Direct Debit Creditor Guide

July 2023

Bank of Ireland

Contents

1.0 Document Purpose

The purpose of this document is to assist direct debit creditors with the implementation of SEPA Direct Debit collections under the rules of the SEPA scheme.

The document acts as a guide and provides information on the following key sections:

- ▶ Direct Debit Mandates
- ▶ Submission Timelines
- ▶ File Formats
- ▶ File Submission Process
- ▶ Returned payments (R-messages, rejects, refusals, returns and refunds)
- ▶ Reconciliation

Detailed file specifications for direct debit payment files in SEPA XML PAIN.008 file format (referred to in this document as PAIN008) and Payment Status files in SEPA XML PAIN.002 file format (referred to in this document as a PAIN002) are available from the Bank of Ireland website, at the below location:
Download Supporting Documentation - Bank of Ireland Business Banking

For any queries in relation to Direct Debit Origination, please contact our Digital Sales team.

Email: electronic.banking@boi.com

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Further information on SEPA is also available on the Bank of Ireland website.

2.0 Glossary of Terms

"Bank Identifier Code (BIC)" Or SWIFT Address is a code used to identify a bank or other financial institution for the quick and accurate delivery and receipt of automated payments and other messages.

"BPFI" Banking & Payments Federation Ireland, formerly IPSO. The representative body for the Irish payments industry.

"Clearing and Settlement Mechanism (CSM)" A central distribution and settlement mechanism for payment transactions submitted by financial institutions. STEP2 is the CSM of the EBA (Euro Banking Association).

"Collection" See SEPA Direct Debit.

"Collection Date" This is the date the Creditor is credited and the Debtor is debited. This is also referred to in SEPA as 'D'.

"Creditor" An Originator who raises SEPA Direct Debit transactions for collection of funds from Debtors (payers) on the basis that the Debtor has given authorisation via signing a Direct Debit Mandate – Creditor in this document will replace the previously used term of 'Originator'. Signing can be on a paper mandate or online for Irish mandates only via current DD+ internet or phone sign-up methods.

"Creditor Bank" The bank where the SEPA Direct Debit Creditor holds their account.

"Creditor ID" A SEPA scheme identifier required for Creditors of SEPA Direct Debits – the equivalent of an 'Originator Identifier Number' (OIN) in the Irish Direct Debit Scheme.

"Debtor" The person who pays the direct debit and has signed the SEPA Direct Debit Mandate.

"Debtor Bank" The bank where the Debtor holds their account.

"Debtor Services" The services that debtors are entitled to under the SEPA Direct Debit Scheme e.g., Refusal, Refund.

"De-Materialised Mandate" A concept relating to the capture and recording, in electronic format, of the key pieces of information that make up a direct debit mandate. This electronic version of the mandate is the basis for transmitting the electronic direct debit instruction to the Debtor Bank.

"Direct Debit Mandate" A signed Direct Debit Mandate is the means by which a Debtor authorises a Creditor to collect money from their bank account which is specified on the mandate.

"Due Date" This is the date the Creditor is credited and the Debtor is debited. Represented on a SEPA Direct Debit (PAIN008) file as the Requested Collection Date, this is typically the same as the Collection Date, however, in some cases (e.g. where the Due Date is a bank holiday) the Collection Date may end up being the next available payment date.

"IBAN" International Bank Account Number is the account number quoted in the international format. The Irish IBAN is made up of the country code, check digit, bank reference, National Sort Code (NSC) and account number of the customer.

"ISO20022" An international message standard for financial messaging used in the SEPA scheme. File formats PAIN.008 and PAIN.001 are subsets of ISO20022.

"National Sort Code (NSC)" The identification code for bank branches in Republic of Ireland. They tend to follow the format of 9x-xx-xx.

"Originator" See Creditor

"Originator Bank" See Creditor Bank.

"PAIN (Payments Initiation)" A category of file formats in XML language for the initiation of Payment instructions and other messages between a customer and a bank.

"PAIN.008" File format to initiate a direct debit from a customer to their bank

"PAIN.002" File format for reporting the status of payments submitted in either a PAIN.008 or PAIN.001 file by a bank to their customer

"PAIN.001" File format to initiate a credit transfer from a customer to their bank (not detailed within this document but available as a separate document from Bank of Ireland).

"Payer" See Debtor

"Refund" One of the SEPA Debtor Services - Claims by the Debtor for reimbursement of a direct debit.

"Refusal" One of the SEPA Debtor Services - Where a Debtor requests their bank not to pay the direct debit before settlement.

"Reject" A direct debit that is diverted from normal execution, pre-settlement, by the Creditor Bank, Debtor Bank or Clearing and Settlement Mechanism (CSM)

"Return" A direct debit that is diverted from normal execution, post settlement by the Debtor Bank within 5 days of original Debit Date.

"R-Messages" The name given to SEPA Direct Debits that are diverted from the normal course of execution (Refunds, Returns, Rejects & Refusals) – these were previously referred to as 'Unpaids'.

"Single Euro Payments Area (SEPA)" A European-driven regulation to create an integrated pan-European payments market that will allow euro payments to be made and received in, and between, all of the SEPA member countries under the same conditions and as efficiently as within national borders previously.

"SEPA Direct Debit" An electronic instruction to collect funds (in euro) from a Debtor to a Creditor's account via the SEPA Direct Debit scheme. Also known as a Collection.

