



# Buying a vehicle?

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From 1 October 2014 the tax  
is no longer transferable  
so you must tax it before  
you use it.

## Frequently Asked Questions

### Direct Debit

## **1. What is Direct Debit?**

Direct Debit is a simple, safe and convenient way to manage your household bills or make regular or occasional payments from your bank account. You agree with the organisation (DVLA) the amount to be collected and the date of payment. From then on the amount will be deducted from your account as agreed. If the organisation need to change the amount or collection date, they have to notify you first.

## **2. What vehicles are going to be included in the Direct Debit Scheme?**

The Direct Debit scheme is going to be widely available for all motorists (cars, vans, motorbikes, buses, HGV) that currently re-licence their vehicles via the online licensing service or at the Post Office.

The initial phase of the Direct Debit scheme will not be applicable to:

- Fleet vehicles licensed in bulk, however vehicle fleet managers will be able to use the online or Post Office options by enrolling their vehicles individually.
- The First Registration and Licensing process. The first licence that is collected as part of the purchase of a new vehicle at Motor Dealers is out of scope as many dealers offer an on-the road total price for new vehicles and therefore it would neither be appropriate nor feasible to include these changes.
- HGV vehicles that are subject to road levy charging.

## **3. How do I set up a Direct Debit for my vehicle tax?**

If your vehicle is eligible, when you receive your Vehicle Tax reminder you will be offered the opportunity to pay via Direct Debit. You can set up a Direct Debit when paying online ([www.gov.uk/vehicletax](http://www.gov.uk/vehicletax)) or at a Post Office® branch that deals with vehicle tax. We will then forward your instructions electronically to your bank, authorising them to allow payments to be collected from your account

You will be able to buy 6 or 12 months of vehicle tax in one go or spread the payments over 12 months. Whichever option you choose, the payments will continue automatically until you notify us to stop taking them providing you have a valid MOT in place at the point of renewal. For NI customers a check of valid insurance is also made.

## **4. When will DVLA take the monthly payment from my bank account?**

Payments are taken on the first working day of every month. Your first payment date may vary but a payment will not be taken before your tax is due to start.

## **5. Can Direct Debits be paid from any account?**

Most current accounts at banks and building societies can be used to make Direct Debit payments. Some special deposit accounts also allow them – just ask at your branch.

## **6. What information do I need to set up a Direct Debit?**

The person setting up the Direct Debit does not need to be the registered keeper. To set up the Direct Debit you will require the following information:

- Account holders name and address
- the name and address of the bank or building society
- the bank or building society account number
- the branch sort code of the bank or building society

Plus, the documentation required to tax e.g V11 reminder, Vehicle Registration Certificate (V5C).

## **7. If I set up a Direct Debit via the internet what record will I have of the agreement?**

You will be sent confirmation by e-mail of your Direct Debit Instruction within three working days of signing up on-line, or alternatively no fewer than 10 working days before the first collection. Regardless of what method of sign up you agree to, you are still fully covered by the Direct Debit Guarantee.

## **8. If I set up a Direct Debit via the Post Office what record will I have of the agreement?**

You will be sent a paper payment schedule in the post or by email (if you have provided an email address).

## **9. How will my bank know it's really me authorising a Direct Debit Instruction if it hasn't checked my signature?**

Under the rules of the Direct Debit Scheme the DVLA is responsible for checking all the information contained on your Direct Debit Instruction and satisfying themselves that they have sufficient identification. If your bank has any reason to doubt the authenticity they may request further details of the Direct Debit Instruction from the organisation.

## **10. Can I authorise a third party to sign up giving my account details over the phone or via the internet?**

Yes, the motor trade may set up the direct debit on your behalf when they apply for the vehicle tax. This must be agreed between you and the motor trader when you are buying the vehicle.

## **11. What type of payments can Direct Debit be used for?**

Around 15,000 organisations use Direct Debit for collecting a variety of regular and occasional bills including utility payments, insurance, council tax, mortgages, loans and subscriptions.

**12. Can Direct Debits be paid from accounts outside the UK?**

No, Direct Debits can only be set up from a UK bank account.

**13. Can I continue to pay for my tax as I normally do?**

Yes, all existing payment methods will remain in place.

**14. How do I cancel a Direct Debit?**

You can cancel a Direct Debit at any time by contacting your bank or by notifying DVLA that you no longer have the vehicle, or the vehicle has been taken off the road and a Statutory Off Road Notification (SORN) has been made.

**15. What happens if I declare SORN or sell my vehicle?**

If you notify DVLA that you have sold your vehicle or declared it off-road (SORN), then DVLA will automatically stop taking Direct Debit payments from your bank and will cancel your Direct Debit. If you have been paying your tax in annual or six-monthly payments, you will be eligible for a refund for any full calendar months that remain. This will be paid automatically by DVLA to the keeper registered on our records.

**16. What happens if I change the number plate on my car?**

Providing you remain the vehicle's registered keeper, we will continue to take Direct Debit payments.

**17. What happens if I buy a car that is taxed by Direct Debit?**

You are responsible for taxing the car from the date you become keeper.

If the previous keeper taxed the car by direct debit payments, their Direct Debit payments will be automatically cancelled when we receive notification from them that they are no longer the keeper. You will be able to set up your own Direct Debit when you tax the vehicle using the V5C/2 New Keeper supplement.

If the previous owner taxed the car by annual or six-monthly Direct Debit payments, then these will be automatically cancelled but you will have to check the expiry date of the tax as the previous owner may apply for a refund of the tax.

**18. What happens if I fail to keep up the Direct Debit payments?**

If you do not keep up the payments you may be liable for enforcement action.

### **19. Can a new keeper set up a Direct Debit?**

Yes. You can set up a direct debit for the vehicle using the New Keeper Supplement (V5C/2) part of the Vehicle Registration Certificate (V5C) online or by using our automated phone service – 24 hours a day, 7 days a week. Alternatively, you may wish to set one up at a Post Office® branch that deals with vehicle tax.

We are unable to check the vehicle insurance details for new keepers in Northern Ireland (NI) online or by phone. NI new keepers wanting to set up a direct debit should tax at a direct debit at a Post Office® branch that deals with vehicle tax.