

TERMS AND CONDITIONS FOR DIRECT DEBITS

Version 18 March 2022

The following translation is provided for your convenience only. The original German text »Lastschriftbedingungen« is binding in all respects. In the event of any divergence between the English

and German texts, constructions, meanings or interpretations, those of the German original shall govern exclusively.

A Terms and Conditions for Payments by Direct Debit under the SEPA Core Direct Debit Scheme

Payments which the customer makes to payees by SEPA core direct debit through their account with the Bank shall be subject to the following terms and conditions.

1 General

1.1 Definition

A direct debit is a payment transaction initiated by the payee and debited to the customer's account where the amount of the payment is specified by the payee.

1.2 Charges and changes therein

1.2.1 Charges for consumers

The charges for direct debits shall be set out in the »List of Prices and Services« (Preis- und Leistungsverzeichnis). Any changes in the charges for direct debits shall be offered to the customer in text form no later than two months before their proposed date of entry into force. If the customer has agreed an electronic communication channel with the Bank within the framework of the business relationship, the changes may also be offered through this channel. The changes offered by the Bank shall only become effective if the customer accepts them. Any agreement on amending a charge that concerns a payment by the consumer in excess of the charge for the principal service can only be expressly concluded with the consumer by the Bank.

Changes in charges for the payment services framework contract (current account agreement) shall be governed by No. 12, paragraph 5 of the General Business Conditions (Allgemeine Geschäftsbedingungen).

1.2.2 Charges for customers who are not consumers

Charges for payments by customers and any changes in these shall continue to be governed by No. 12, paragraphs 2 to 6 of the General Business Conditions.

2 SEPA core direct debit

2.1 General

2.1.1 Main characteristics of the SEPA core direct debit scheme

The SEPA core direct debit scheme enables the customer to make payments in euros to the payee through the Bank within the Single Euro Payments Area (SEPA). SEPA comprises the countries and territories listed in the Annex.

For the execution of payments by SEPA core direct debit

- the payee and the payee's payment service provider must use the SEPA core direct debit scheme and
- the customer must give the SEPA core direct debit mandate to the payee before the payment transaction.

The payee initiates the respective payment transaction by presenting the direct debits to the Bank through their payment service provider.

If a payment which has been made on the basis of a SEPA core direct debit is authorised, the customer shall be entitled to claim a refund of the amount debited from the Bank. Such claim must be made within eight weeks starting from the date on which the customer's account was debited.

2.1.2 Unique identifiers

The customer must use the IBAN¹ notified to them, plus for cross-border payments (outside the European Economic Area²) the BIC³ of the Bank, as their unique identifier vis-à-vis the payee, since the Bank is entitled to execute the payment by SEPA core direct debit solely on the basis of the unique identifier provided to

it. The Bank and the intermediary institutions involved will execute the payment to the payee using the IBAN, plus for crossborder payments outside the EEA the BIC, indicated by the payee in the direct debit data set as the customer's unique identifier.

2.1.3 Transmission of direct debit data

When SEPA core direct debits are used, the direct debit data may also be forwarded to the Bank by the payee's payment service provider through the message transmission system of the Society for Worldwide Interbank Financial Telecommunications (SWIFT), which is based in Belgium and has operating centres in the European Union, Switzerland and the United States. Furthermore the »Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds« (EU Transfer of Funds Regulation) serves the purposes of preventing, detecting and investigating money laundering and terrorist financing where funds are transferred. It obligates the Bank, when executing direct debits to verify and transmit information on the payer and the payee.

This information comprises the name and unique identifier of the payer and the payee, plus the payer's address. In the case of payments made within the European Economic Area (EEA), transmission of the payer's address can initially be dispensed with, though it may be requested by the payee's payment service provider. When indicating the payer's name and, if necessary, address, the Bank uses the data stored in its systems to comply with the statutory requirements. The regulation ensures that the payer and the payee are always clearly identifiable from the payment data sets themselves. This also means that the Bank is required to verify payment data, to answer inquiries from other banks about the identity of the payer respectively the payee and to make such data available to the competent authorities on request.

