

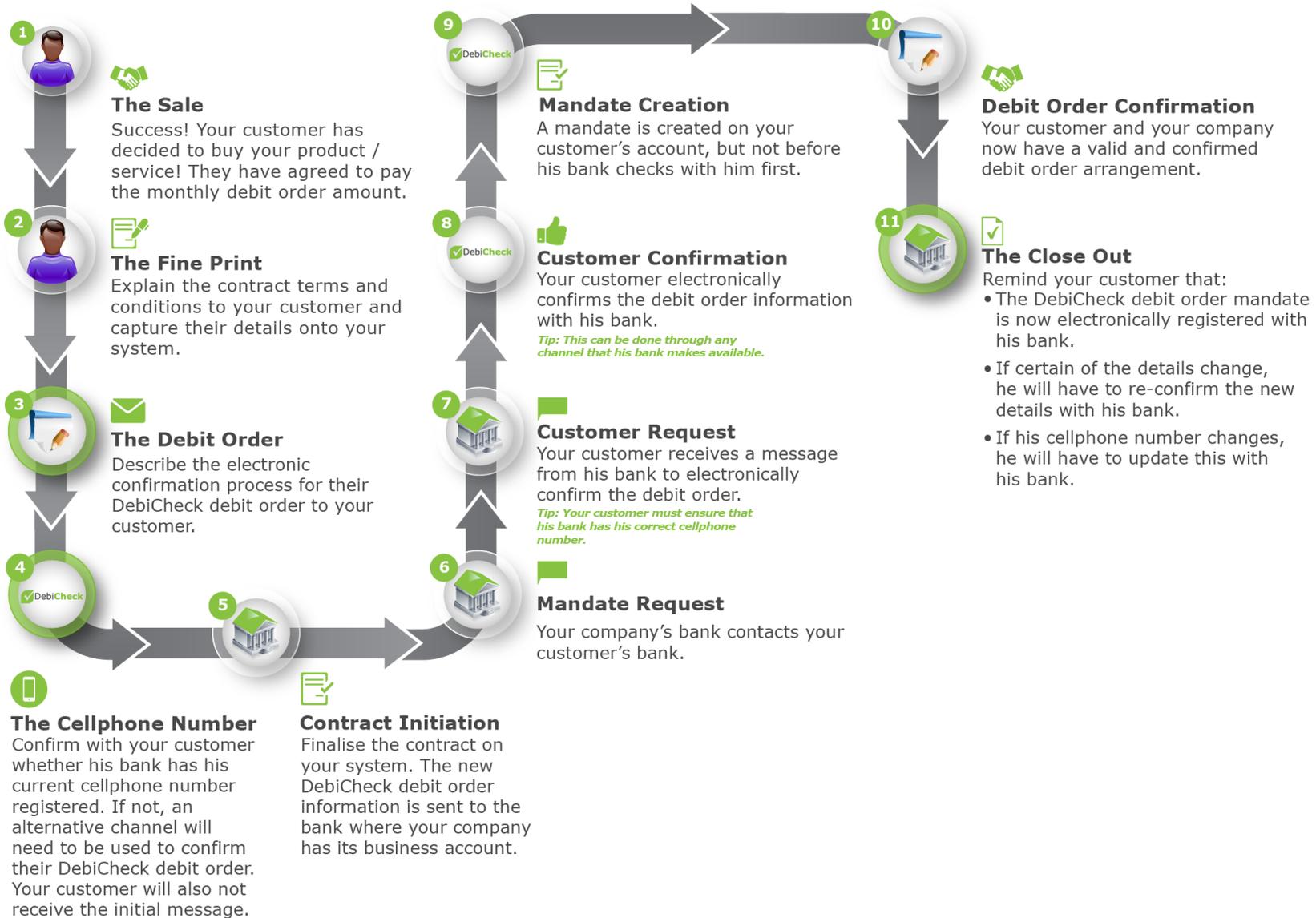
DebiCheck Decoded

A guide on how to schedule your debit orders



DebiCheck is...

An exciting new system in which customers now have to electronically confirm their debit order information with their bank before their account is debited. This will mean changes to the interactions you have with a customer.



Our story...

DebiChecks are new debit orders electronically confirmed by you with your bank on a once-off basis, relating to a new contract that you have signed with a company.