"Settlement Date" This is the date the Creditor is credited and the Debtor debited. This is also referred to in SEPA as 'D'.

"Sponsoring Bank" A bank that provides direct debit services to a Creditor.

"TARGET Days" TARGET (Trans-European Automated Real-time Gross settlement Express Transfer) days are days defined by the European Central Bank (ECB) as days on which transactions may be processed for the euro money market, or any transactions involving euro.

"Transaction" See SEPA Direct Debit.

"Unique Mandate Reference (UMR)" A unique reference which identifies each direct debit mandate signed by any given Debtor for a Creditor.

"Extensible Mark-Up Language (XML)" The language in which all SEPA file formats (e.g., PAIN.008 and PAIN.002) are written.

3.0 Direct Debit Origination

3.1 The Direct Debit Scheme

3.1.1 **The SEPA CORE Scheme**

The processing of Direct Debits in Ireland is now covered by the SEPA payments rulebook.

The SEPA CORE scheme is the set of rules that define how payments can be collected by Creditors via direct debit. Bank of Ireland offers its customers access to the SEPA CORE scheme.

See below outline of how the scheme operates.

```
┌──────────┐        ┌──────────┐        ┌──────────┐
│  Debtor  │════════│ Mandates │═══(1)══│ Creditor │
└──────────┘        └──────────┘        └──────────┘
                                              (2)
                                        ┌──────────────────┐
                                        │  Mandate-related │
                                        │ data transmission│
                                        └──────────────────┘
┌──────────┐        ┌──────────┐        ┌────────────────┐
│  Debtor  │───(3)──│   CSMs   │───(3)──│ Bank of Ireland│
│  Bank    │        │          │        │                │
└──────────┘        └──────────┘        └────────────────┘
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Step	Description
1	Mandate is agreed and signed between you as the Creditor and your customer, the debtor
2	Mandate and payment is passed by you to Bank of Ireland via PAIN.008 file.
3	The payment passes through the clearing system between Bank of Ireland and the Debtor's bank. Your account is credited and your customer's account is debited.

3.1.2 **Your Creditor Scheme ID**

The SEPA Creditor ID is your unique identifier number and must be used when submitting files for processing within the SEPA CORE scheme.

Bank of Ireland will issue you with your Creditor Scheme ID upon receipt and approval of your SEPA Direct Debit mandate.

If you have previously collected under the SEPA CORE scheme through a different Bank or Payment Institution, you may already have a valid Creditor Scheme ID, which you may continue to use.

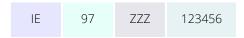**The SEPA Creditor Identifier Structure is as follows:**

Position 1-2 filled with the ISO country Code. IE for Ireland or GM for UK Creditors

Position 3-4 filled with a code added to verify the accuracy of the identifier as it is transmitted through IT Systems – ISO 7064 Mod 97-10 is used to check this.

Position 5-7 filled with the Creditor Business Code. This is free format by default and will populate with 'ZZZ'.

Position 8 on filled with the country specific part of the identifier.

Creditor ID example:

IE	97	ZZZ	123456

The Business Code element can be used to separate business units within the same organization as opposed to having individual or separate Creditor IDs.

You are permitted to use multiple business code within the Creditor ID to differentiate between different parts of your business. The fifth, sixth and seventh digits of the Creditor ID (referred to as 'ZZZ' in the Creditor ID) can be replaced with a three character business code of your own devising.

For example, you might include IE97ABC123456 as the Creditor ID in the header for one batch of direct debits and IE97XYZ123456 in another.

The benefit of this action is that you will receive fewer Logon details for BOL File Gateway and BOL Payments Plus.

3.1.3 Your Nominated Payments Accounts

The accounts you wish to be credited for collected payments must be a operational Bank or Ireland Euro account. It is possible to have multiple accounts for this purpose and the nominated must be specified along with each payment.

3.2 The Mandate

The accounts you wish to be credited for collected payments must be an operational Bank or Ireland Euro account. It is possible to have multiple accounts for this purpose and the nominated must be specified along with each payment.

3.2.1 What is a mandate?

When signed by the debtor, the mandate gives you the authority to take payments from your customers account via a Direct Debit Instruction.

3.2.2 Mandate Signature process/Requirements

The signing of the mandate is a matter for you, as the Creditor, and your customer. There are three different types of mandate:

► Paper mandate where the customer physically signs a paper mandate. Refer to Appendix 2 for samples of valid paper mandates.

► Paperless mandate where the customer signs a mandate online.

► Paperless mandate signed as a result of consent given over the phone.

3.2.3 Mandate Storage requirements

In the event of a dispute, it is you as the Creditors responsibility to prove that a valid mandate was in place with the customer at the time of the payment. This proof varies based on the mandate type. A copy of the phone recording, or internet sign-up, and the confirmation letter is required when a copy of the mandate is requested by your bank.

Creditors can only use Paperless Mandates for debtors accounts held in the Republic of Ireland. Any debtor with an account held outside Republic of Ireland must sign a valid paper SEPA mandate. All internet/phone scripts, confirmation letters and paper mandate templates must be submitted to your bank for approval to ensure they comply with the SEPA standards.