2.2 SEPA direct debit mandate

2.2.1 Giving the SEPA direct debit mandate

The customer shall give a SEPA direct debit mandate to the payee. With it, the customer authorises their Bank to pay SEPA core direct debits drawn by the payee. The mandate must be given in writing or in the manner agreed with their Bank. This authorisation shall at the same time contain the customer's explicit consent to the payment service providers and any intermediary institutions involved in the collection of the direct debit to retrieve, process, transmit and store the personal data required for the execution of the direct debit.

The SEPA core direct debit mandate must contain the following statements by the customer:

- a statement authorising the payee to collect payments from the customer's account by SEPA core direct debit and
- a statement instructing the Bank to pay SEPA core direct debits drawn by the payee on the customer's account.

The SEPA core direct debit mandate must contain the following authorisation data:

- identification of the payee
- creditor identifier
- indication of whether the mandate is for a one-off or recurrent payment

¹ International Bank Account Number.

² For member countries, see Annex.

³ Bank Identifier Code.

- name of the customer (if available)
 - name of the customer's bank and
 - customer's unique identifier (see Section 2.1.2).
- The direct debit mandate may contain additional details supplementing the authorisation data.

2.2.2 Collection authorisation (Einzugsermächtigung) as a SEPA direct debit mandate

If the customer has given collection authorisation (Einzugsermächtigung) to the payee, authorising the payee to collect payments from their account by direct debit, the customer thereby instructs the Bank at the same time to pay the direct debits drawn on their account by the payee. With the collection authorisation, the customer authorises the Bank to pay direct debits drawn by the payee. This collection authorisation shall be deemed to be a SEPA direct debit mandate. Sentences 1 to 3 shall apply also to collection authorisation given by the customer prior to the entry into force of these Terms and Conditions. Collection authorisation must contain the following authorisation data:

- name and address of the payee
- name of the customer
- customer's unique identifier in accordance with Section 2.1.2 or account number (Kontonummer) and bank code (Bankleitzahl). Collection authorisation may contain additional details supplementing the authorisation data.

2.2.3 Revocation of the SEPA direct debit mandate

The SEPA direct debit mandate may be revoked by the customer by means of a statement to this effect – if possible, in writing – to the payee or the Bank, with the result that subsequent payment transactions are no longer authorised. If notice of revocation is given to the Bank, it shall take effect from the banking business day, as stated in the »List of Prices and Services«, following the day on which it is received. Notice of revocation should, in addition, be given to the payee so that the payee does not collect any further direct debits.

2.2.4 Limitation and disallowance of SEPA core direct debits

The customer may separately instruct the Bank to limit or disallow payments under SEPA core direct debits. This instruction must be received by the Bank no later than the end of the banking business day, as stated in the »List of Prices and Services«, before the due date indicated in the direct debit data set. This instruction should, if possible, be given in writing and to the account-keeping branch of the Bank. It should, in addition, be given to the payee.

2.3 Collection of the SEPA core direct debit by the payee under the SEPA core direct debit mandate

- (1) The SEPA core direct debit mandate given by the customer shall remain with the payee. The payee shall take over the authorisation data and enter any additional details in the data set for collection of SEPA core direct debits. The respective direct debit amount shall be specified by the payee.
- (2) The payee shall send the data set for collection of the SEPA core direct debit to the Bank (payer bank) electronically through their payment service provider. This data set shall also represent the customer's instruction to the Bank in the SEPA direct debit mandate to pay the respective SEPA core direct debit (see Section 2.2.1, sentences 2 and 4 and Section 2.2.2, sentence 2). For delivery of this instruction, the Bank shall waive the form agreed for giving the SEPA direct debit mandate (see Section 2.2.1, sentence 3).