Most South Africans agree that debit orders are a convenient way to pay their accounts, as it saves them time and having to remember to make payments, thereby giving them peace of mind.

However, over the past number of years, debit order abuse has become a major issue in South Africa. There has been bad behaviour by some companies that process invalid debit orders to consumer bank accounts. In addition, there are consumers that avoid paying valid debit orders by unfairly disputing these with their banks. As a result, the Reserve Bank has asked PASA, which includes the South African banks, to find a solution.

This is why we are introducing DebiCheck. DebiChecks are new debit orders electronically confirmed by you with your bank on a once-off basis, relating to a new contract that you have signed with a company.

This means that, your bank will now know the details of what you have agreed to and will not allow your DebiCheck to be processed outside the terms that you have confirmed.

With DebiCheck, you will be in control. To help make DebiCheck work for you, you must ensure that your bank has your correct cellphone number.

DebiCheck will be launched from 2017 and rolled out in a phased approach over the next two to three years. Companies / service providers that choose to adopt DebiCheck, will do so over time and, therefore, not all your new debit orders will be affected at the same time. DebiChecks will also not replace your existing debit orders.



List of banks that allow DebiCheck transactions





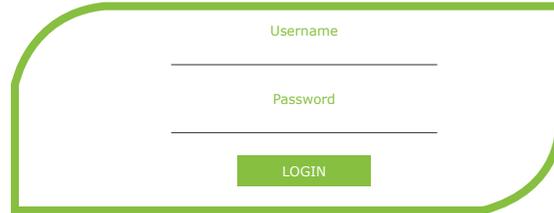
Capitec
DebiCheck user guide

1



Step 1
Receive an SMS from Capitec stating **you have a mandate to authenticate/approve**

2



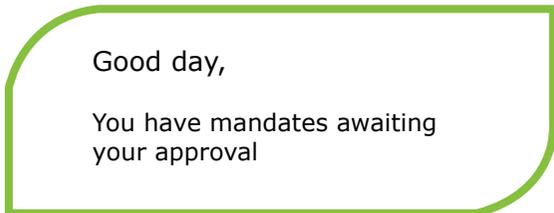
Step 2
Open your **mobile banking App**

3



Step 3
Enter your **remote PIN**

4



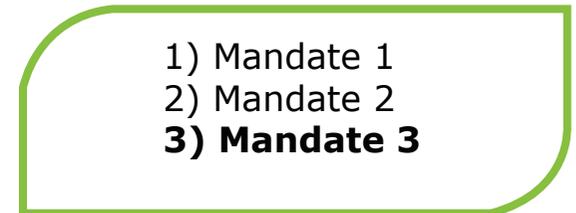
Step 4
A message will be displayed stating that you have **pending DebiCheck mandates to approve**

5



Step 5
Choose to either **accept/ decline DebiCheck**

6



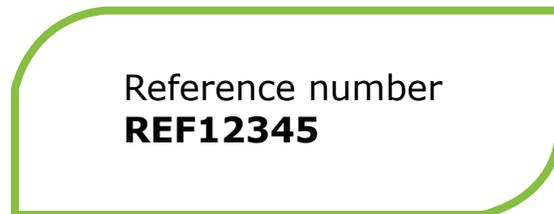
Step 6
A list of pending DebiCheck debit orders will be displayed, select the one you wish **to action**

7



Step 7
Confirm the details are correct before continuing to approve/ decline

8



Step 8
Confirmation of DebiCheck approval/ decline will be displayed

1



Step 1
Receive an SMS from Capitec stating **you have a mandate to authenticate/approve**

2



Step 2
Visit a **Capitec branch**

3



Step 3
Inform Client Service Champion (CSC) that **you want to approve a DebiCheck debit order**

4



Step 4
Identification will be done by the Service Consultant using biometrics

5



Step 5
The Service Consultant will display pending DebiCheck mandates

6



Step 6
Confirm which mandate needs to be **Accepted/ declined**

7



Step 7
Confirm your the approval/ decline using **biometrics**

1



Step 1
Receive an SMS from Capitec stating **you have a mandate to authenticate/approve**

2



Step 2
Dial **0860 10 2043xc**

3



Step 3
Inform Contact Centre Agent (CCA) that **you want to approve/decline a DebiCheck mandate**

