

SEPA is on its way

Introducing SEPA – the Single Euro Payments Area



At the end of January 2008, most European banks will be moving on to SEPA – a uniform set of standards that will mean customers can move euros between accounts in different European countries as easily and quickly as they can within their own country. It doesn't apply to any other currencies – just the euro.

SEPA covers transactions between the 27 countries of the European Community as well as Iceland, Liechtenstein, Norway and Switzerland.

A SEPA direct debit scheme covering euro payments across Europe will be introduced towards the end of 2009. In the meantime, here are some questions and answers that you will find helpful.

What makes a payment SEPA compliant?

To make a SEPA payment you need to:

- select a non-urgent payment – SEPA payments take a maximum of three days to reach the recipient
- provide the International Bank Account Number (IBAN) and Bank Identifier Code (BIC) for the person you are sending the money to
- and only pay the fee to your bank (the recipient will pay their bank at the other end).

If I use the new Bankline internet banking service to make payments, will I need to do anything differently?

No, the payment screens in Bankline will still require you to include the beneficiary IBAN and BIC before

the payment can be sent to the bank. Because we have simplified our services you will only be able to select "urgent" or "normal" when choosing the priority of a payment.

To make sure your Bankline payments are SEPA compatible, you will need to make sure that:

- priority is set to "normal"
- the beneficiary IBAN and BIC are included
- the remitter is paying the RBS charge
- the beneficiary is paying the foreign bank charges.

You can find out more about Bankline at www.rbs.co.uk/bankline

If I currently use the dial-up Royline service to make euro payments, how will this affect me?

You will still be able to make euro payments using this service. To make sure that your Royline payments are SEPA compatible, you will need to:

- select a Royworld Economy payment rather than Royworld Euro. This is because SEPA payments are non-urgent
- provide the IBAN and BIC for the person you are sending the money to
- and pay the RBS fee (the recipient will pay their bank at the other end).

If I currently use the dial-up Bankline service to make euro payments, how will this affect me?

You will still be able to make euro payments using this service but you will not be able to benefit from any of the cost savings that we hope to be able to pass on to you. You might want to consider upgrading to new Bankline so you can receive these savings – and benefit from a much improved service. You can take a look at www.rbs.co.uk/bankline. You can also contact your relationship manager for more details about Bankline.

If I make payments using the “Sending a euro payment to Europe” form, will I see any changes?

Yes, an updated version of the form will be available from our branches in January. You will now be able to choose to send either a Royworld Euro or a Royworld Economy payment. Royworld Economy payments will be SEPA compatible as long as you provide the IBAN and BIC of the recipient. From January it will be standard practice in Europe for you to only pay the RBS fee for the payment.

If I make euro payments that won't be SEPA eligible, what changes will I see?

You'll still be able to make non-SEPA euro payments after the introduction

of SEPA. In order to keep things straightforward we're simplifying the number of products that cover euro payments to European countries. From January you will be able to use either a Royworld Euro or a Royworld Economy payment. The Royworld Budget product is being withdrawn for European countries, including non-euro payments to Switzerland, Norway, Denmark and Sweden.

Do I need to provide any different information on my payments?

No, you will still need to provide the beneficiary IBAN and BIC in order that the payment can be made.

If I make payments from my euro account, are there any changes?

For payments from euro accounts we currently debit the payment from your account between one and two days after it is processed. To make sure you are certain of when the transaction takes place, we are changing this so your account will now always be debited one business day after the day on which we process the payment.

If I receive euro payments into my account, will these change because of SEPA?

No, you should continue to provide your IBAN and BIC to your payers. You can find these details on your bank statement. Charging for inward euro payments will not change.

Will there be any changes to the price of making euro payments to Europe?

The price definitely won't be increasing. The exact level of pricing is still being agreed but we expect to be able to reduce the costs to reflect the savings we make in processing.

If I have a template set-up for my electronic banking, do I need to do anything different?

If you already have a template set up for euro payments, make sure it is updated to include the changes we are recommending above.

If I have a regular payment set up with you, do I need to do anything different?

No, we will continue to make such payments. If you would like to change it to a SEPA payment then please contact your relationship manager in writing.

If you have any more questions about SEPA, please take a look at www.rbs.co.uk/sepa or contact your relationship manager.