2.4 Payment transaction based on the SEPA core direct debit

2.4.1 Debiting the direct debit amount to the customer's account

- (1) On receipt of SEPA core direct debits drawn by the payee, the amount specified by the payee shall be debited to the customer's account on the due date indicated in the direct debit data set. If the due date is not a banking business day as stated in the »List

of Prices and Services«, the account shall be debited on the next banking business day.

- (2) The customer's account shall not be debited or a debit entry shall be cancelled no later than the second banking working day⁴ after it was made (see Section 2.4.2) if
 - the Bank has received notice of revocation of the SEPA direct debit mandate pursuant to Section 2.2.3
 - the customer does not have a sufficient credit balance on the account or sufficient credit for payment of the direct debit (lack of funds); the Bank shall not pay partial amounts
 - the payer's IBAN indicated in the direct debit data set cannot be assigned to any account held by the customer with the Bank or
 - the direct debit cannot be processed by the Bank because the direct debit data set
 - does not contain a creditor identifier or contains one which is evidently wrong to the Bank
 - does not contain a mandate reference
 - does not indicate the date on which the mandate was given or
 - does not indicate the due date.
- (3) In addition, the customer's account shall not be debited or a debit entry shall be cancelled no later than the second banking working day after it was made (see Section 2.4.2) if this SEPA core direct debit is countermanded by a separate instruction from the customer pursuant to Section 2.2.4.

2.4.2 Payment of SEPA core direct debits

SEPA core direct debits are paid if the debit entry in the customer's account has not been cancelled later than the second banking working day after it was made.

2.4.3 Notification of non-execution or cancellation of the debit entry or refusal of payment

The Bank shall inform the customer within the statutory time limit of non-execution or cancellation of the debit entry (see Section 2.4.1, paragraph 2) or refusal to pay a SEPA core direct debit (see Section 2.4.2). This may be done also through the agreed account information channel. The Bank shall, if possible, state the reasons and indicate ways in which errors that led to the non-execution, cancellation or refusal can be rectified.

For the legitimate refusal to pay an authorised SEPA core direct debit due to a lack of funds (see Section 2.4.1, paragraph 2, second bullet point), the Bank shall levy the charge set out in the »List of Prices and Services«.

2.4.4 Execution of the payment

The Bank shall inform the customer of the execution of the payment through the agreed account information channel and at the agreed frequency.

2.5 Customer's entitlement to a refund for an authorised payment

- (1) If a payment which has been made on the basis of a SEPA core direct debit is authorised, the customer shall be entitled to claim a no-questions-asked refund of the amount debited from the Bank. Such claim must be made within eight weeks starting from the date on which the customer's account was debited. The Bank shall restore the balance of the customer's account to what it would have been without debiting for the payment. Any claims by the payee against the customer shall not be affected by this.
- (2) The entitlement to a refund under paragraph 1 shall be precluded as soon as the amount of the direct debit entry has been expressly authorised by the customer directly to the Bank.
- (3) The customer's entitlement to a refund for a non-executed or incorrectly executed authorised payment shall be governed by Section 2.6.2.

⁴ Bank working days are all working days except Saturdays, 24 and 31 December.

2.6 Customer's entitlement to a refund, correction and compensation

2.6.1 Refund for an unauthorised payment

If a payment is not authorised by the customer, the Bank shall have no claim against the customer for reimbursement of its expenses. It shall be obligated to refund the amount debited to the customer's account to the customer and to restore the balance of this account to what it would have been without debiting for the unauthorised payment. This obligation must be fulfilled no later than the end of the business day as indicated in the »List of Prices and Services« which comes after the day on which the Bank was notified that the payment is unauthorised, or the Bank has obtained knowledge thereof by other means. If the Bank has informed a competent authority in writing of legitimate reasons for suspecting fraudulent conduct on the part of the customer, the Bank shall be required to consider and to fulfil its obligation arising from sentence 2 without delay if its suspicion of fraud is not confirmed.

