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towards a greater
financial community

CARIBBEAN ASSOCIATION OF BANKS

Code of Banking Practice



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INTRODUCTION

1. INTRODUCTION

1. Introduction

The Code of Banking Practice hereinafter referred to as “The Code” is a voluntary code that sets out the minimum standards for service and conduct a customer can expect when he or she enters the financial institution. It provides guidance on the bank-client relationship which includes services and products being offered by the bank; and the quality of customer service. The customer’s expectations must be met in terms of equitable and fair treatment; accountability; transparency; and reliability.

The jurisdiction of the courts, mediators and arbitrators is available to make binding decisions based on this Code. It is appropriate that the law guides the process with recommendations all matters between bank and the customers.

2. Guiding Principles and Objectives

This purpose of this Code is to:

1. Communicate and record good banking practices by establishing minimum standards for the bank when dealing with customers;
2. increase confidence so that the customer can have a better understanding of what he or she can reasonably expect of the products and services offered by the bank;
3. maintain an ethically consistent, fair and open relationship between the customer and his or her bank; and
4. foster accountability and transparency in the banking system.



1. Customers' rights and responsibilities in terms of the Code

Here is the framework of the customers' rights and responsibilities in the customer's relationship with the bank.

3.1. Customers' rights

A customer or potential customer can expect the following from his or her bank as detailed further in the body of the Code. The bank will:

- Act impartially, rationally and justly towards the customer.
- Provide the customer with current and satisfactory disclosure of information, including the Terms and Conditions of products and services.
- Provide the customer with information in a clear and simple language.
- Ensure that the bank's staff members attend to the customers' transactions and enquiries efficiently.
- Provide the customer with at least 21 *business days* (or 7 *business days* in the case of credit agreements) notice before the implementation of changes in the Terms and Conditions, fees and charges, the discontinuation of products and / or services and the relocation of premises.
- Acknowledge a formal complaint within 3 *business days* and attend to the investigation thereof within 14 *business days*.
- Provide affordable and accessible simple banking services to all customers of the bank.
- Take practical steps to attend to the physical needs of persons with disabilities.
- Treat the customers' information in the strictest of confidence.
- Treat all customers equally regardless of their marital status, gender, age or

race.

- Ensure that all marketing and promotional material sent to the customer for advertising purposes are sound, clear, fair, and not misleading.
- Not to use any customer's information for marketing and promotional purposes without the customer's express permission.
- Provide the customer with information on related fees and charges for the services and products that the customer has chosen or is enquiring about.
- When the customer become a customer, or upon enquiry, give the customer information about the interest rates which apply to the customer's account/s in compliance with applicable legislation.
- Before, or at the time that the customer opens an account, advise the customer on the rights and obligations related to that account.
- Not close the customer's account without reasonable prior notice given to the customer at the customer's last contact details.
- Provide the customer or make available on request, monthly statements of account to enable the customer to manage his or her account and verify entries on such account.
- After the customer has informed the bank about the loss or theft of a cheque book, savings account book, card or electronic take immediate steps to prevent these from being used to access or misuse the customer's account.

3.2. The customer's responsibilities

The body of the Code that follows includes a number of responsibilities that the bank expects the customer to fulfill in the customer's relationship with the bank. For ease of reference these responsibilities include the following:

- It is the customer's responsibility to disclose all significant information as part of any credit application to the bank so that the bank may make an

