



Web Service Customer Journey

19.11.2021

Version 1.0.2

London & Zurich Ltd



Table Of Contents



Overview

Scope

Initial Pre-Requisites

Technical Requirements

Business Requirements

BACS

London & Zurich Direct Debit Journey

Main Requirements

Validate Bank Details

Customer

Add a Customer

Modify Customer's Details

View Customer Details

Failed Customer Setups

Suspended Customers

Collections

Direct Debit Collection Schedules

Modify a Direct Debit Schedule

View Direct Debit Collection Details

Failed Direct Debit Collections

Handling Direct Debit Indemnity Claims

General Reporting

Glossary



Version History

Overview

Scope

This document describes the operation of Paperless Direct Debit on the Internet and the expectations that London & Zurich and BACS have in the processes employed for data capture and in the user interface. This identifies the appropriate use of web services functions, when to call them and the resulting action.

Initial Pre-Requisites

Below are mandatory requirements from BACS on the operation of the Direct Debit Scheme over the Internet.

Technical Requirements

For every implementation of data capture over the Internet TLS1.1 or above must be present and able to support SHA-256 SSL certificates. A minimum 128-bit SSL certificate must be used. This secured channel should be used for all personal sensitive information. The SSL certificate provides two important functions to prove the identity of the company operating the web site and to encrypt the data between the client and the server over the public network. The use of SSL is mandatory whether or not the client is using the web services or another method of data transfer to London & Zurich.


Business Requirements

Contact details of the company providing the product or service must be available to the customer for general enquiries, customer services or complaints. The details must include a postal address, email address and a contact telephone.

Your web site must comply with all of the latest legislation that covers trading over the Internet. For more information a guide for businesses on distance selling is available at the following URL:

<https://www.gov.uk/online-and-distance-selling-for-businesses/overview>

BACS



BACS act as the gateway between London & Zurich and the customer's bank account. London & Zurich manage the payments and bank account management on the Client's behalf.

BACS produces four Direct Debit reports daily, which we process on the client's behalf.

- AUDDIS - is the paperless method used to create a direct debit mandate on the customer's bank account
- ADDACS - is a mechanism that the banks use to inform London & Zurich of any changes to customer bank accounts
- ARUDD - reports collection failures
- DDICA - reports any indemnity claims

An indemnity claim is where the customer raises a claim on the basis that funds were taken incorrectly for various reasons. The customer is refunded by the bank and the Service User is liable for the loss. Any amounts claimed as indemnities are netted off the next client payment unless an alternative arrangement has been agreed.

BACS will update the customer's bank details and the status of the account via and send details to service users using ADDACS reports. These updates are important to monitor as you may need to update your own systems accordingly.

BACS has a very strict policy on valid characters. These characters are the only valid characters to be used in the Bank Account (Debit) Name.

- A through to Z (lowercase will be converted to uppercase)
- 0 through to 9
- And the following symbols / (forward slash) - (hyphen) . (period) + (plus) and (space)

The Postal address is used to address letters to the account holders. Please bear this in mind when capturing data and deciding on which items to map to which address lines. If London & Zurich own the Service User Number (SUN), customers can call London & Zurich before calling the client. This information is also used to avoid fraud.

London & Zurich Direct Debit Journey

The following section details the minimum requirements that must be met in order to add a customer to the London & Zurich Direct Debit system, request that Direct Debit collections be made from that customer and then (when necessary) how to view failed collections or failed customer setups, including related web service method calls.

Main Requirements

- Validate Bank Details
 - BankModulusAndSortcodeDDEnabledCheck
- Customer
 - Add a Customer
 - AddCustomer
 - Modify a Customer's details
 - UpdateCustomer
 - View a Customer's details
 - GetCustomers
 - GetCustomerDetails
 - Failed Customer Setups
 - GetCustomerStatus
 - Suspended or Reinstate Customers
 - SuspendCustomer
 - ReinstateCustomer
- Collections
 - Add a Direct Debit Collection Schedule
 - AddScheduledPayment
 - Modify a Direct Debit Collection Schedule
 - CancelScheduledPayment, followed by AddScheduledPayment
 - View Direct Debit Collection details
 - GetCollectionsByDate
 - Failed Direct Debit Collections
 - GetFailedCollectionsByDate
 - Handling Direct Debit Indemnity Claims
 - GetIndemnitiesByDate





Validate Bank Details

The `BankModulusAndSortcodeDDEnabledCheck` web service method performs a modulus check against a supplied bank account number and sort code, with the option of checking whether the supplied sortcode can process electronic direct debits.

The `AddCustomer` web service method will perform a UK bank modulus check against the supplied bank account number and sort code for that customer. However, Bacs say that you should also validate these details at the moment of data capture.

Customer

A Customer represents the entity, person or business, who may agree to a Direct Debit Instruction allowing Direct Debits to be used to request funds from their bank account. A Customer is always in one of two states; 'active', which means that Direct Debit collection requests can be set up against their account, or 'inactive', which means the Direct Debit collection requests cannot be made for that account. Suspending a Customer puts the Customer in the 'inactive' state. Reinstating a Customer puts the Customer in the 'active' state. Customers may change state due to requests from web service users, due to instructions from their bank, due to responses from BACs and in rare circumstances due to an internal action.

Add a Customer

Use the AddCustomer web service method to enter a customer's details into the London & Zurich Direct Debit system so that a Direct Debit Instruction (DDI) can be lodged at BACS, enabling Direct Debits to be carried out against the DDI when accepted.

Note that once added to the system, a Customer entry cannot be deleted.

Modify Customer's Details

Use the UpdateCustomer web service method to update existing customer details.

Modifications to a customer's banking details will take at least three days to be lodged at BACS.