For more information or to get this approval, contact your Digital Sales team at:

Email: electronic.banking@boi.com

Phone   **ROI:** 0818 210 619

NI: 0345 309 8123

GB: 0345 309 8124

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3.2.4 Creating a Mandate

Once the mandate is signed, you are then in position to collect DDs against the mandate. The mandate details are passed to the bank along with the payment information for each and every DD instruction. This information is passed using a PAIN.008 xml file. Refer to the PAIN.008 section for details on this. Once the mandate is signed and the Debtor is advised of their Unique Mandate Reference, you are then in position to collect DDs against the mandate.

3.2.5 Amending a Mandate

Mandates can be amended via the PAIN.008 file.

When an amendment is made to any one of the four key mandate fields below, a flag must be raised to mark the mandate field as amended on the direct debit file. The flag is raised by setting the 'Amendment Indicator' tag to true.

Changes to the following fields represent an amended mandate:

▶ Debtor IBAN

▶ Unique Mandate reference (UMR)

▶ Creditor Name

▶ Creditor ID

Where a Debtor Account is being amended, the original Debtor IBAN should not be referenced, instead, the text 'SMNDA' should be included as the Original debtor Account.

> Important Information: when the mandate is amended, you, as the Creditor, are responsible for communicating the changes to the debtor and for retaining a copy of the correspondence with the mandate to support any refund investigations. When the debtor changes either their bank or account number you must retain their change notification, along with the mandate, to demonstrate the authorisation previously received is still valid for the new account.

3.2.6 Cancelling a Mandate

If a creditor does not present a collection on a mandate for 36 months, this mandate is considered cancelled and no longer valid. No further collections can be initiated on this cancelled mandate. In these cases, or where a debtor has cancelled their mandate and wishes to provide further debit authority to the creditor, a new mandate must be completed and UMR applied.

3.2.7 Your Customer's Account Details

Under the rules of the SEPA scheme, your customer's account details must be provided in International Bank Account Number (IBAN) format.

A service is available on the Banking & Payments Federation of Ireland (BPFI) website which caters for IBAN Validation or conversion of individual Domestic Account details to their IBAN equivalent. For more information, please visit: **Get My IBAN (bankersalmanac.com)**

A Bank Identifier Code (BIC) which was previously mandatory is now optional so not required in the PAIN.008

4.0 Direct Debit Collections

4.1   What is a Direct Debit Collection

A direct debit collection is a payment collected from your customer against a signed mandate

4.2   How do I Create a collection

Direct Debits are created when you upload a PAIN.008 to Bank of Ireland. The PAIN.008 contains details of the mandate and the Direct Debit.

4.3   How do I Re-present a Direct Debit

A direct debit may be returned unpaid by the customer for a number of different reasons. It is possible to re-present this Direct Debit for collection at a later date by including in a new PAIN.008. Bank of Ireland recommends the following approach for sequence type on re-presentation:

Initial Payment Type	Rejected Pre Settlement	Returned/Refunded Post Settlement
FRST	Re-present at FRST/RCUR	Re-Present as RCUR
RCUR	Re-Present as RCUR	Re-Present as RCUR
OOFF	Re-Present as OOFF	New UMR required
FNAL	Re-Present as FNAL	New UMR required

4.4   Notifications to the Debtor - What are my obligations as a Creditor

The SEPA scheme rules state that the Creditor should advise their customer of the details of any Direct Debit to be collected at least 14 days in advance of the payment being taken from their account. The notification should include details of the expected date and amount of the Direct Debit.

This can be included as part of an invoice or delivered separately. If agreed between the Creditor and their customer in advance, advance notification can be deemed unnecessary.

5.0 The PAIN.008

Bank of Ireland accepts the PAIN.008 format for Direct Debit Collections.

In this section, we will outline at a high level the fields to be populated in such a PAIN.008. The PAIN.008 has 3 primary sections:

- **File Header:** 1 per file containing details about the file itself
- **Batch Header:** 1 per batch in the file and contains details of each individual batch
- **Individual Payment Information:** 1 per Direct Debit containing the mandate and payment related information

There is a specific character set defined for use in SEPA messages.

For full details in relation to this format and the allowed character set, please refer to the specification document available on the Bank of Ireland website below.
Download Supporting Documentation - Bank of Ireland Business Banking

5.1 File Header

The file header contains the following fields which must be populated:

- ▶ Message ID to uniquely identify the file
- ▶ Create Date and Time
- ▶ Total count of the number of Direct Debits in the file
- ▶ Total sum of the Direct Debits in the file

There are other optional fields in the header that are addressed in the file specification document.

5.2 Batch Header

The batch header contains the following fields which must be populated:

- ▶ Batch ID (often referred to as the Payment Information ID) The Batch ID must be unique within the PAIN.008 although to aid reconciliation, it may help to make Batch ID unique across all your PAIN.008 files.
- ▶ Creditor Scheme ID

Other optional fields that can be included at the Batch level include:

- ▶ Create Date and Time
- ▶ Total count of the number of Direct Debits in the batch
- ▶ Total sum of the Direct Debits in the batch
- ▶ Requested Collection Date (Optional – alternatively at Direct Debit level)