4



Step 4
The CCA will check for **outstanding mandates**

5



Step 5
The CCA will confirm with you which mandates need to be **approved/ declined**

6



Step 6
The CCA will select the mandate that you want **approved/ declined**

7



Step 7
The CCA will then read out a **disclaimer**

8



Step 8
The CCA will complete the transaction by clicking on **transmit**

1



Step 1
Receive an SMS from Capitec stating **you have a mandate to authenticate/approve**

2



Step 2
Dial ***120*3279#**

3



Step 3
Select **option 8: Approve DebiCheck**

4



Step 4
Review the details on screen and select **option 1 to continue**

5



Step 5
Review additional information. Select **option 1 to approve and 2 to decline**

6



Step 6
Read through the disclaimer. **Select option 1 to continue**

7



Step 7
Enter your Mobile Banking PIN to approve or decline the DebiCheck debit order

8



Step 8
A confirmation message will be displayed

FAQs - Consumer focused

Q: What is DebiCheck?

A: DebiCheck is the name for a specific type of debit order. A DebiCheck debit order is one that you confirm, electronically on a once-off basis (at the start of your contract). Its purpose is for you to confirm the details of the debit order with your bank before it is processed to your bank account.

Q: Who made this decision and why?

A: During the last couple of years debit order abuse has increased. On the one hand, there has been an increase in the number of debit orders being processed to consumers' bank accounts without their consent. On the other hand, consumers have increasingly been disputing debit orders which they actually have agreed to, mostly to manage their cash flow. For these reasons, the South African Reserve Bank (SARB) decided to review the debit order landscape and during 2013 instructed the Payments Association (PASA) and the banks to address these issues. DebiCheck aims to address both of these issues by introducing electronic consumer confirmation for all DebiCheck debit orders.

Q: What is the difference between DebiCheck debit orders and other debit orders?

A: DebiCheck debit orders are debit orders that you will confirm, electronically and on a once off basis. Its purpose is for you to confirm the details of the debit order with your bank before it is processed to your account. Other debit orders are not confirmed electronically, although you still need to have a valid mandate in place.

Q: What does 'electronically confirm' mean?

A: To electronically confirm your debit order means that you confirm the details of your debit order on an electronic device such as your cellphone, your bank app, your personal computer or perhaps an ATM. Your bank will let you know which options are available for you to use.

Q: Why the need to electronically confirm debit orders?

A: It ensures that you are in control of and aware of debit orders

being processed to your bank account. Additionally, it provides the company that you are dealing with, with the comfort of knowing that you have acknowledged and are aware of these debits orders. It also allows your bank to record the debit order information and to check the information before they process the debit order to your account.

Q: Why is this important for me as a consumer?

A: DebiCheck puts you in control of the debit orders that you are able to confirm. You will have the comfort of knowing that DebiCheck debit orders must be processed within the agreed conditions that you have confirmed.

Q: How is DebiCheck different from what we have now?

A: DebiCheck allows you to confirm the debit order information with your bank, at the start of the contract. This means that your bank will now have a record of all DebiCheck debit orders and will be able to verify the information before the debit order is processed to your account. Currently, banks do not have record of your debit orders and therefore cannot verify that the debit order information is correct before they process your debit order.

Q: How will this new system and its related processes affect me?

A: DebiCheck will require an additional action from you – electronically confirming the debit order information with your bank. In many instances, your cellphone will be used for this confirmation, in which case you will need to make sure that your bank has your correct cellphone number. This is very important!

Q: How often will I need to confirm my DebiCheck debit order?

A: You will only need to confirm your debit order information at the start of the contract. However, if the debit order information that you confirmed changes, your bank will ask you to confirm the new information.

FAQs - Consumer focused

Q: What do I need to do as a consumer?

A: For existing debit orders – nothing. For new DebiCheck debit orders, you will need to check and confirm the new debit order information in the manner requested by your bank. This could either be in person (face-to-face), using online banking or your banking app or remotely by call centre or a request sent via your cellphone.

Q: What education will I receive as a consumer to ensure I understand the process?

A: Your bank will have information handy to assist you with any questions you may have. You can also find more information on www.debichcek.co.za.

Q: Will all my debit orders have mandates?

