

Best Practice Guidelines for Payers

September 2010

Introduction

The Payments Council has written this guide to encourage payers to include correct payment reference information when using telephone or internet banking to pay bills. Improved reference accuracy could reduce time spent repairing payments and fielding enquiries at call centres. The advice is supplementary to the [best practice guidelines](#)¹ produced for billers.

This is a flexible document, so billers may wish to incorporate some or all of these points in the advice they give to their personal and business customers to ensure bills paid using online and telephone banking include appropriate and correct reference information.

¹ http://www.paymentscouncil.org.uk/files/payments_council/best_practice_guidelines_for_billers.pdf

For personal and business customers

Paying bills using online or telephone banking is fast, convenient and secure. But it's important you give us all the information we need to process your payment. Including this information will help us credit your payment to your account quickly and easily.

Your 'payment reference' or 'beneficiary reference,' found at the top of the first page of your bill, is unique to you and allows billers to match a payment with your account immediately. Always include this information when you pay us using online or telephone banking. Please follow the four steps below:

- 1. Always include the 'payment reference' or 'beneficiary reference' when paying bills online or over the phone:** don't leave the reference box blank or enter incorrect or additional information. Use your bill to check the reference matches what you've entered or quoted.
- 2. Make payments to [insert correct company billing name]:** some online banking services let you select this from a list. Otherwise you should enter [insert correct company billing name] in the payee or beneficiary name box (online banking) or tell the customer service adviser yourself (telephone banking).
- 3. Use the right sort code and account number:** enter in the appropriate boxes or quote to the customer service adviser the eight digit account number and the six digit sort code exactly as they appear on your bill. Always double-check these are correct, using your bill, even if your bank automatically loads them for you.
- 4. Double-check the reference matches your bill or invoice before completing the payment:** Here are some tips to follow:
 - References are a maximum length of 18 numbers and/or letters.
 - References never include slashes (/), dashes (-) or spaces ()
 - Use capital letters if the reference is in capital letters (CAPITALS)

Additional points for business customers

You can make changes to your business' payment systems that can improve the accuracy of payment reference information you send and receive. This helps you make and receive payments quickly and easily, saving both time and money.

The following tips should ensure payments to and from other businesses can be easily identified:

1. **Use meaningful references:** some accounting systems generate default beneficiary references for payments made. We recommend you work with your system provider to ensure these defaults can be easily replaced with ones meaningful to the beneficiary.
2. **Use all fields correctly if using direct Bacs or inputting automatically to the Faster Payments Service:** businesses using automated payment services should work with their service providers to make sure payments they send include the correct remitter name, beneficiary reference and beneficiary name. This will help the beneficiary identify which invoice has been paid – this is even more important for firms with multiple accounts for one supplier.
3. **Make sure your systems are up-to-date:** businesses should ensure their payment-handling systems have the latest data, software updates and patches. Sort codes are updated each week and out-of-date information can prolong routing payments to the beneficiary. At worst, you might make a payment to the wrong account and you might not be able to get your money back.
4. **Use separate remittance advice for complex payments:** always enter the 'Beneficiary reference' found at the top of your invoice in the beneficiary reference box (online banking) or quote it to the customer service adviser (telephone banking). You should send separate remittance advice for complex payments (staged payments, for instance), explaining the payment and including the beneficiary reference so the beneficiary can match it to your account.

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