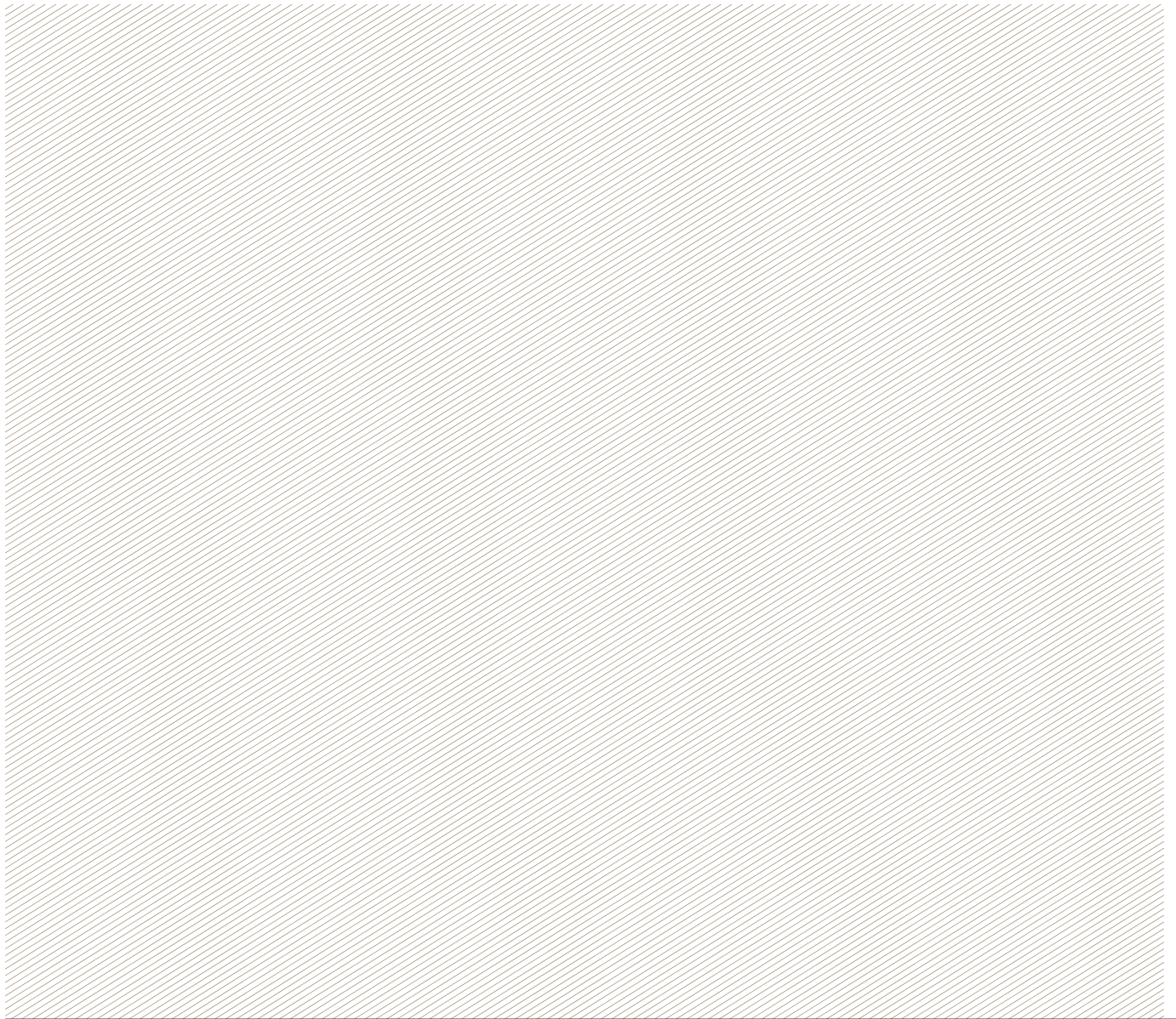


Billing customers

PUBLISHED

1 January 2011



BILLING CUSTOMERS BEST PRACTICE GUIDELINES

The introduction of billing best practice for credit card companies aims to ensure that the information provided to customers about how their payments will be processed is clear and easy to understand.

In their November 2006 report the Office of Fair Trading's Cheques Working Group called on APACS, the British Bankers' Association and the Building Societies Association to set out new best practice guidelines for all corporates who produce bills for their customers on the printed information that should be made available about processing bill payments. Billing Best Practice sets out the key considerations that utility and credit card companies should bear in mind when issuing bills.

Whilst the OFT report did not specify when this best practice should be adopted, banks and credit card companies have led the way and considered the introduction of faster payments in May 2008 as an opportunity to review the wording of their bills and statements.

Other companies who produce bills for their personal customers that have to be paid by a set deadline are recommended to adopt the same best practice as credit card companies to provide clarity for consumers.

Billing Best Practice

Every bill sent to customers should:

- Specify the payment methods that may be used to pay the bill. It should also state what reference information is needed to accompany the payment, to ensure that it can be correctly credited to the account. Customers may be reminded that if a payment is made using the wrong sort code, account number or reference information there may be a delay before the account is credited or it may not be received at all (however, reasonable efforts should be made to recover any missing funds).
- For each specified payment method, there should be clear advice about how long should be allowed before the payment will be credited to the account. Terms should be unambiguous – for example, where needed providing an appropriate definition of "working days" eg Monday to Friday excluding bank holidays.
- If the customer's account will not be credited on the same day that a payment is received by the biller, there should be a clear indication of when it will be credited – for example, no later than the next working day after receipt.