

## **Julie Warburton**

What are the differences between standing orders and direct debits?

A standing order is used to make regular payments to another account or another organisation. You can set these up at any time and cancel them whenever you want. So it's a convenient way of making sure that your payments are made on time. A direct debit is another way of paying your bills. Basically you fill in a form and the company will take the money out of your account. There is a **guarantee** with this type of payment. If your bank or building society makes an error, they will guarantee to get the money back to you. You can cancel a direct debit at any time. It's worth making that cancellation both with the person who you're making the payment too, and also your own bank. And here's a top tip for saving some money – some utility companies actually offer a discount if you choose to pay by direct debit.