- informed decision to grant credit to the customer.
- The customer is responsible to ensure that he or she does not extend him or herself beyond his or her financial means.
 - Where credit is granted to the customer it is the customer's responsibility to ensure that sufficient credit insurance cover is in place to protect the customer and/or his or her family in the case of losing his or her regular income through unemployment, disability, or death. All products and services offered by the bank is governed by a set of general and specific Terms and Conditions. Although the bank will take all reasonable steps to advise and inform the customer of these Terms and Conditions, it is customer's responsibility to read and understand the Terms and Conditions.
 - Before the bank is allowed by law to establish a relationship with the customer, or from time to time during the existence of such a relationship, the bank is required to perform certain identification and verification steps about the customer. It is customer's responsibility to assist the bank in performing these legal obligations to ensure that the relationship can lawfully be established or continue.
 - In the event that the customer wishes to switch his or her account to a new bank, the bank will assist in this process. However, the customer is ultimately responsible to provide the new bank with all the relevant information needed.
 - It is the customer's responsibility to inform the bank of any change in his or her *contact details* or in the customer's financial affairs as and when this occurs.
 - The customer is responsible to check and verify all the entries included in statements for correctness, and to inform the bank immediately in the event that the customer does not agree with any entry or item that reflects on such statements.
 - Protecting the customer's *card* and *PIN* is a crucial security measure for which the customer is responsible. The customer should never disclose his or her *PIN*, or other unique means of personal identification to anyone, including an employee of the bank.
 - To enable the bank to take the necessary measures to prevent or limit fraud or theft on the customer's account it is his or her responsibility to inform the bank as soon as possible when the customer discover any unauthorized activities on his or her account.
 - When making use of the bank's *ATM* services, the customer should take note of any cautionary notices that may be placed at *ATMs* for his or her protection, and exercise due caution accordingly.

- It is important to familiarize oneself with the circumstances under which the customer may be responsible for any losses suffered by the customer as a result of fraud, theft, or where the customer acted without reasonable care.
- The purchase of immovable property carries a great deal of responsibility. The customer should take independent qualified advice on the structural or other condition of the property before concluding such a purchase.
- When considering buying a motor vehicle the customer should ensure that the customer deal with a reputable dealer or individual.
- Binding the customer as a *surety* for another person's debt is a risky decision. The customer must keep in mind that the customer is effectively undertaking to take on the responsibilities of that other person in the event that he/she/it does not honour his/her/its responsibilities in accordance with the terms and condition agreed to between that person and the bank. The customer should take independent legal advice before agreeing to be a surety or guarantor.
- In the event that the customer run into difficulty in meeting the customer's financial obligations toward the bank it is the customer's responsibility to advise the bank of this as soon as possible.
- When making use of *internet, telephone or mobile phone banking* channels the customer should take reasonable steps to prevent fraud, theft or the unauthorized use of the customer's account or *personal information*.



COMMITMENT

1. The Bank's key commitments

The members of The Caribbean Association of Banks hereinafter called 'The Bank', undertakes to act fairly and reasonably in a consistent and ethical manner towards all customers.