Note that there are some fields within the Batch element of the PAIN.008 that are not currently supported by Bank of Ireland and so should never be populated to avoid issue.

5.2.1 Batching Options

You have the option to create up to 50 batches within a single PAIN.008. Each Batch can contain multiple transactions and all those transactions will be credited to your account as a single amount.

If you have multiple nominated accounts, it is possible to have separate batches in the same file that reference different Creditor accounts. The Creditor Account is always referenced in the Batch Header so the sum of the collections in a batch will be credited to the Creditor Account referenced in that Batch header.

Files with multiple sequence types (or types of direct debit) must be organised such that any payments that share a sequence type must be batched together. For example, all First-time direct debits (where the sequence type is FRST) must be batched together. Similarly, recurring debits (sequence type RCUR), One- off (OOFF) and Final (FNAL) demand their own respective batch within the file.

Files with direct debits that collect into more than one creditor account – batches must be created for each account. Files that incorporate multiple settlement dates must be batched according to Due Date. Each batch within a file will have a single bulk credit relating to all of the debits within that batch

5.3 Individual Payment Details

Each payment passed in a PAIN.008 contains details of the associated mandate as well as the payment itself. Where the mandate does not already exist within the Bank system, the details in the file are used to create the mandate. Where the mandate does exist, the details are used to locate the mandate and where applicable, update the details.

5.3.1 Mandate Details

The key details required for a mandate are:

- Debtor Name
- Debtor IBAN
- Unique Mandate Reference (UMR)
- Payment Sequence Type (Indicating Mandate Type)
  - ▷ FRST – New recurring mandate
  - ▷ RCUR - Existing recurring mandate
  - ▷ FNAL – Last payment on an existing recurring mandate
  - ▷ OOFF – Once off mandate

The UMR should be unique within the scope of your Creditor Scheme ID and allow you to identify the mandate. There is optional information that can be passed including:

- Debtor ID
- Debtor Address*
- Debtor BIC
- Electronic Signature Details
- Mandate amendment Details (Refer to Amendments)
- Ultimate Creditor Details where collecting on behalf of another party
- Ultimate Debtor Details where payer is paying on behalf of another party

  *The Debtor Address is mandatory for any payments where the Debtor Bank is located in a Non-EEA country/territory.

Refer to the PAIN.008 specification for details of further additional fields that can be included as part of the mandate details.

Note that there are some Mandate related fields within the PAIN.008 that are not currently supported by Bank of Ireland and so should never be populated to avoid issue.

5.3.1.1 Mandate Amendments

In order to update an existing mandate, the Amendment section of the PAIN.008 must be used. This allows for amendments of:

- ▷ UMR
- ▷ Debtor Account
- ▷ Creditor Scheme ID
- ▷ Creditor Name

The original details should be referenced in the Amendment Details section with the updated details included as normal in the relevant section of the PAIN.008.

Where a Debtor Account is being amended, the original Debtor IBAN should not be referenced, instead, the text 'SMNDA' should be included as the Original debtor Account.

5.3.2 Payment Details

The key details for a payment that must be included in the PAIN.008 are:

- ▸ Amount
- ▸ End to End ID

There are additional optional details that can also be passed including:

- ▸ Collection Date*
- ▸ Remittance Information
- ▸ Reference to PAIN.008 format in Appendix

*Collection Date is optional at Transaction Level but if not provided here, it must be provided at Batch Level.

Note that there are some fields within the PAIN.008 that are not currently supported by Bank of Ireland and so should never be populated to avoid issue.

Refer to the above mentioned specification document available on the Bank of Ireland website, below.
Download Supporting Documentation - Bank of Ireland Business Banking

6.0 Payment Submission & Processing Timelines

All SEPA Direct Debit collections must be submitted and authorised by 11:00am, at the latest, 1 TARGET business day before the due date (D-1).

The earliest date for receipt of a Direct Debit file by Bank of Ireland is 30 calendar days before the requested settlement date on the Direct Debit.

Direct Debit collections are only processed on TARGET business days, which are every Monday to Friday, excluding the dates in the table below:

Type of Holiday	Target Non-Processing Days (EBA)
Weekend (Saturdays & Sundays)	All
New Year's Day	1 January
Good Friday	Variable
Easter Monday	Variable
May Day	1 May
Christmas Day	25 December
St Stephen's Day	26 December

ROI – Refer to the **BOI support website** for details of the most up to date cut-off times for both ROI and UK customers.

Any batches of direct debits submitted with a Due Date that does not adhere to the required processing cycle will be rolled by Bank of Ireland to the earliest available settlement date. For any transactions that are 'rolled' in this scenario, the creditor and debtor transactions will be settled on the new settlement date.

7.0 Uploading the Payment File

7.1 SEPA File Submission & Authorisation

There are two Bank of Ireland applications that you will use for the transmission and authorisation of your direct debit files:

▶ Business On Line File Gateway (BOL File Gateway).
  BOL File Gateway is used for the initial upload and transferring of your files to Bank of Ireland
  https://bolfg.bankofireland.com/gateway

▶ Business On Line Payments Plus (BOL Payments Plus)