2.6.2 Entitlement in the case of non-execution, incorrect or delayed execution of authorised payments

- (1) In the case of non-execution or incorrect execution of an authorised payment, the customer may request the Bank to refund the direct debit amount in full without delay insofar as the payment was not executed or executed incorrectly. The Bank shall then restore the balance of the customer's account to what it would have been without debiting for the incorrectly executed payment transaction.
- (2) Over and above the entitlement under paragraph 1, the customer may request the Bank to refund the charges and interest levied on them or debited to their account in connection with the non-execution or incorrect execution of the payment.
- (3) If the amount of the direct debit does not reach the payee's payment service provider in time, the payee may request the payment service provider to credit the amount of the direct debit to the payee's account as if the payment had been duly executed.
- (4) If a payment transaction was not executed or not executed correctly, the Bank shall, at the customer's request, reconstruct the processing of the payment and inform the customer of the result thereof.

2.6.3 Compensation for neglect of duty

- (1) In the case of non-execution, incorrect execution or delayed execution of an authorised payment, or if a payment is unauthorised, the customer may request the Bank to provide compensation for any loss or damage not already covered by Sections 2.6.1 and 2.6.2. This shall not apply if the Bank is not responsible for the neglect of duty. The Bank shall be liable in this connection for any fault on the part of an intermediary institution to the same extent as for any fault on its own part. If the customer has contributed to the occurrence of any loss or damage through culpable conduct, the principles of contributory negligence shall determine the extent to which the Bank and the customer must bear the loss or damage.
- (2) Liability under paragraph 1 shall be limited to € 12,500. This limitation on liability shall not apply to
 - unauthorised payments
 - cases of deliberate intent or gross negligence by the Bank
 - risks which the Bank has assumed on an exceptional basis and,
 - if the customer is a consumer, loss of interest incurred by the customer.

2.6.4 Entitlement of customers who are not consumers

By way of derogation from the entitlement under Sections 2.6.2 and 2.6.3, customers who are not consumers shall only have a claim for compensation – besides any claims for restitution under Sections 667 and 812 ff. of the German Civil Code (Bürgerliches

Gesetzbuch [BGB]) – for an authorised payment that is not executed, not executed correctly or executed with a delay or for an unauthorised payment in accordance with the following rules:

The Bank shall be liable for any fault on its own part. If the customer has contributed to the occurrence of any loss or damage through culpable conduct, the principles of contributory negligence shall determine the extent to which the Bank and the customer must bear the loss or damage.

The Bank shall not be liable for any fault on the part of intermediary institutions chosen by it. In such cases, the Bank's liability shall be limited to the careful selection and instruction of the first intermediary institution.

The amount of the customer's claim for compensation shall be limited to the amount of the direct debit, plus the charges and interest levied by the Bank. Where claims for consequential loss or damage are asserted, such claims shall be limited to a maximum of € 12,500 per payment. This limitation of liability shall not apply to deliberate intent or gross negligence by the Bank or to risks which the Bank has assumed on an exceptional basis or to unauthorised payments.