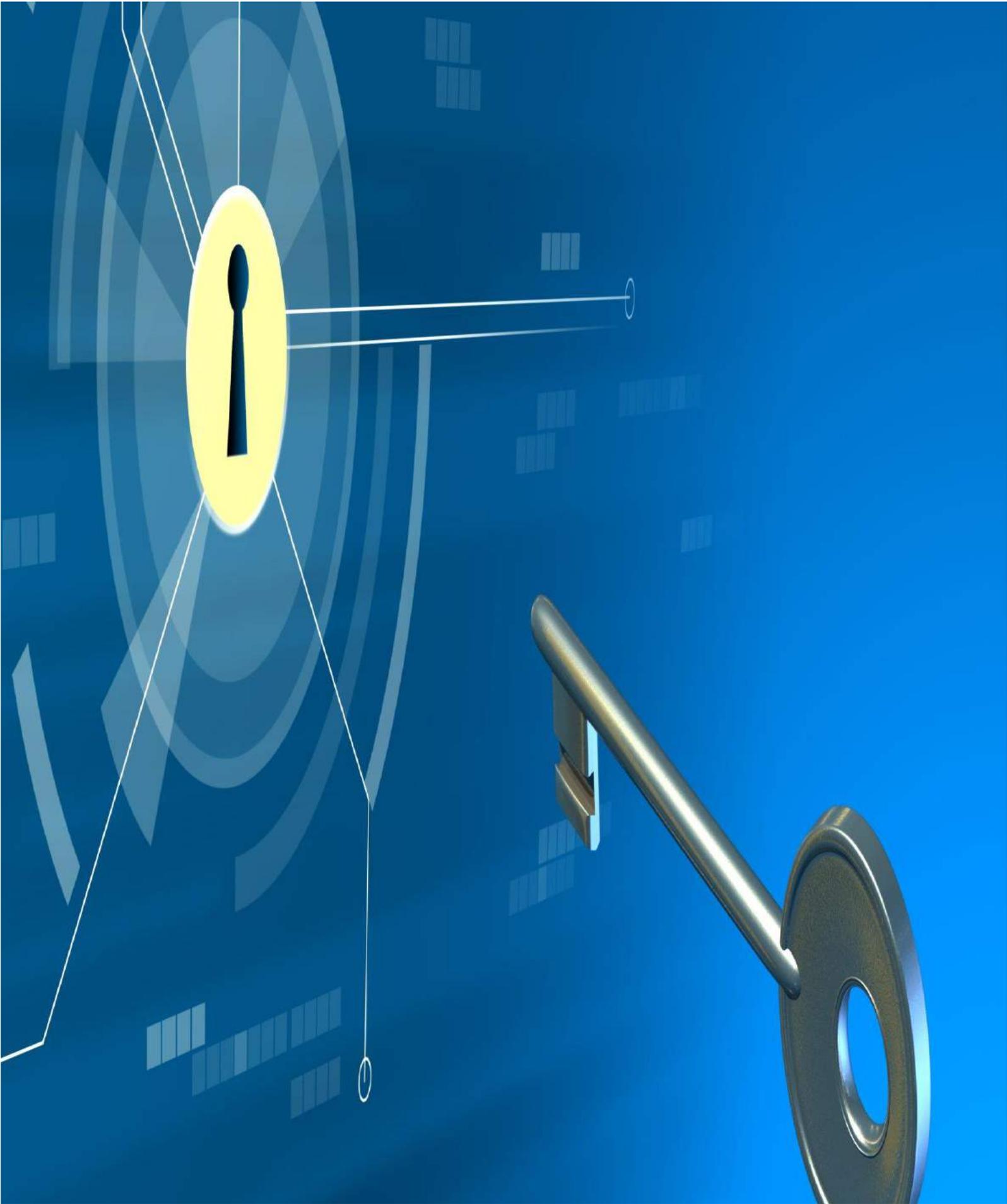
They undertake to:

- 4.1 continuously work towards improving the standards of practice, service and effective access to appropriate financial services in the banking industry;
- 4.2 promote better informed decisions about their banking products and services by:
 - providing effective and adequate disclosure of information;
 - explaining to customers, when asked, the contents of brochures and other written information about banking services or products;
 - providing information, or where applicable, advice, about banking services or products at the customer's request through the staff authorized to give such advice. The customer can approach his or her bank to obtain summaries of transactions on his or her account, and if he or she asks, the bank will assist the customer to calculate the costs of his or her transactions.
 - The bank will give the customer information to assist the customer for purposes of comparing different banks' transaction products. If necessary, the bank will refer the customer appropriate external sources or the bank may recommend that the customer seeks advice from someone such as his or her legal or financial adviser.
- 4.3 provide information to the customer in simple language, using standardized terminology and offer assistance on any aspect which the customer does not understand;
- 4.4 ensure that all products and services comply with relevant laws and regulations and the standards set out in this Code; and
- 4.5 provide reliable banking and payment systems services and take reasonable care to make these services safe and secure; similarly, the customer is required to take due and proper care.

