



Quick Reference Guide – lodging tenancy bonds by direct debit

Why is there a change?	<ul style="list-style-type: none">• Cheque usage has been declining for a number of years, with many bank customers now preferring to use alternative payment options, which can be faster, safer and cheaper than using cheques. The COVID-19 lockdown has further contributed to the decline.• The majority of banks will stop processing cheques throughout 2021.
What is changing?	<ul style="list-style-type: none">• If you are a customer of one of the major banks and have previously used cheques as your method of payment for multiple bond lodgements, you must use an alternative payment method to lodge and pay your bonds.
When will this happen?	<ul style="list-style-type: none">• The majority of banks will stop processing cheques throughout 2021. Check your own bank's website for details.
What will I need to do differently?	<ul style="list-style-type: none">• You will need to register to pay bonds by direct debit if you are a property manager/agent or landlord who currently lodges multiple bonds using a cheque payment.• Complete a direct debit authority form signed by all of your account signatories. Attach proof of bank account (e.g. deposit slip, statement excerpt) with the direct debit authority form.• When we have registered you, we will contact you with a unique direct debit authority ID (DDAUTHID) and a direct debit payment form.• Use the DDAUTHID each time you submit a direct debit payment form.• The direct debit payment form must be emailed with your bond lodgement forms.• Email all forms to bond.finance@mbie.govt.nz
Important points to note	<ul style="list-style-type: none">• If your deduction bank account is not a transactional account, you may need to check with your bank that it will support direct debits. Some banks do not allow direct debit deductions from certain types of accounts (e.g. trust and savings accounts).• Lodgement letters will still be issued as usual.• When you receive acknowledgement of bond lodgement and payment, the payment method will initially display as 'cheque'. This will be updated in the near future.
Direct debit correspondence	<p>Please email any questions regarding direct debit payments to bond.finance@mbie.govt.nz</p> <p>Note that all correspondence will be by email, so please make sure you provide us with the right contact details (preferably a shared email inbox).</p>



Frequently asked questions

As a property management company, we want to lodge a bond on behalf of another branch.

Can we do this?

Your direct debit authority ID (DDAUTHID) is linked to the bank account nominated on your [direct debit authority form](#), for the signatories who signed that form. If these are the same, you may make payment for another branch. If these are not the same, the other branch should register to become a direct debit payer in their own right, and will be issued a direct debit identifier of their own.

Please do not pass on your DDAUTHID to another branch where the above conditions are not met.

As a property management company, we are lodging a bond on behalf of a property owner, who has signed the bond lodgement form as the landlord. Can we lodge this using direct debit?

Yes, the property management company can make the payment on behalf of a property owner. The bond record will be created according to the bond lodgement form regardless of who made the payment.

As a property management company, we use property management software. We can print out a reconciliation that summarises the bonds and details of each property, covered by a payment. Can we send this to you?

Yes. We will accept reconciliation summaries in accompaniment of each [direct debit payment form](#). If you send us a summary, you do not need to complete Section 6a of the direct debit payment form. Please be sure to check that the total amount of payment balances to the payment details in your summary.

I am a tenant, can I lodge my bond by direct debit?

No. The direct debit function is available for multiple bond payments. The landlord should be lodging the bond on your behalf. If you have arranged to lodge the bond with the landlord, please use the online bond lodgement tool at tools.tenancy.govt.nz/lodge-your-bond/

Is there a limit to the number of forms that can be associated with a single payment? No. You may send us any number of bond lodgement forms with a single payment as long as all forms are filled in correctly and included in the accompanying remittance/schedule.

Note: we will not lodge forms where the payment and details do not match. If this happens, we will contact you and ask you to correct the error and resubmit the forms.

I currently have a trust account for bond payments, can direct debits be deducted from this account?

If your deduction bank account is not a transactional account, you may need to check with your bank that it supports direct debits. Some banks do not allow direct debit deductions from certain types of accounts (e.g. trust and savings accounts). You may want to seek advice from your auditor or accountant on best practice.