2.6.5 Preclusion of liability and objection

- (1) Any liability by the Bank under Sections 2.6.2 to 2.6.4 shall be precluded in the following cases:
 - The Bank proves to the customer that the full amount of the payment reached the payee's payment service provider in due time.
 - The payment was executed in conformity with the incorrect unique identifier of the payee provided by the payee. In this case, the customer may, however, request the Bank to make reasonable efforts to recover the amount of the payment. If it is not possible to recover the amount of the payment pursuant to sentence 2 of this bullet point, the Bank shall be obligated to provide to the customer, at the customer's written request, all available information so that the customer can assert a claim for a refund of the amount of the payment. For its activities pursuant to sentences 2 and 3 of this bullet point, the Bank shall levy the charge set out in the »List of Prices and Services«.
- (2) Any claims by the customer under Sections 2.6.1 to 2.6.4 and any objections by the customer against the Bank as a result of non-execution or incorrect execution of payments or as a result of unauthorised payments shall be precluded if the customer fails to inform the Bank thereof within a period of 13 months at the latest after being debited for an unauthorised or incorrectly executed payment. This period shall start to run only once the Bank has informed the customer about the debit entry for the payment through the agreed account information channel no later than one month after the debit entry was made; otherwise the date on which the customer is informed shall determine when the period commences. The customer may assert claims for compensation under Section 2.6.3 also after expiry of the period referred to in sentence 1 if they were prevented, through no fault of their own, from adhering to this period.
- (3) Any claims by the customer shall be precluded if the circumstances substantiating a claim
 - are based upon an exceptional and unforeseeable event on which the Bank has no influence and whose consequences could not have been avoided even by exercising due diligence or
 - were brought about by the Bank as a result of a statutory obligation.

3. Annex

List of SEPA countries and territories

Countries belonging to the European Economic Area (EEA)

Member states of the European Union

A list of the corresponding countries are to be found on:
hvb.de/laender

B Terms and Conditions for Payments by Direct Debit under the SEPA Business-to-Business (B2B) Direct Debit Scheme

Payments which the customer who is not a consumer⁵ makes to payees by SEPA business-to-business (B2B) direct debit through their account with the Bank shall be subject to the following terms and conditions.

1 General

A direct debit is a payment transaction initiated by the payee and debited to the customer's account where the amount of the payment is specified by the payee.

1.2 Charges

Charges and any changes in these shall be governed by No. 12, paragraphs 2 to 6 of the General Business Conditions (Allgemeine Geschäftsbedingungen) of the Bank.

2 SEPA business-to-business (B2B) direct debit

2.1 General

2.1.1 Main characteristics of the SEPA B2B direct debit scheme

The SEPA B2B direct debit scheme may only be used by customers who are not consumers 5.

It enables the customer to make payments in euros to the payee through the Bank within the Single Euro Payments Area (SEPA). SEPA comprises the countries and territories listed in the Annex. For the execution of payments by SEPA B2B direct debit

- the payee and the payee's payment service provider must use the SEPA B2B direct debit scheme
- the customer must give the SEPA B2B direct debit mandate to the creditor before the payment transaction and
- the customer must confirm to the Bank that the SEPA B2B direct debit mandate has been given.

The payee initiates the respective payment transaction by presenting the direct debits to the Bank through their payment service provider. If a payment which has been made on the basis of a SEPA B2B direct debit is authorised, the customer shall not be entitled to claim a refund of the amount debited to their account from the Bank.

2.1.2 Unique identifiers

The customer must use the IBAN⁶ notified to them, plus for cross-border payments (outside the European Economic Area⁷) the BIC⁸ of the Bank, as their unique identifier vis-à-vis the payee, since the Bank is entitled to execute the payment by SEPA B2B direct debit solely on the basis of the unique identifier provided to it. The Bank and the intermediary institutions involved will execute the payment to the payee using the IBAN⁶, plus for crossborder payments outside the EEA the BIC⁸, indicated by the payee in the direct debit data set as the customer's unique identifier.

2.1.3 Transmission of direct debit data

When SEPA B2B direct debits are used, the direct debit data may also be forwarded to the Bank by the payee's payment service provider through the message transmission system of the Society for Worldwide Interbank Financial Telecommunications (SWIFT), which is based in Belgium and has operating centres in the European Union, Switzerland and the United States. Furthermore the »Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds« (EU Transfer of Funds Regulation) serves the purposes of preventing, detecting and investigating money laundering and terrorist financing where funds are transferred. It obligates the Bank, when executing direct debits, to verify and transmit information on the payer and the payee.