  Following initial upload, the file must be authorised on BOL Payments Plus
  https://bolpp.bankofireland.com

This section will give you a brief introduction to these applications.

7.1.1 Business On-Line File Gateway

PAIN.008 files can be uploaded through your Business On Line File Gateway. The ability to download PAIN002 reports is also provided via this channel. PAIN002 files are available in both an XML file format version and a reader friendly html version.

This **Demo** will help guide you through the file upload and PAIN002 download process.

7.1.2 Secure File Transfer Protocol (SFTP)

SFTP is a network protocol for secure file transfer. Customers can use SFTP in conjunction with BOL Payments Plus for their SEPA files. This is an automated way of uploading PAIN008 files and downloading PAIN002 files. It eliminates the manual requirement for customers to log in to BOL File Gateway and upload and download files. A script can be created to run in the background on a scheduled job basis to facilitate this.
Please note that SFTP will allow the scheduled automation of files which will then be available on Business On Line Payments Plus for verification and authorisation. This means that you will still need to complete the Hash Tab part of the process for your Credit Files.

Please contact our Digital Sales team if you would like further information on this option for SEPA file upload.

7.2 Business On-Line Payments Plus

PAIN.008 files must be authorised via the Business On-Line Payments Plus application before they will be processed. Once uploaded via SFTP or through Business On-Line File Gateway, the files will appear in Business On-Line Payments Plus for approval.

To access Business On Line Payments Plus, you will be required to download and set up the Approve app on your mobile device. The Approve app generates one-time authentication codes for login to BOL Payments Plus, and for Direct Debit authorisations.

The files are identified on BOL Payments Plus by information contained within the file:

▶ Message ID (File ID)

▶ Create Date Time.

It is important that the user of BOL Payments Plus knows this information. One suggestion is to make File Name and Message ID (File ID) the same. This may make referencing the file easier for users. Payment Information Identification is another important field for users to know as it may be requested in queries with Bank Of Ireland.

Business On Line Payments Plus (BOL PP) also provides two important reports; the File Rejections Report (detailing reasons why the file was rejected) and the Creditor Settlement Report (to assist with account reconciliation).
Further support guides and more information relating to using BOL File Gateway and BOL Payments Plus, is available via the **Help & Support option** on the **BOL Payments Plus homepage.**

7.3 File Naming

The following rules apply to the file name:

- ► The file name must contain the following reference 'PAIN008'. This may appear at the beginning or within the filename.
- ► The file extension must be '.xml'.
- ► Filename must not exceed 50 characters.
- ► Only alphanumeric characters and the underscore " _ " character can be used in the filename (preceding the file extension '.xml').
- ► Filename must contain no spaces.
- ► Example: 20130628001PAIN008.xml

It is recommended that a unique file name is used for each file. For example, this can be achieved by incorporating a date or sequence number of your own choosing.

7.4 File Duplication

BOI complete a duplicate check on the last 6 files received using the below criteria:

- ► MSG_ID (this should be unique)
- ► Volume of tx's
- ► Value of file

7.5 Administrator Registration

In order to access BOL File Gateway and BOL Payments Plus you will need to nominate Administrators to both channels who will be responsible for the following:

- ► Administrator 1: Manages the submission of the file to Bank of Ireland via BOL File Gateway. This user also manages the retrieval of PAIN002 reports.
- ► Administrator 2: Manages the authorisation of the file on BOL Payments Plus. This administrator will also use the Approve app to create OTPs (One Time Passwords) to authorise and process the direct debit file.
- ► If you are an existing Business On Line customer, your current Administrators (also known as Customer User Administrator or CUA) will automatically be assigned as your administrators for the submission and authorisation of your SEPA files.

Once your Administrators have been identified and communicated to Bank of Ireland, we will be in touch with you to provide the relevant log on credentials for the dedicated SEPA Channels.

8.0 Troubleshooting File Upload Issues

8.1   File Reject due to Structure

Files may be rejected in their entirety where the file format is incorrect or the file is incorrectly named. In this case, the file will not be uploaded and transferred to BOL Payments Plus and a message pointing to the invalid file will appear in the creditor inbox on BOL File Gateway.

To resolve such as rejection, validate that the file name is correct and if possible validate the PAIN.008 against the **XSD** to ensure the format of the file is valid.

8.2   File Reject due to Business Validation

If a file fails pre-processing validation (e.g. number of transactions is incorrect), the file appears in the File Rejections Report area on BOL Payments Plus. The File Rejection Report is generated when a PAIN008 collection file fails pre- processing validation checks.

The following table is a listing of pre-processing validation error messages on SEPA Direct Debit files. If your file has failed any of these checks, the File Rejection Report will detail one or more of the following messages:

Reason Text	Description
File Error	Error with Creditor IBAN, either incorrect IBAN used, or IBAN is not registered for your Creditor ID.
File Error	This is a duplicate file. Please review your file and re-submit.