A: All debit orders processed against your bank account must have mandates, but may not necessarily be subject to DebiCheck confirmation. No debit orders can be processed to your bank account without a mandate.

Q: How can I ensure all my debit orders are mandated?

A: It is important to remember that all debit orders must have mandates. Check your bank statement regularly to ensure you are aware of all debit orders that are being processed to your account. Also make sure that you have given a mandate for each of those debit orders. For DebiCheck debit orders, your bank will now also have an electronic confirmation of you agreeing with the debit order information of each mandate.

Q: Can I choose which debit orders must be electronically confirmed using DebiCheck?

A: As a consumer, unfortunately not. Companies who use the debit order system choose whether they want to use DebiCheck, or not. If they choose to use DebiCheck, you will receive an electronic request to confirm the debit order information. If not, you just need to ensure you have a signed paper or telephonically approved (voice) recorded mandate.

Q: Why can't I use DebiCheck for ALL debit orders?

A: This is definitely a long term goal for the South African Reserve Bank and the Payment Association of South Africa. Unfortunately, due to the number of debit orders and entities involved in these processes, this will have to be done in a phased approach.

Q: How do I know that the company that is debiting my bank account is part of the new system?

A: Debit orders requiring electronic confirmation with your bank are called DebiCheck debit orders. You can enquire from the company that your debit order is with, whether or not they are part of the DebiCheck system. If you are not required to electronically confirm the debit order information with your bank, at the start of your contract, the company that you are dealing with is not using DebiCheck for this debit order.

Q: What bank fees are associated with DebiCheck debit orders?

A: For more information on bank fees, please contact your bank directly.

Q: What are the telecommunication / cellphone costs associated with DebiCheck?

A: Telecommunication / cellphone costs will depend on a number of factors, for example whether you use the USSD option or your banking app to confirm the DebiCheck. It will also depend on your mobile network costs.

FAQs - User focused

Q: Will my bank send me a link to confirm DebiCheck debit order or ask me to send my bank details, card PIN or password?

A: No, your bank will never send you a link or ask that you provide your card PIN, password or personal details. You must always keep these safe. A request like this may be a form of phishing. If you are worried, please check with your bank.

Q: Is DebiCheck safe to use?

A: The DebiCheck system was designed by banks and according to the prescribed industry standards. The system is therefore secure. Your bank will communicate how you can securely and electronically confirm your debit orders. You will therefore need to ensure that your bank has your updated cellphone number and that all your contact details with the bank are up to date.

Q: Will DebiCheck allow me to cancel my debit order?

A: You will be able to suspend your DebiCheck debit order with your bank, which means the debit order will not be processed to your account in future. You should still contact your service provider to confirm that you are cancelling the debit order though. Suspending the debit order with your bank does not cancel the contract that you have. This is something that would have to be done directly with the company.

Q: Is it a new type of debit order?

A: Yes, DebiCheck is a new type of debit order. It is a debit order which you have electronically confirmed the debit order information, with your bank.

Q: Will it require extra effort and time?

A: Yes. It will require you to check the message that your bank sends you to ensure the debit order information is correct and then to confirm the information in the way your bank requires. It may be as simple as pressing confirm on your banking app, typing in a '1' on a USSD string or typing in a code on your cellphone. The way in which you can confirm your DebiCheck debit order will be communicated to you by your bank. It is therefore important that your contact details, especially your

cellphone number, is up to date with your bank.

Q: Why is it important for the bank to have my correct cellphone number?

A: Although not the only way, one of the primary means of contacting you to perform a DebiCheck confirmation will likely be through your cellphone. Remember, DebiCheck is all about putting you in control and allowing you to confirm your DebiCheck debit orders directly with your bank. For this to happen, your bank has to know which number to contact you on.

Q: Will I have to go into the bank branch to do a DebiCheck confirmation?

A: Not necessarily. You will be able to go to your branch, but you won't HAVE to. Your bank will make a number of options available for you to electronically confirm your DebiCheck debit order, for example on your cellphone or internet banking.

Q: How will it work?

A: For DebiCheck debit orders, you will receive a request from your bank to electronically confirm the debit order information relating to the new contract you have signed with a company. Once you confirm that the information is correct, your bank will load the information on a mandate register. Your bank can then verify the information every time before the debit order is processed to your account. If the information matches, the debit order is processed. If not, the debit order is rejected.