This information comprises the name and unique identifier of the payer and the payee, plus the payer's address. In the case of payments made within the European Economic Area (EEA), transmission of the payer's address can initially be dispensed with, though it may be requested by the payee's payment service provider. When indicating the payer's name and, if necessary, address, the Bank uses the data stored in its systems to comply with the statutory requirements. The regulation ensures that the payer and the payee are always clearly identifiable from the payment data sets themselves. This also means that the Bank is required to verify payment data, to answer inquiries from other banks about the identity of the payer respectively the payee and to make such data available to the competent authorities on request.

2.2 SEPA B2B direct debit mandate

2.2.1 Giving the SEPA B2B direct debit mandate

The customer shall give a SEPA B2B direct debit mandate to the payee. With it, the customer authorises their Bank to pay SEPA B2B direct debits drawn by the payee. The mandate must be given in writing or in the manner agreed with their Bank. This authorisation shall at the same time contain the customer's explicit consent to the payment service providers and any intermediary institutions involved in the collection of the direct debit to retrieve, process and store the personal data required for the execution of the direct debit.

The SEPA B2B direct debit mandate must contain the following statements by the customer:

- a statement authorising the payee to collect payments from the customer's account by SEPA B2B direct debit and
 - a statement instructing the Bank to pay the SEPA B2B direct debits drawn by the payee on the customer's account.
- The SEPA B2B direct debit mandate must contain the following details (authorisation data):
- identification of the payee
 - creditor identifier
 - indication of whether the mandate is for a one-off payment or for recurrent payments
 - name of the customer
 - name of the customer's bank and
 - customer's unique identifier (see Section 2.1.2).

The direct debit mandate may contain additional details supplementing the authorisation data.

2.2.2 Confirmation of giving a SEPA B2B direct debit mandate

The customer must confirm the authorisation under Section 2.2.1 to their Bank without delay by sending the Bank the following data contained in the SEPA B2B direct debit mandate given to the payee:

- identification of the payee
- creditor identifier
- mandate reference
- indication of whether the mandate is for a one-off payment or for recurrent payments
- date on which the mandate was signed.

For this purpose, the customer may also send the Bank a copy of the SEPA B2B direct debit mandate.

The customer must notify the Bank without delay and, if possible, in writing of any changes to or cancellation of the SEPA B2B direct debit mandate given to the payee.

⁵ Under Section 13 of the German Civil Code (Bürgerliches Gesetzbuch (BGB)), a consumer means any natural person who enters into a legal transaction for a purpose that is outside their trade, business or profession.

⁶ International Bank Account Number.

⁷ For member countries, see Annex.

⁸ Bank Identifier Code.

2.2.3 Revocation of the SEPA B2B direct debit mandate

The SEPA B2B direct debit mandate may be revoked by the customer by means of a statement to this effect to their Bank. Revocation shall take effect from the banking business day, as stated in the »List of Prices and Services« (Preis- und Leistungsverzeichnis), following the day on which notice of revocation is received. Notice of revocation should, if possible, be given in writing and to the account-keeping branch of the Bank. It should, in addition, be given to the payee. Revocation of the SEPA B2B direct debit mandate shall not cover SEPA B2B direct debits already debited to the customer's account. In their case, Section 2.2.4, paragraphs 2 and 3 shall apply.

2.2.4 Rejection of individual SEPA B2B direct debits

- (1) The customer may separately instruct the Bank not to pay certain SEPA B2B direct debits drawn by the payee. This instruction must be received by the Bank no later than the end of the banking business day, as stated in the »List of Prices and Services«, before the due date indicated in the direct debit data set. This instruction should, if possible, be given in writing and to the account-keeping branch of the Bank. It should, in addition, be given to the payee.
- (2) A SEPA B2B direct debit entry on the debit date may only be rejected on this date if the customer and the Bank have agreed thereupon. The agreement shall become effective if the Bank manages to finally recover the direct debit amount. For handling such a revocation by the customer, the Bank shall levy the charge set out in the »List of Prices and Services«.
- (3) The SEPA B2B direct debit may no longer be rejected by the customer after the date on which the debit entry is made.