File Error	File Error, please check number and value of transactions and the IDs at file and batch level.
File Error	Incorrect code / value used at transaction level.
File Error	You have exceeded your Credit Control Limit or maximum file limit. Please review your file and re-submit or contact your relationship manager.
File Error	An error was encountered with your file. Please review your file and re-submit or contact your relationship manager.
File Error	The nominated account number is not registered under this Creditor ID or there are inconsistent Creditor IDs present on this file.

9.0 Settlement, Reconciliations & Unpaids

9.1   Credit Settlement

On the Direct Debit settlement date you will see a credit on the Operational account referenced in the PAIN.008 reflecting the sum of the Direct Debits contained in each batch for settlement on that date.

9.2   Settlement for Unpaid Direct Debits

There are two distinct types of Unpaid Direct Debits:

- ▶   Pre-settlement r-messages
  Rejections (e.g. invalid IBAN)
  Refusals (e.g. debtor refuses the direct debit).

- ▶   Post settlement r-messages
  Returns (e.g. insufficient funds)
  Refunds (i.e. when the debtor requests refund of a direct debit).

  Unpaid direct debits will be grouped each day and a debit transaction will appear on your account reflecting the sum of those unpaid direct debits. A breakdown of the collections that make up that total will be provided to you in a daily CSR report.

  If there are errors when processing the direct debit transactions, when you submit a file to Bank of Ireland, these rejections will be reported in the PAIN.002 file as pre and post settlement rejections.

9.3   Reconciliation

Pre-Settlement r-messages as defined above will be reflected on your account on the date that the credit is applied.

Post settlement r-messages will be applied on the date they are received. The associated credit for these transactions will have been applied on the original collection date.

R-messages are posted at the end of the day of receipt. Post settlement r-messages can occur any day after the settlement date of the batch up to approximately 8 weeks after this date – this is to account for any refunds that occur during this period.

As a Creditor you will receive two reports:

- ▶   Creditor Settlement Report (CSR) for account reconciliation. (Refer to Section 10)
- ▶   PAIN002 for transaction reconciliation

10.0 The Creditor Settlement Report (CSR)

10.1 Overview

The Creditor Settlement Report is a daily report which breaks-down any bulk debits on the creditor account into its constituent R-messages (rejects, refusals, returns and refunds). The report relates to a single creditor account.

10.2 Format & Delivery

The Creditor Settlement Report is produced daily where posting has been applied to the creditor's account.
This report is available as a .csv file that can be used to automatically, or manually, reconcile the creditor's account at the end of each day.

10.3 Characteristics of Creditor Settlement Report

▸ The Creditor Settlement Report can be downloaded as a CSV file.

▸ The report is available through BOL Payments Plus.

▸ One Creditor Settlement Report is generated per creditor account the following morning after a bulk return is posted on the account.

▸ The report details all the Bulk Return postings credited to the creditor account on a day. It also details the transactions which the Bulk Return represents.

▸ The r-messages contained in a Creditor Settlement Report can be matched to the original transactions using the End to End ID.

▸ Report will be available for 13 months.

10.4 CSR Fields

Field	Description
Report Date	Date of the report
IBAN	Creditors IBAN
Narrative	Narrative assigned by Bank of Ireland to uniquely
Bulk DR	Amount of a Bulk Return posting
File ID	Message/File ID of the transaction as per original PAIN.008
Batch ID	Payment Information ID (Batch ID) of the transaction as per original PAIN.008
End to End ID	End to End ID of the transaction as per original PAIN.008
Debit Amount	Instructed Amount of the transaction as per original PAIN.008

11.0 The PAIN.002

11.1 Overview

Below is a summary of the PAIN.002 structure and how it is used. For full details in relation to this format, please refer to the specification document available on the business banking section of the Bank of Ireland Website.

11.2 Format & Delivery

The PAIN.002 file is a SEPA standard XML report produced daily where an r-message has been received against the original PAIN.008 file. This report is available in two formats, an XML file and a reader friendly report which can be used to automatically, or manually, reconcile direct debit transactions and represent direct debits where necessary.

The PAIN.002 follows the same structure as that of the PAIN.008 and will contain the details originally provided in the Payment initiation message as well as a Reason code for the reject.

The PAIN002 reports can be downloaded via BOL File Gateway. These PAIN.002 reports are available in both an XML file format version and a reader friendly version.

11.3 Characteristics of the PAIN.002 XML

- ▸ The report will be available on Bank of Ireland's dedicated SEPA online channel, BOL File Gateway.
- ▸ r-messages (rejections, refusals, returns or refunds) received up to the end of the SEPA 8 week period following a direct debit will be provided on the PAIN.002 file.
- ▸ The PAIN.002 file is generated per PAIN.008 file, per day. It details any r-messages that have been created against the PAIN.008 file and will contain the reason code for the rejection.
- ▸ A PAIN.002 file will only be available if an r-message has been created for the associated PAIN.008 file on a given day
- ▸ The r-messages contained in a PAIN.002 file can be matched to the original transactions using the end to end ID.
