



**CASH  
WARS**



The business case for  
changing your Direct  
Debit management.

## What's the current situation with Direct Debits?

Customers like Direct Debit arrangements. They're convenient, relatively easy to set up and allow them to budget better. As such, it's no surprise that this form of payment has seen 20% growth. In 2015, 3.9 billion payments were made by Direct Debit in the UK, worth a total of £1,215 billion. By 2025, this number is expected to be 4.3 billion. At the same time, the number of cheques used is expected to decline from 546 million in 2015 to 237 million by 2025 (Source: Payments UK).

Direct Debits are a familiar and widely-trusted method for paying regular bills. Forward-looking businesses should be considering and implementing ways to pay that follow the trends of consumers. As collection volumes grow, the management thereof becomes more complex and time-consuming.



## The sensible solution: automated Direct Debit collections

An automated Direct Debit solution enables businesses to know exactly where they stand with regards to getting paid for the products and services they sell. They can forecast and manage cash flow more easily through regular, recurring payments, saving money and time and reducing costly, unnecessary errors.

With automated Direct Debit, there are no delays or rejections and credit control administration is kept to a minimum. Direct Debits result in fewer queries, better control and reduced risk. Processes are standardised, manual interventions minimised and money collected on time, every time.

### **Saves money**

Cheaper than processing cheques or cash and reduces manual reconciliations.

### **Better cash flow control**

Certainty of and control over payment date allows for improved cash forecasting.

### **Easy to set up**

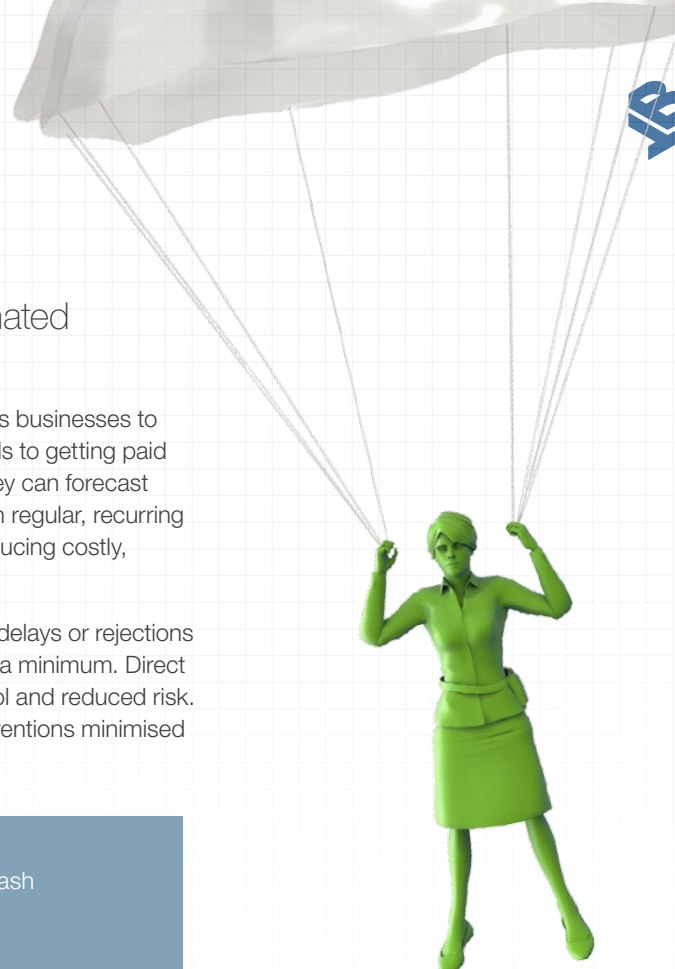
Standard industry-controlled processes for paper or electronic sign-up.

### **Simple reconciliation**

Only errors and non-payments are returned – reconciliation by exception.

### **More efficient payer management**

Amendments to customer's bank details informed electronically.



"If anything doesn't happen correctly, Bottomline's PT-X tells us so we can have a look at why and then fix it. I just feel more confident with PT-X."

**KERRIS**  
ACCOUNT MANAGER, KIDS ALLOWED

[\*\*READ THE CASE STUDY ON SIMPLIFYING  
DIRECT DEBIT COLLECTIONS\*\*](#)



## What are the business benefits?

Automated Direct Debit management increases business profitability, as operational costs are reduced, processes are automated and systems streamlined for straight through processing. For your customers, it reduces the effort involved in buying or paying for goods and services. As a result customer experience is significantly improved and loyalty and repeat business increased.

Moving from a paper-based or manual Direct Debit process to a software managed solution makes compliance easier. Processes and communications are carried out within stipulated time frames and in accordance with guidelines – manually this is difficult to manage.

Just as importantly, it improves visibility. Revenue is more secure and cash flow better controlled as the number of failed collection transactions and misapplied payments are reduced.

From a workforce perspective, automated processes make the job easier and free up staff to work on existing failures and debt recovery, rather than chasing non-payers and checking administrative details.

## What are the business risks?

Statutory compliance is essential to business survival, with breaches leading to loss of revenue, reputation or even business. Manually collecting funds can leave companies not adhering to rules, regulations and formal communications, impacting business integrity and levels of customer service.

