

FINANCIAL COUNSELLING FACT SHEET #5

HOW DO I CANCEL A DIRECT DEBIT?

If your direct debit is linked to a contract for goods or services which you have purchased, it may be a term of the contract that you pay in this way. Cancelling may be in breach of your contract and you should seek professional advice before doing this.

Cancelling a direct debit from a bank account

You can cancel your direct debit directly with your bank. It is not necessary to make the request for cancellation directly with the company taking the payments.

Write to your bank and instruct them to **cancel** your **direct debit** authorisation as soon as possible or on a specific date. The bank cannot lawfully refuse your written request for **cancellation**. If you can, take the letter to your bank so that your instructions are acted on immediately.

Direct Debit from a Credit Card

Direct debits from credit cards **can be difficult to cancel**.

Start by writing to the company taking the payments instructing they cancel the arrangement and send a copy of the letter to your financial institution (your credit card provider). Then make sure you check your next statement. If the transaction continues to be debited after your request for cancellation, contact your financial institution and request the transaction be reversed and your money refunded.

Check future statements as well and dispute any further deductions. If the direct debits continue, lodge a complaint with the Australian Financial Complaints Authority (AFCA).

It is always a good idea to keep copies of any written documents. They could be extremely valuable if you need to lodge a complaint with AFCA.

Letter generators can be found here:

[To banks](#)

[To credit card companies](#)