Q: How much is it going to disturb me during work?

A: DebiCheck only requires your confirmation once off, at the start of the contract or when the confirmed information changes afterwards. You won't need to confirm the details every month. Therefore, it really won't be a disturbance at all.

Q: Do I have to confirm my DebiCheck every month?

A: No, only at the start of your contract. Or, if any of the information you confirmed originally, changes.

FAQs - User focused

Q: Why do I need to confirm my debit order again if I have already signed a contract with the service provider?

A: DebiCheck allows you to confirm the details of your debit order with your bank, which in turn allows your bank to know what you have confirmed. Your bank will therefore be able to verify the debit order information before the debit order is processed to your account.

Q: Does it mean that if the company does not participate in DebiCheck, I will not be protected?

A: No, as a consumer, you are always protected. Irrespective of the type of debit order, there always has to be a mandate in place that you have agreed to.

Q: Where can I find more information about DebiCheck?

A: You can contact your bank or go to www.debicheck.co.za for more information.

Q: Is this another service provided by the bank?

A: DebiCheck is a type of debit order and is a bank product, used by companies and consumers.

Q: Is there a mobile application for DebiCheck?

A: No, there is no separate mobile application for DebiCheck.

Q: Is it similar to RICA and FICA?

A: No, this is not similar to RICA or FICA. Although, if your bank does not have your correct cellphone number, it may cause some difficulty. Therefore, please ensure that your details are up to date with your bank. It is in your best interest and will ensure that it is easy to confirm a new DebiCheck debit order.

Q: Is DebiCheck a third party between me and the bank?

A: No DebiCheck is not a separate company / third party. DebiCheck is the name of a new type of debit order that was developed by the South African banks. User-focused FAQs

Q: Why is DebiCheck being introduced?

A: Over the last few years, there has been an increase of debit orders being processed to bank accounts without permission (a mandate) from consumers. On the other hand, consumers who dispute debit orders that do have valid mandates, has also increased, which has become a huge concern for banks and companies. As a result, the South African Reserve Bank (SARB) asked the Payments Association of South Africa (PASA), which includes the South African Banks, to find a solution. That is why, in 2017, the industry will be launching DebiCheck. Implementation will be carried out over a period of more than 2 years, which means that participating companies will start using DebiCheck over this period. Not all companies will start using DebiCheck at the same time; it will be phased in over a period of time to ensure that the system remains stable.

Q: What are the benefits to me, the User?

A: If you are a User wanting to collect money in the Early Processing Window, you will be required to participate in the new system. Being a DebiCheck User means that you will have the benefit of receiving confirmation that mandates, already authorised by your customer, are being stored by his / her bank. This will result in less disputes with "no authority to debit" and provide you with improved protection against consumers abusing the system for cash management purposes. The new system will also provide the opportunity to introduce a non-face-to-face facility for authentication and thus improve flexibility as compared to the current Authenticated Early Debit Orders (AEDO) option.

Q: What do I have to do from a technology perspective?

What actions are required to implement DebiCheck?

A: Any User who wants to make use of the DebiCheck system as a collection method will have to engage with their sponsoring bank to obtain the User specifications. These specifications must be used to develop the processes and connectivity to be able to utilise some or all of the available authentication methods, submit payment files for processing, receive response files and effect amendments to the mandated details stored at the consumer's bank. There are also System Operators who can assist to make the transition painless – please check with your bank. Depending on your type of business, authentication technologies and processes are available for face-to-face and / or remote interaction, and batch or real-time processing.

FAQs - User focused

Q: How much will this cost me?

A: There will be internal development cost to implement the new system and processes, which you will have to calculate and manage based on the specifications supplied by your sponsoring bank. For costing between your company and your bank and / or System Operator (if applicable), you will have to consult with the relevant entity.

Q: Is it mandatory to participate?

A: If you want to collect in the Early Processing Window, you will have to participate as a DebiCheck User. Alternatively, you may choose to do your collections in the normal EFT debit order run.

Q: How do I register to become part of DebiCheck?