2.3 Collection of the SEPA B2B direct debit by the payee under the SEPA B2B direct debit mandate

- (1) The SEPA B2B direct debit mandate given by the customer shall remain with the payee. The payee shall enter the authorisation data and any additional details in the data set for collection of SEPA B2B direct debits. The respective direct debit amount shall be specified by the payee.
- (2) The payee shall send the data set for collection of the SEPA B2B direct debit to the Bank (payer bank) electronically through their payment service provider. This data set shall also represent the customer's instruction to the Bank in the SEPA B2B direct debit mandate to pay the respective SEPA B2B direct debit (see Section 2.2.1, sentences 2 and 5). For delivery of this instruction, the Bank shall waive the form agreed for giving the SEPA B2B direct debit mandate (see Section 2.2.1, sentence 3).

2.4 Payment transaction based on the SEPA B2B direct debit

2.4.1 Debiting the direct debit amount to the customer's account

- (1) On receipt of SEPA B2B direct debits drawn by the payee, the amount specified by the payee shall be debited to the customer's account on the due date indicated in the direct debit data set. If the due date is not a banking business day as stated in the »List of Prices and Services«, the account shall be debited on the next banking business day.
- (2) The customer's account shall not be debited or a debit entry shall be cancelled no later than the third bank working day after it was made if
 - the Bank has received no confirmation from the customer pursuant to Section 2.2.2
 - the Bank has received notice of revocation of the SEPA B2B direct debit mandate pursuant to Section 2.2.3
 - the Bank has received notice of rejection of the customer's direct debit pursuant to Section 2.2.4
 - the customer does not have a sufficient credit balance on the account or sufficient credit for payment of the direct debit (lack of funds); the Bank shall not pay partial amounts
 - the payer's IBAN indicated in the direct debit data set cannot be assigned to any account held by the customer with the Bank or

- the direct debit cannot be processed by the Bank because the direct data set
- does not contain a creditor identifier or contains one which is evidently wrong to the Bank
- does not contain a mandate reference
- does not indicate the date on which the mandate was given or
- does not indicate the due date.

2.4.2 Payment of SEPA B2B direct debits

SEPA B2B direct debits are paid if the debit entry in the customer's account has not been cancelled later than the third bank working day⁹ after it was made.

2.4.3 Notification of non-execution or cancellation of the debit entry or refusal of payment

The Bank shall inform the customer within the statutory time limits of non-execution or cancellation of the debit entry (see Section 2.4.1, paragraph 2) or refusal to pay a SEPA B2B direct debit (see Section 2.4.2). This may be done also through the agreed account information channel. The Bank shall, if possible, state the reasons and indicate ways in which errors that led to the non-execution, cancellation or refusal can be rectified.

For the legitimate refusal to pay an authorised SEPA B2B direct debit due to a lack of funds (see Section 2.4.1, paragraph 2, fourth bullet point), the Bank shall levy the charge set out in the »List of Prices and Services«.

2.4.4 Execution of the payment

The Bank shall inform the customer of the execution of the payment through the agreed account information channel and at the agreed frequency.

2.5 Preclusion of entitlement to a refund for an authorised payment

If a payment which has been made on the basis of a SEPA B2B direct debit is authorised, the customer shall not be entitled to claim a refund of the amount debited to their account from the Bank; any claims pursuant to Section 675x of the German Civil Code (Bürgerliches Gesetzbuch [BGB]) shall be precluded. The customer's entitlement to a refund for non-execution or incorrect execution of an authorised payment shall be governed by Section 2.6.2.

