

Safer ways to pay

Options for paying for things and the level of consumer protect you have if something goes wrong.

There are different levels of consumer protection with different payment methods. Learn more below to stay safe while paying for things online, in person, making a deposit or paying into a savings scheme.

Credit Card

Credit cards provide you with an extra layer of protection if things go wrong when buying goods. Under Section 75 of the Consumer Credit Act 1974, paying by credit card for a single item between £100 and £30,000 means you have 'equal or joint liability'. This means if something goes wrong with the item, such as it being faulty, not delivered, or the retailer goes out of business before you receive the item, you can claim the amount you paid back from your Credit Card provider.

However, if you use your credit card with third parties such as Paypal, Google Checkout or WorldPay, you don't have this joint liability protection. Check the processor's own terms and conditions carefully. You are also not protected if you used your credit card to withdraw cash to pay for something.

Contactless Payments

Contactless payments allow you to make fast and secure payments up to £100 just by touching your card to the reader and without needing to enter your PIN. Not all cards can be used this way and not all retailers have readers. Contactless payments can also be made via mobile phone apps, wristbands and watches. You should still ask for a receipt as you might need it to return items.

Contactless payments offer the same level of fraud protection as standard Chip and Pin transactions. Occasionally you will be prompted to enter your PIN as a security measure.

If your card is lost or stolen you may be protected against fraudulent activity and will not be liable for any losses, unless you have given your card to someone. You cannot withdraw money from a cash machine using contactless. You need to enter your PIN.

Contact your bank if you'd prefer to 'opt out' of contactless.

Direct debit

A Direct Debit is a payment that you must authorise a company to take from your account on a regular basis on agreed dates. The amount can vary but the payee (the company or person you are paying) must notify you in advance each time this happens.

The Direct Debit Guarantee

This is designed to protect consumers in the following way:

1. If there are any changes to the amount, date, or frequency of your Direct Debit the payee company must notify you in advance.
2. If a payment error is made by the payee company, or your bank or building society, you are entitled to a full and immediate refund of the amount paid. If you receive a refund you are not entitled to, you must pay it back when the payee company asks.

You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. You should also notify the payee company.

Debit card

If goods are not delivered, arrive damaged or not as described, or the trader goes out of business, you may be able to use the card provider's 'Chargeback' process within 120 days.

Card providers sign up voluntarily and exact rules may vary between Visa and American Express, so it's not as strong as credit card protection.

If you have problems making a claim and speaking to a supervisor or manager hasn't helped, you can take your case to the Financial Ombudsman Service. You must do this within six months of your final correspondence with the card provider.

Cash or Cheque

When paying by cheque, there are a few simple things you can do to keep your money safe. Write the name of the person you're paying on the front, draw a line through any blank spaces on the cheque so people can't add extra numbers or names, and keep the

cheque stub.