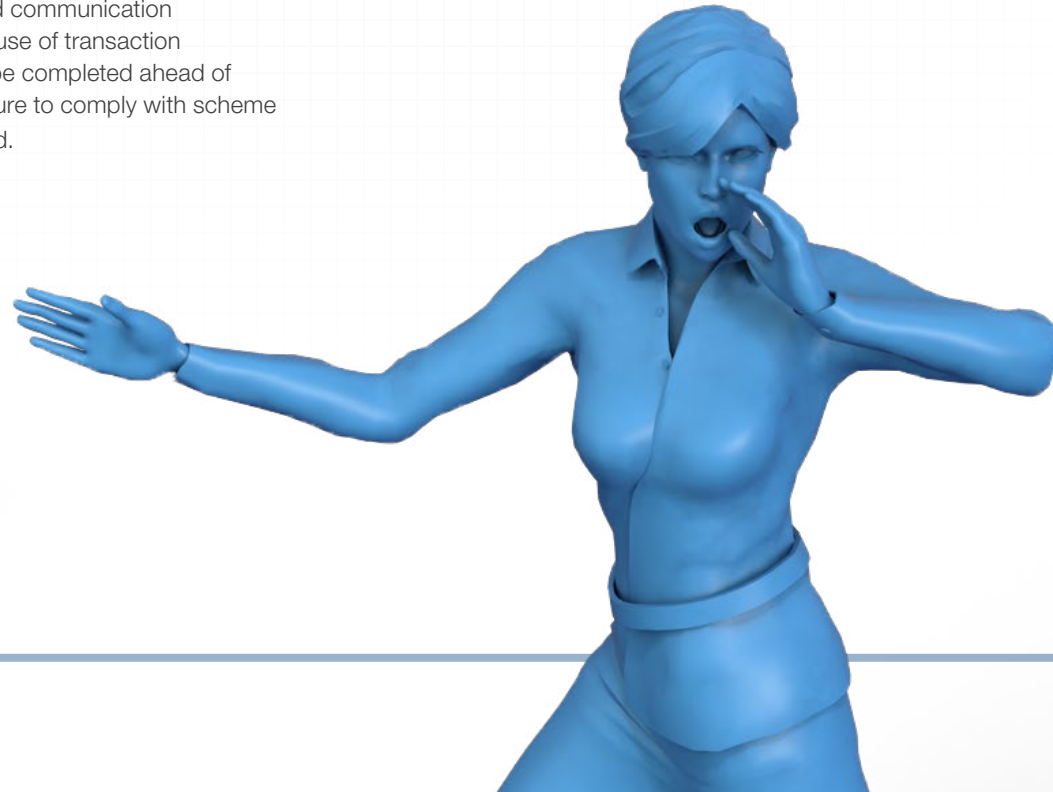
As you may be aware the guidelines around Direct Debits are stringent, with companies requiring Direct Debit Originator status approval before starting. This means they must be able to meet the Direct Debit guarantee in terms of contractual capacity, financial standing and the quality of administrative control.

When it comes to implementation, there are 15 Bacs Direct Debit Scheme rules, 17 mandatory and 47 prohibitive practices, specific letter layouts and communication requirements including the correct use of transaction types. What's more, training must be completed ahead of participation in the scheme and failure to comply with scheme rules can result in fines being issued.

"Once our bills have been generated each month from our billing platform, the Direct Debit process takes us a few hours, whereas before the process could take up to a day or more."

**NIKHIL PATEL**  
**MANAGEMENT ACCOUNTANT,**  
**CALLSTREAM LIMITED**

[READ THE CASE STUDY HERE](#)





## What are the cost implications?

Manual cash collection is a barrier to business efficiency, with lower collection rates and uncertainty around what payments are coming in when. What's more, manual processes are prone to error, with every failure costing up to £50 to rectify and resubmit (Source: Bottomline Financial Decision Makers Survey, 2013).

Automated account administration significantly reduces the incidence of errors and the time taken to manually manage spreadsheets. Payment is automatically received, saving costs in terms of the time and money spent sending reminders and pursuing late payments. Added to this, funds are credited to accounts on the day, rather than having to wait for 30+ day settlement or cheques to clear and avoiding the costs involved in this.

"I can't describe the level of satisfaction I had, having the conversation with my bank relationship manager. How easy our move to Bottomline's PT-X had been; the ease and speed of the implementation, the flexible platform and the fact that it was website driven rather than using the bank's interface."

**CRAIG DEWAR**  
CHIEF INFORMATION OFFICER, GPS AND FEV

[READ THE CASE STUDY HERE](#)

## The Solution: PT-X Direct Debit Management from Bottomline Technologies

PT-X Direct Debit Management provides a single multi-channel platform for full visibility of collections. PT-X gives organisations the ability to process collections from any location using secure, cloud-based technology.

Simplifying compliance and reducing transaction failures, PT-X supports organisations in meeting their overall business goals. It reduces operational costs, enhances flexibility and accessibility, improves operational efficiency and minimises risk.





Contact our team to arrange a demo today!

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Email: [emea-support@bottomline.com](mailto:emea-support@bottomline.com)

[Read the PT-X datasheet here](#)



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## About Bottomline Technologies

Bottomline Technologies (NASDAQ: EPAY) helps businesses pay and get paid. Businesses and banks rely on Bottomline for domestic and international payments, effective cash management tools, automated workflows for payment processing and bill review and state of the art fraud detection, behavioural analytics and regulatory compliance. More than 10,000 corporations, financial institutions, and banks benefit from Bottomline solutions. Headquartered in Portsmouth, New Hampshire, we delight our customers through offices across the United States, Europe, and Asia-Pacific.

For more information, visit [www.bottomline.com](http://www.bottomline.com)

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