

# Continuous payment authorities and how to cancel them

## What is a continuous payment authority?

A continuous payment authority (CPA) is when you grant a company permission to take payments from your debit or credit card.

## Isn't that just the same as a Direct Debit?

It's similar, but it's not the same.

The difference between the two is that a CPA allows a supplier to take a payment from your account at their discretion, meaning they have the permission to take payment whenever they think you owe money.

While most companies will take payment on the same date and for the same amount, some less reputable businesses can make things more difficult by varying the days they collect, and the amount collected.

Unlike a Direct Debit, the contract with a CPA is directly with the supplier, whereas a direct debit is an instruction to your bank.

## What do I need to look out for with a CPA?

You're giving companies the ability to take a payment when they think one is due to be made, and they usually start after an introductory offer, like a month's free trial, so you may see money leave your bank account without warning.

## When would I use a CPA?

As the buyer, you don't choose to set up a CPA. It depends on how the supplier you're buying from operates.

Purchases like gym memberships, magazines and annual car insurance often require a CPA. They may also be known as recurring payments or recurring transactions.

### **Can I cancel it?**

You still have the legal right to cancel a CPA at any point over the phone, by email or in a bank branch – and the supplier must do it. You'll need to contact the supplier that takes the payment or your bank if it's a recurring payment.

However, cancelling a CPA doesn't mean the supplier will write off any outstanding payments or debt. If you owe the supplier money, you'll need to contact them to arrange settling any money you owe.

### **What if I switch bank accounts?**

If you're thinking about changing who you bank with, CPAs won't automatically transfer across like Direct Debits and Standing Orders.

You'll need to speak to the supplier and provide your new card details to continue using their services.

**Remember, if you're unable to keep up with repayments, our team are here and ready to help.**

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