2.6 Customer's entitlement to a refund and compensation

2.6.1 Refund for an unauthorised payment

If a payment is not authorised by the customer, the Bank shall have no claim against the customer for reimbursement of its expenses. It shall be obligated to refund the amount debited to the customer's account to the customer and to restore the balance of this account to what it would have been without debiting for the unauthorised payment. This obligation must be fulfilled no later than the end of the business day as indicated in the »List of Prices and Services« which comes after the day on which the Bank was notified that the payment is unauthorised, or the Bank has obtained knowledge thereof by some other means. If the Bank has informed a competent authority in writing of legitimate reasons for suspecting fraudulent conduct on the part of the customer, the Bank shall be required to consider and to fulfil its obligation arising from sentence 2 without delay if its suspicion of fraud is not confirmed.

2.6.2 Compensation for neglect of duty

In the case of non-execution, incorrect execution or delayed execution of an authorised payment, or if a payment is unauthorised, the customer may – besides any claims for restitution under Sections 667 and 812 ff. of the German Civil Code (Bürgerliches Gesetzbuch [BGB]) – request the Bank to provide compensation for any loss or damage incurred as a result in accordance with the following rules.

⁹ Bank working days are all working days except Saturdays, 24 and 31 December.

- The Bank shall be liable for any fault on its own part. If the customer has contributed to the occurrence of any loss or damage through culpable conduct, the principles of contributory negligence shall determine the extent to which the Bank and the customer must bear the loss or damage.
- The Bank shall not be liable for any fault on the part of intermediary institutions chosen by it. In such cases, the Bank's liability shall be limited to the careful selection and instruction of the first intermediary institution.
- The Bank's liability for any loss or damage shall be limited to the amount of the direct debit, plus the charges and interest levied by the Bank. Where consequential loss or damage is involved, liability shall, in addition, be limited to a maximum of € 12,500 per direct debit. This limitation of liability shall not apply to deliberate intent or gross negligence by the Bank or to risks which the Bank has assumed on an exceptional basis or to unauthorised payments.

Any claims pursuant to Section 675y of the German Civil Code (Bürgerliches Gesetzbuch [BGB]) shall be precluded.

2.6.3 Preclusion of liability and objection

- (1) Any liability by the Bank under Section 2.6.2 shall be precluded in the following cases:
- The Bank proves to the customer that the full amount of the payment reached the payee's payment service provider in due time.
 - The payment was executed in conformity with the incorrect unique identifier of the payee provided by the payee. In this case, the customer may, however, request the Bank to make reasonable efforts to recover the amount of the payment. If it is not possible to recover the amount of the payment pursuant to sentence 2 of this bullet point, the Bank shall be obligated to provide to the customer, at the customer's written request, all available information so that the customer can assert a claim for a refund of the amount of the payment. For its activities pursuant to sentences 2 and 3 of this bullet point, the Bank shall levy the charge set out in the »List of Prices and Services«.

- (2) Any claims by the customer under Sections 2.6.1 and 2.6.2 and any objections by the customer against the Bank as a result of non-execution or incorrect execution of payments or as a result of unauthorised payments shall be precluded if the customer fails to inform the Bank thereof within a period of 13 months at the latest after being debited for an unauthorised or incorrectly executed payment. This period shall start to run only once the Bank has informed the customer about the debit entry for the payment through the agreed account information channel no later than one month after the debit entry was made; otherwise the date on which the customer is informed shall determine when the period commences. The customer may assert claims for compensation resulting from fault-based liability of the Bank under Section 2.6.2 also after expiry of the period referred to in sentence 1 if they were prevented, through no fault of their own, from adhering to this period.
- (3) Any claims by the customer shall be precluded if the circumstances substantiating a claim
- are based upon an exceptional and unforeseeable event on which the Bank has no influence and whose consequences could not have been avoided even by exercising due diligence or
 - were brought about by the Bank as a result of a statutory obligation.

Annex
List of SEPA countries and territories

**Countries belonging to the
European Economic Area (EEA)**

A list of the corresponding countries are to be found on:
hvb.de/laender