

# Direct Debit failures up 14% from last year

Submitted by: Protect Line Ltd

Thursday, 14 September 2023

---

The total Direct Debit failure rate in August 2023 has increased by 14% when compared with August 2022.

The brand new data has come from Pay.UK and Vocalink, which are part of a new monthly real-time indicator tracking Direct Debit average transaction and failure rate.

The news comes as the UK economy shrinks more than expected in July, contracting by 0.5%.

Consumer behaviour indicators are generally showing decreased activity in the latest week. For example, Revolut debit card spending fell by 11 percentage points when compared with the previous week, with a notable 21 percentage point call in 'Automotive fuel' spending.

"As a leading life insurance broker, we oversee hundreds of thousands of UK direct debits. We are seeing a significant increase in direct debits bouncing, and not necessarily from customers intending to cancel their policies." comments David Brewer, co-founder of Protect Line (<https://www.protectline.co.uk/>) .

"When we reach out to our customers with bounced direct debits we're shocked to find at least one third are mistakes, as people seem to have less money in their bank accounts than they expected. Most of the time, the customer is able to quickly solve the problem, but there is a definite trend of consumers running into financial issues."