It is not possible to modify the DDI Reference of a Customer. If a Customer was created with an erroneous DDI Reference, you should suspend the Customer that was added in error and create a new one.

View Customer Details

The GetCustomers web service method can be used to obtain a list of all customers for a Client.

The GetCustomerDetails web service method will provide, for a specific customer reference, comments, successful collections, failed collections and scheduled payments.

Failed Customer Setups



It is possible that when setting up the DDI for a supplied set of customer details, that the DDI lodgement fails.

The GetCustomerStatus web service can be used to obtain the current status (active or inactive) of a set of customers

Suspended Customers

When there has been a problem lodging a DDI for a customer at BACS, or upon receipt of an instruction from BACS, or when a collection request has failed, a customer's account will be placed into a "suspended" state.

Where the reason for the customer account suspension is non-permanent (e.g. a collection failed due to insufficient funds), the client should liaise with the customer. If agreed, the customer's account can then be reinstated by using the ReinststateCustomer web service method.

Collections

Direct Debit Collection Schedules

Once a customer has been set up on the London and Zurich system, is in an accepted status, and their DDI has been lodged at BACS, collections can be performed against the DDI.

Optionally you can use the `GetEarliestCollectionDate` or `GetLatestSubmissionDate` methods to find out the earliest date you can collect for a customer, or the latest date you can add a collection for a given collection date and customer.

Use the `AddScheduledPayment` web service method to add a collection request, or series of collection requests for a customer.

Timings regarding when the first collection can be performed against a new customer, or newly reinstated customer vary depending on factors such as the agreed advance notice period for the Service User Number, and who is performing the advance notice, along with BACS own rules.

Modify a Direct Debit Schedule

A direct debit schedule cannot be modified. If you want to create the same effect as modifying a direct debit schedule, you should cancel the current schedule and create a new one with the modified details.


View Direct Debit Collection Details

The `GetCollectionsByDate` web service method can be used to get all collections for a client, within a given date range.

Failed Direct Debit Collections

The `GetFailedCollectionsByDate` web service method can be used to obtain a list of collection requests that were due to be collected within a given date range, but where that collection attempt failed.

Handling Direct Debit Indemnity Claims



These are reported in the same way as the other failures but with a reason code 'I'. Upon receipt of an indemnity claim made by the account holder's bank, London & Zurich will record the claim as a failure. It is the responsibility of the client to resolve any dispute before reattempting any collection. Customers that have been suspended after receiving an indemnity claim can be reinstated as described in the previous section.

Use the `GetIndemnitiesByDate` web service method to retrieve details regarding indemnity claims.

General Reporting

Below is a list of more general web service methods, with a brief description of the intended use for each one:

- **GetPublicHolidays**
 - A list of UK bank holidays. No processing by BACS is carried out on these days
- **GetScheduledActivePayments**
 - A list of currently active continuous authorities either by customer or by client
- **GetScheduledFuturePayments**
 - Used to check what payments are due to be taken from your customers. If using a fixed number of regular payments, or an indefinite number, then this method can show (up to two years of) the payments scheduled to be processed
- **GetNonProcessingDates**
 - There are dates on which collections cannot occur. These are weekends and UK bank holidays
- **CancelScheduledPayment**
 - Used to cancel an active collection schedule. If a collection is less than three days away from its collection due date then it cannot be stopped
- **SuspendCustomer**
 - When a customer no longer requires your services clients can suspend the customer account which stops any further collection of payments taking place
- **GetCustomersLastUpdated**
 - This method reports on customers that have had their data record updated in the date range specified. The updates can be caused by a client's own changes or by BACS
- **GetClientPayments**
 - L&Z reconcile failed collections, indemnity claims and any other outstanding monies, and then pay the client the amount due. This is a summary of the payment due to a client in the next few banking days



Glossary

Client (also referred to as a **Group**) - This is London & Zurich's client; the user of the paperless Direct Debit system.

Group Number (also referred to as **Client Identifier**) - This is the unique identifier assigned to a **Client** of London & Zurich.

Customer (also referred to as **Account**, **Customer's Account**, **End Customer** or **Client's Customer**) - This term is used to refer to a **Client's** customer; an entity that has agreed to a DDI permitting Direct Debits to be requested from their bank account.

Customer Reference (also referred to as **Account Reference** or **End Customer Reference**) - This is the unique identifier for a **Customer**. It is formed from a concatenation of the **Group Number**, a colon, and the **Customer's DDI Reference**.

DDI Reference (also referred to as the **Customer Identifier** or **Account Only**) - This is the Direct Debit instruction identifier that is associated with a **Customer**. A DDI Reference must be unique for a given **Service User Number**.

Scheduled Payment (also referred to as a **Continuous Authority**) - An instruction for London & Zurich to generate a series of one or more Direct Debit collection requests under the authority of a DDI.

Service User (also referred to as the **Originator**) - This is a BACS term for an entity registered as a user of BACS services.

Service User Number or **SUN** (also referred to as **Originator's Identification Number** or **OIN**) - This is a six digit number allocated by BACS to identify a **Service User**.

Suspended (also referred to as **End-Dated**) - A **Customer** that has been suspended is sometimes referred to as "**Inactive**", as opposed to "**Active**". If a **Customer** is suspended then no Direct Debit collections will be attempted from that **Customer's** account. A **Customer** may become suspended due to an instruction from Bacs (for example if the customer were to cancel a DDI with their bank) or due to a voluntary suspension at the request of the **Client** or London & Zurich. To remove the suspension of a **Customer**, a request should be made to "reinstate" the **Customer**.



Version History

30th June 2016

- Document Created

17th October 2020

- Minor amendments

11th November 2021

- Added reference to optional use of `GetEarliestCollectionDate` and `GetLatestSubmissionDate`