify the information before processing the debit order to your account. Banks do not have record of your debit orders and can therefore not verify all the debit orders are correct before it is processed.

## **Why is DebiCheck important?**

DebiCheck debit orders allow you to be in control of your debit orders because you must authorise the details of the debit order at the start of your contract. DebiCheck debit orders must be processed within the conditions that you agreed and confirmed i.e., the amount you agreed to pay.

## **What must I do?**

On any new DebiCheck debit order, a new DebiCheck request or mandate will be sent to you. The mandate or request will include the details of the DebiCheck Debit Order, linked to the terms of the agreement or contract. A once off electronic confirmation or approval is required to activate the mandate and the DebiCheck debit order. The mandate must be accepted within a certain time frame, which is normally within 2 days after you received the mandate.

## **What is an electronic confirmation or approval?**

This means that you acknowledge or confirm the details provided for the debit order on an electronic device such as your cell phone, computer, ATM or banking app.

## **Must I confirm my DebiCheck debit order every month?**

No, you only need to confirm the mandate at the start of the contract. If any information that was previously confirmed changes later, you will be asked to confirm the new information. The only time that approval is required after the initial confirmation of the DebiCheck information, is if there are any changes to the information. Thereafter, the DebiCheck debit order will automatically be paid from your account.

## **Why is it important for the bank to have my correct cell phone number?**

The primary means of sending you a DebiCheck mandate or confirmation is through your cell phone. It is therefore important that the bank know which number to send the mandate to. DebiCheck debit orders put you in control and to do this, your bank need to be able to communicate with you.

## **Why do I need to confirm my debit order again if I have already signed a debit order mandate and contract with a service provider?**

You have a contract with Gomo that is the agreement that you will pay your instalment amount every month. A debit order allows Gomo to deduct the instalment amount from your bank account.

Your DebiCheck debit order is the type of debit order confirmation provides further assurance that you have approved the conditions of the debit order and we can allow that money to be paid to your service provider according to the terms of the contract that you signed.

## **Is DebiCheck a third party between me and the bank?**

No, DebiCheck is not a separate company or third party, it is a type of debit order that was created by PASA as a result of the debit order abuse that was taking place.

## **I am having difficulty with accepting the DebiCheck mandate.**

Contact your bank to confirm if there is a pending mandate and request assistance to accept the mandate. There are also alternative channels available such as your banking app, ATM or visit your branch.

## **What is the DebiCheck maximum collection amount?**

The DebiCheck maximum collection amount is 1.5 times higher than the instalment amount on the agreement. This does not mean that the DebiCheck debit order will collect this amount monthly, as this amount only caters for instances where interest rates are increased or if additional value-added products (VAPS) are requested by the client.

### **Will DebiCheck allow me to cancel my debit order?**

You will be able to suspend your DebiCheck debit order with your bank, which means the debit order will not be collected from your bank account as a DebiCheck debit order in future. Gomo will still continue to collect the monthly instalment as a normal EFT debit order later in the day. To cancel the debit order you need to contact Gomo. It is important to understand that suspending the debit order does not mean you do not have to pay your monthly instalment.

### **What if the debit order is running on my spouse's bank account?**

Any DebiCheck debit order must be approved by the account holder. Your spouse will receive the DebiCheck information via their bank to approve the mandate and confirm the DebiCheck information.

### **What happens if i do not approve or confirm the DebiCheck mandate?**

If the DebiCheck information on the mandate is rejected, Gomo will deduct the monthly instalment with a normal (EFT) debit order on the date agreed. This normal (EFT) debit order will only be collected later in the day and not early in the morning. This also means that your bank will not have the details of the debit order which is submitted to your bank account.

If no response is received from you after the DebiCheck information on the mandate is sent to you (not accepted or rejected), your bank will register an RMS, which stand for "registered mandate service". This is a service which was created for your bank to automatically set up the debit order if there is no response received on the DebiCheck mandate.