A: Contact your sponsoring bank to register for the DebiCheck service. If you currently process Authenticated Early Debit Orders (AEDO) or Non-Authenticated Early Debit Orders (NAEDO) transactions, do not assume that you will automatically have access to the DebiCheck system. The banks may apply different criteria. Check with your corporate banker.

Q: Will I receive technical support?

A: Different Users will require different levels of technical support. Your bank will supply the specifications, but if your IT department needs help, there are a number of System Operators who are geared to assist at your required skill level. Your bank will have a list of preferred System Operators and Third Party Payment Providers, or you may reference the Payment Association of South PASA website (www.pasa.org.za) for a list of authorised System Operators.

Q: How will we be relaying the messages publically to support consumer education?

A: The industry has created a DebiCheck Toolkit. The toolkit includes standard messages that both banks and Users should use when communicating to consumers. There is also pre-designed (yet customisable) material, such as posters, flyers, e-mailers and brochures, available. Banks will create internal marketing and educational material for the benefit of their

customers. Using the scripts and pre-designed artefacts, you may also create your own material, within the boundaries of the industry toolkit. You can contact your User association or your sponsoring bank for the material.

Q: What support and rights do I have?

A: As a User, you have the support of your sponsoring bank and System Operator, if applicable. If you have any additional questions that you cannot find answers to in the available correspondence, your first point of contact should be your sponsoring bank. You have the right to participate in the new DebiCheck system if you implement the changes and meet the requirements and rules for participation.

Q: As a User, how do I manage education and value to my customers?

A: Discuss your marketing ideas with your bank and get approval for the message you want to communicate – especially in the initial stages where there may be uncertainty and conflicting information. All communication must consider the industry DebiCheck communication guidelines.

Q: Is there a platform that I can capture or integrate with? Or do I need to develop my own?

A: Your Bank will provide the specifications and description of the process, but generally you will have to incorporate the changes into your own systems. Users who currently make use of systems supplied by System Operators or Third Party Payment Providers will receive updates from these entities in due course.

Q: Is there a way of simplifying this process while still being compliant?

A: Right now, unfortunately not. The industry needs to implement and run the system for a few months to see what works well and where improvement is required. Once there is a better understanding, there may be changes introduced to simplify the process, if needed.

FAQs - User focused

Q: What will happen to Authenticated Early Debit Orders (AEDO) and Non-Authenticated Early Debit Orders (NAEDO) once DebiCheck is introduced?

A: AEDO and NAEDO will continue to run, but will be phased out over time. No new AEDO or NAEDO mandates will be allowed after 31 January 2019 and from 1 November 2019, only DebiCheck debit orders will be allowed for processing in the early processing window. For more information regarding the project approach and timelines, speak to your sponsoring bank or your User association.

**Q: What happens if my company is not ready to move across onto the new system?
Can my company continue to use Non-Authenticated Early Debit Orders (NAEDO) for collections?**

A: Yes, but only for a limited time. Users will be on-boarded over a period of two and a half years, starting with the pilot phase in July 2017. For more specific information regarding timelines for your company, please contact your sponsoring bank.



Glossary

Contract

A contract is the legal document you sign with the company that you do business with. It sets out certain rights and obligations for each party (yourself and the company) specifically regarding the service the company provides or the goods that you buy.

Mandate

A mandate is the permission that you give to a company to collect money from your bank account, without you having to make the payment every month.

Debit order information

Debit order information is the specific information contained in the mandate that stipulates your account number, the amount and the date on which the debit order may be processed.

Debit Order

A debit order is a facility that companies use to collect money from your bank account on a regular basis. Each debit order must have a mandate.

Checking

This is when the bank's system compares the debit order information you confirmed with the debit order information they receive from the company.

Verifying

This is when the bank's system compares the debit order information you confirmed with the debit order information they receive from the company.

Processing

Processing is the term used when the debit order information goes through the bank's system, resulting in the money being taken from your account.

Electronically confirm

To electronically confirm your debit order means that you confirm the details of your debit order on an electronic device such as your cellphone, your personal computer or perhaps an ATM.

Service Provider

This is the company you have a contract with, for example the gym.

USSD

Unstructured Supplementary Service Data (USSD) is a technology that allows a person to access various services through the use of short codes. It usually consists of number that start with * and end with #.

SARB

South African Reserve Bank

PASA

Payments Association of South Africa