

How do direct debits work in France?

Only companies or local authorities who have been given express authorization by the Banque de France can use direct debits as a method of receiving payment. Private individuals are not allowed to be the beneficiary of a direct debit.

► Setting up a direct debit

- You need to contact the company who will be beneficiary of the DD directly. In many cases you will be asked whether you want to pay by DD when you set up the initial contract with the company (e.g. the electricity board). Some may even require that you pay by DD (most mobile phone companies for example).

Fill in the form they provide and send them the part of the form entitled «demande de prélèvement» as well as a RIB for your current account (a Relevé d'Identité Bancaire: all your bank account details).

- You also need to notify your bank that you have allowed this company to claim payment directly from your account, by sending the bank the «autorisation de prélèvement» part of the form provided by the company.

► Cancelling a direct debit

- You must contact the company directly to cancel the DD.

If you are cancelling your contract with them (the product or service provided by this company), because the DD is just the method of payment (the DD in question is an accessory contract to the main contract) it should be cancelled automatically.

► if you contest a DD:

- If you have filled in a form allowing the DD with this company but contest the amount that has been debited: you have 8 calendar weeks to ask your bank for this payment to be rejected, in which case the amount will be credited back into your account.

- If you have given no authorization to the beneficiary of the DD in question: you have 13 calendar months to request for the payment to be rejected.

- If there was no authorization given or if the company has not cancelled the DD after you have informed them that you wish to cancel your contract with them: the bank can set up a block on the direct debit with that company.

This is an extra precaution but mustn't be used as a means of cancelling the direct debit and the main contract with the company.