- ▸ PAIN.002 file generated by Bank of Ireland will detail r-messages at transaction level. Bank of Ireland will not generate PAIN.002 file messages for failures at file (Group Header) or batch (Payment Information level. File failures will be reported as a specific message on the online channel
- ▸ The bulk debits posted to the creditor account may not match the totals for a PAIN002 file at the end of each day. The R-messages for a creditor account are bulked together by receipt date or settlement date, creditor IBAN regardless of the PAIN008 file from which they originated. For this reason the PAIN002 file cannot be used for reconciliation at account level.

11.4 Characteristics of the PAIN.002 Readable Report

- ▸ The readable report will be available anytime a PAIN.002 is generated as above.
- ▸ Pre-settlement R-message, the settlement date is the settlement date of the original payment.
- ▸ Post-settlement return, the settlement date is the date that the R-message is sent by the debtor bank.

12.0 Funds Transfer Regulation (FTR) – Overview

The Funds Transfer Regulation (EU) 2015/847 was made effective from 26 June 2017. This Regulation rules on the information accompanying transfers of funds, in any currency, for the purposes of preventing, detecting and investigating money laundering and terrorist financing. The Debtor Address is mandatory in the PAIN.008 file for any payments where the Debtor Bank is located in the following Non EEA Countries /territories

12.1 Applicable Countries

- ▶ United Kingdom,
- ▶ Switzerland,
- ▶ San Marino,
- ▶ Monaco,
- ▶ Mayotte,
- ▶ Jersey,
- ▶ Guernsey,
- ▶ Saint-Pierre-et-Miquelon,
- ▶ Isle of Man
- ▶ Andorra
- ▶ Vatican City

13.0 Appendix 1 – SEPA PAIN.002 Reason Codes

Creditors may receive the following reasons codes as part of the PAIN.002 message to detail the reason for the rejection. This code will be populated in the Reason code tag of the PAIN.002.

Refer to the for the complete PAIN.002 specification on the Bank of Ireland Group website.

13.1 Post-Settlement r-Messages

13.1.1 Return codes

The following table lists the reason codes that could occur for a return message from a debtor bank:

ISO Code	SEPA Reason as specified in the Rulebook
AC01	Account identifier incorrect (i.e. invalid IBAN)
AC04	Account closed
AC06	Account blocked Account blocked for direct debit by the Debtor
AG01	Direct debit forbidden on this account for regulatory reasons
AG02	Operation/transaction code incorrect, invalid file format Usage Rule: To be used to indicate an incorrect 'operation/transaction' code
AM04	Insufficient funds
AM05	Duplicate collection
BE05	Identifier of the Creditor incorrect
MD01	No valid Mandate
MD07	Debtor deceased
MS02	Refusal by the Debtor
MS03	Reason not specified
RC01	Bank identifier incorrect (i.e. invalid BIC)
RR01	Missing Debtor Account Or Identification
RR02	Missing Debtors Name Or Address
RR03	Missing Creditors Name Or Address
RR04	Regulatory Reason
SL01	Specific Service offered by the Debtor Bank

13.1.1 Refund codes

The following table lists the reason codes that could occur for a refund message from a debtor bank:

ISO Code	SEPA Reason as specified in the Rulebook
MD01	Unauthorised transaction
MD06	Disputed authorised transaction

13.2 Pre-Settlement r-Messages

13.2.1 Rejects

The following table lists the reason codes that could occur for rejections or refusals from a debtor bank or rejections from Bank of Ireland.

ISO Code	SEPA Reason as specified in the Rulebook
AC01	Account identifier incorrect (i.e. invalid IBAN)
AC04	Account closed
AC06	Account blocked Account blocked for direct debit by the Debtor
AG01	Direct debit forbidden on this account for regulatory reasons
AG02	Operation/transaction code incorrect, invalid file format Usage Rule: To be used to indicate an incorrect 'operation/transaction' code
AM04	Insufficient funds
AM05	Duplicate collection
BE01	Debtor's name does not match with the account holder's name
BE05	Identifier of the Creditor Incorrect
FF01	Operation/transaction code incorrect, invalid file format Usage Rule: To be used to indicate an invalid file format.
MD01	No valid Mandate
MD02	Mandate data missing or incorrect
MD07	Debtor deceased
MS02	Refusal by the Debtor
MS03	Reason not specified
RC01	Bank identifier incorrect (i.e. invalid BIC)
RR01	Missing Debtor Account Or Identification
RR02	Missing Debtors Name Or Address
RR03	Missing Creditors Name Or Address
RR04	Regulatory Reason
SL01	Specific Service offered by the Debtor Bank
DNOR	Debtor bank is not registered under this BIC in the CSM

14.0 Appendix 2 – SEPA Mandate Checking Guidelines

14.1 Paper Mandate Completion

14.1.1 The SEPA Mandate must be contained on a single page, other information may appear on the rest of the page but must be clearly de-lineated from the mandate.

14.1.2 For paper mandates all mandatory fields must be populated by the Debtor even if they have already provided this information on other documentation such as an application form or contract. In the case of paperless mandates, mandatory fields like debtor address can be pre-filled on the mandate if this information has already been provided by the debtor during the sign-up process, and must be populated on the confirmation notification sent to the debtor.

14.1.3 **Types of Mandates (See Samples below)**

There are two types of mandates in the SEPA DD Core Scheme

- ▶ SDD Mandate with Mandatory fields
- ▶ SDD Mandate with Optional additional fields

14.1.4 **The following heading is mandatory on the Mandate: "SEPA Direct Debit Mandate"**

14.1.5 The following attributes are mandatory and must be present on the mandate.

- ▶ Unique Mandate Reference
- ▶ Name of Debtor
- ▶ Address of Debtor (optional that debtor has to complete)
- ▶ IBAN of account to be debited
- ▶ BIC of the Debtor Bank
- ▶ Creditor Identifier
- ▶ Name of Creditor
- ▶ Address of Creditor
- ▶ Type of payment(recurrent or one-off)
- ▶ Date of signing & signatures

14.1.6 Additionally the following legal text must also be on the mandate and **must not** be changed in any way

