

Our ref. GB/PJK/NH

8 September 2017

Bacs: Direct Debit Call for Input  
2 Thomas More Square  
London  
E1W 1YN

Email: [Consultation@bacs.co.uk](mailto:Consultation@bacs.co.uk)

Dear Sir/Madam

**RESPONSE OF THE CHARTERED INSTITUTE OF CREDIT MANAGEMENT (CICM) TO:  
BACS: DIRECT DEBIT CALL FOR INPUT**

The Chartered Institute of Credit Management ([CICM](#)) is the largest recognised professional body in the world for the credit management community. Formed over 75 years ago, the Institute was granted its Royal Charter in 2014. Representing all areas of the credit and collections lifecycle, it is the trusted leader and expert in its field providing its members with support, resources, advice, and career development as well as a networking and interactive community. In addition to its comprehensive suite of qualifications and learning opportunities, events and magazine 'Credit Management', the CICM administers the [Prompt Payment Code](#) for BEIS. Independently, and through collaboration with business organisations, it provides vital advice to businesses of all sizes on how best to manage cashflow and credit.

CICM members hold important, credit-related appointments throughout industry and commerce, and we feel it appropriate to comment on this Call for Input.

Our responses to the questions posed in the BACS survey, are attached to this letter.

If we can help in any further way please do not hesitate to contact us.

Yours faithfully



**Glen Bullivant FCICM**  
**Chair of Technical Committee**

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**RESPONSE OF THE CHARTERED INSTITUTE OF CREDIT MANAGEMENT (CICM)**

**TO: BACS: DIRECT DEBIT CALL FOR INPUT**

**Concept 1 – Security**

Is this an area of Direct Debit that you feel requires enhancement?

**Yes.**

Does this tackle a real area of need?

**Yes.**

Do you think it would be beneficial to consumers? If so, how?

**Yes, in order to provide additional security and increase confidence.**

From your perspective, would it make you more likely to use/offer Direct Debit, less likely to use/offer Direct Debit, or have no impact at all?

**No impact at all.**

Why do you say that?

**N/a**

Do you have any concerns about the introduction of the types of changes outlined here?

**Our members concerns are around implementation costs and additional burden on consumers and originators.**

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**Concept 2 – Flexibility**

Is this an area of Direct Debit that you feel requires enhancement?

**Yes.**

Does this tackle a real area of need?

**Don't know.**

Do you think it would be beneficial to consumers? If so, how?

**Yes, our members feel that it would provide greater flexibility and choice.**

From your perspective, would it make you more likely to use/offer Direct Debit, less likely to use/offer Direct Debit, or have no impact at all?

**No impact.**

Why do you say that?

**Where our members see this as important, they already offer the option.**

Do you have any concerns about the introduction of the types of changes outlined here?

**Our members did not have any major concerns with the changes outlined.**

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### **Concept 3 – Control**

Is this an area of Direct Debit that you feel requires enhancement?

**No.**

Does this tackle a real area of need?

**No.**

Do you think it would be beneficial to consumers? If so, how?

**No. Advance notice is already given and many consumers would fail to respond thereby negating the benefit of Direct Debit.**

From your perspective, would it make you more likely to use/offer Direct Debit, less likely to use/offer Direct Debit, or have no impact at all?

**No impact.**

Why do you say that?

**Direct Debit is a necessary requirement for the business; this would not remove the need.**

Do you have any concerns about the introduction of the types of changes outlined here?

**Our members concerns were around the costs of implementation and that it would be open to abuse.**

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### **Concept 4 – Liability**

Is this an area of Direct Debit that you feel requires enhancement?

**Yes.**

Does this tackle a real area of need?

**Yes.**

Do you think it would be beneficial to consumers? If so, how?

**Yes, our members feel this would be beneficial, and it would likely increase the number of organisations (particularly SMEs) offering Direct Debit facility.**

From your perspective, would it make you more likely to use/offer Direct Debit, less likely to use/offer Direct Debit, or have no impact at all?

**More likely.**

Why do you say that?

**We believe that limits on claims will increase confidence and address an area of real concern.**

Do you have any concerns about the introduction of the types of changes outlined here?

**We feel that an awareness of arrangements needs to be ensured.**

**The current indemnity scheme is too easily abused and bank staff are often under-trained in arrangements and procedures, and need to check before simply actioning indemnity refunds.**