Legal Text: "By signing this mandate form, you authorise (A) NAME OF CREDITOR) to send instructions to your bank to debit your account and (B) your bank to debit your account in accordance with the instruction from (NAME OF CREDITOR).

As part of your rights, you are entitled to a refund from your bank under the terms and conditions of your agreement with your bank. A refund must be claimed within 8 weeks starting from the date on which you account was debited. Your rights are explained in a statement that you can obtain from your bank."

14.1.7 The following attributes are optional on the mandate:

- ▶ Debtor identification code (line 14) – populated by debtor
- ▶ Name of the Debtor Reference Party (line 15) – populated by debtor
- ▶ Identification code of the Debtor Reference Party line 16) – populated by debtor
- ▶ Name of the Creditor Reference Party (line 17) – populated by creditor
- ▶ Identification code of the Creditor Reference Party (line 18) – populated by creditor
- ▶ Underlying contract identifier (line 19) - populated by creditor
- ▶ Contract description (line 20) - populated by creditor

Once any field is populated it must be stored electronically and sent on the XML file to the bank.

It is possible to use different naming for these attributes so long as the purpose of the field is clear and relates directly to one of the attributes above.

14.1.8 Instructions for the customer to return the form must be present on the face of the mandate also.

14.1.9 It is possible to have a section for "Creditor's Use Only" on the mandate. This section must only be completed after receiving the signed mandate from the customer. The data completed in this section must be for internal purposes only and never sent on the file to your bank.

14.2 Sample Mandates

14.2.1 SEPA DD Mandate with Mandatory Fields(no optional elements)

SEPA Direct Debit Mandate	Creditor's name & Logo
*Unique Mandate Reference	
*Creditor Identifier:	

Legal Text: By signing this mandate form, you authorise (A) NAME OF CREDITOR) to send instructions to your bank to debit your account and (B) your bank to debit your account in accordance with the instruction from(NAME OF CREDITOR).

As part of your rights, you are entitled to a refund from your bank under the terms and conditions of your agreement with your bank. A refund must be claimed within 8 weeks starting from the date on which you account was debited. Your rights are explained in a statement that you can obtain from your bank.

Please complete all the fields below marked *

*Your Name :	
Your Address:	Address Line 1
	Address Line 2
*City/postcode	* Country:
* Account number(IBAN)	
*Swift BIC	

*Creditors Name	
*Creditors Address Line 1	
*Address Line 2	
*Country	

*Type of payment   Recurrent ☐ **or** One-Off Payment ☐   (Please tick √)

*Date of signing:

*Signature(s)

14.2.1 **SEPA DD Mandate with Mandatory Fields (including optional elements)**

SEPA Direct Debit Mandate   Creditor's name & Logo

*Mandate Reference [ ]

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*Creditor Identifier: [ ]

Legal Text: By signing this mandate form, you authorise (A) NAME OF CREDITOR) to send instructions to your bank to debit your account and (B) your bank to debit your account in accordance with the instruction from(NAME OF CREDITOR).

As part of your rights, you are entitled to a refund from your bank under the terms and conditions of your agreement with your bank. A refund must be claimed within 8 weeks starting from the date on which you account was debited. Your rights are explained in a statement that you can obtain from your bank.

Please complete all the fields below marked *

*Your Name : [ ]

Your Address: [Address Line 1]
[Address Line 2]

*City/postcode [ ]   * Country: [ ]

* Account number(IBAN) [ ]

*Swift BIC [ ]

*Creditors Name [ ]
*Creditors Address Line 1 [ ]
*Address Line 2 [ ]
*Country [ ]

*Type of payment   Recurrent [ ] **or** One-Off Payment [ ] (Please tick √)

*Date of signing: [ ]

*Signature(s) [ ]

For Information Purposes only

Debtor Identification code: [ ]

Person on whose behalf
Payment is made [ ]

Identification code of Debtor Reference Party [ ]

Name of Creditor Reference Party- Creditor
must complete this if collecting on behalf
of another party [ ]

Identification code of Creditor Reference Party [ ]

Identification number of the underlying contract [ ]

Description of the contract [ ]

14.3 Mandate Fields

Element	Mandate Form	Dematerialised Fields
The unique mandate reference	Mandatory	Mandatory
The name of the Debtor	Mandatory	Mandatory
The address of the Debtor	Mandatory	Mandatory
Debtor identification code	Optional	Mandatory if present on mandate
The name of the Debtor Reference Party	Optional	Mandatory if present on mandate
The identification code of the Debtor Reference Party	Optional	Mandatory if present on mandate
The account number (IBAN) of the Debtor to be debited	Mandatory	Mandatory
The identifier of the underlying contract	Optional	Mandatory if present on mandate
The BIC code of the Debtor Bank	Optional	Optional
The identifier of the Creditor*^	Mandatory	Mandatory
The name of the Creditor*^	Mandatory	Mandatory
The name of the Creditor Reference Party*	Optional	Mandatory if present on mandate
The identification code of the Creditor Reference Party*	Optional	Mandatory if present on mandate
The address of the Creditor*^	Mandatory	Mandatory
The date of signing of the Mandate	Mandatory	Mandatory
The Transaction Type (only the values 'one-off' and 'recurrent' are allowed)	Mandatory	Mandatory
The reason for amendment of the Mandate	N/a	Mandatory for amendments
The signing date of the cancellation of the Mandate	N/a	Mandatory for cancellations
Signature(s)	Mandatory	N/a
Contract description	Optional	N/a

* Field: to be completed by the Creditor
^ Field: may be pre-printed or stamped on the mandate

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