The bank committed to providing the customer with the highest standards of service. In order to meet the bank's commitment, the bank will ensure that:

- 4.6 their staff is trained to provide efficient service, so that the bank's transactions, enquiries and feedback will be attended to immediately;

- 4.7 information on the bank's products and services will be updated regularly and current. It will be made easily available at all of the bank's branches, through the bank's the website and through other appropriate channels;
- 4.8 unless longer periods are specified by applicable legislation, the customer will be informed *21 business days* (or *7 business days* with regard to credit agreements) in advance before any changes are implemented to Terms and Conditions, fees and charges, the discontinuation of products and services and the relocation of premises or *ATMs*; and
- 4.9 A customer's complaint to his or her bank will be acknowledged within 5 *business days* of receipt and will be investigated within 10 *business days*.



Access to Banking Services

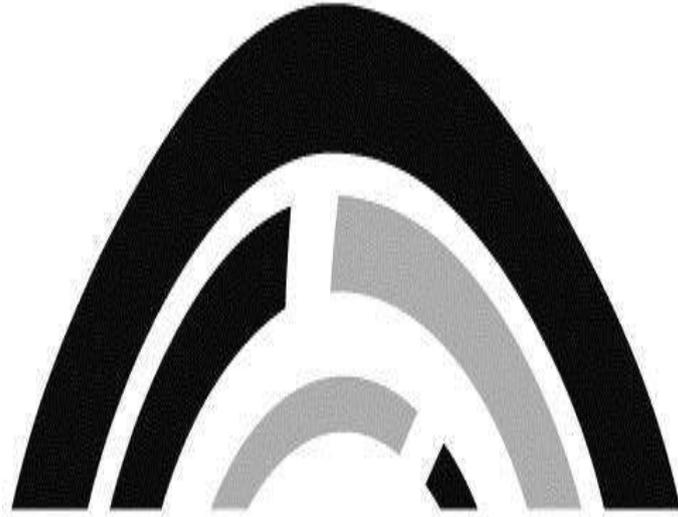
The bank is committed to providing easy to use banking services to all customers. The bank will provide the customer with a current checking account, if the customer meets the bank's minimum requirements. The bank will be able to provide the customer with the conditions and details of such accounts, and the customer should make every effort to read and understand them.

The bank will continuously strive to improve its simple banking services through product innovation.

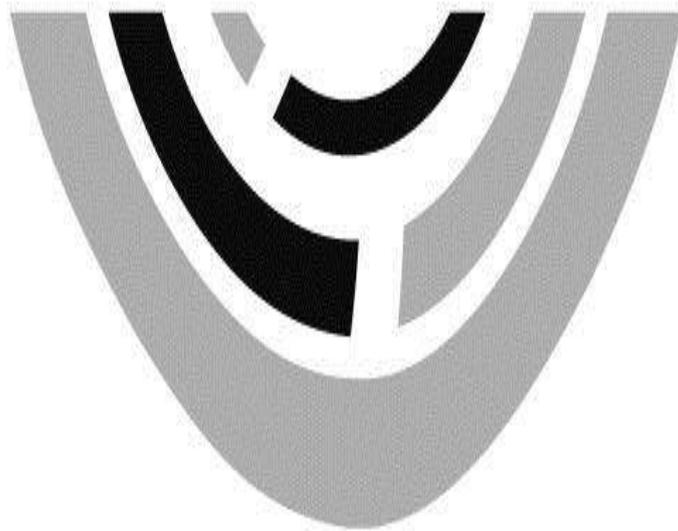
The bank recognizes the banking needs of customers with disabilities and it will take practical steps to enhance their access to those services and facilities.

The bank is also committed to improving access to its services as far as possible through its extensive branch network with more ATM locations.

In order to ensure continued access to its services, the bank undertakes to give its customers reasonable prior notice of its intention to close any of its bank branches, outlets or *ATM* locations, so that customers can make necessary arrangements to move their accounts to another branch (if applicable) or to access them through alternative means.



CODE of CONDUCT



6. Principles of conduct

6.1. Confidentiality and Privacy

6.1.1 The bank has a duty to protect the confidentiality of all current and previous clients' personal information including:

- financial information
- residential and email address
- telephone and mobile numbers
- account numbers

6.1.2. Private information is used to communicate with clients by paper or online as requested for informational purposes or for promotion of products and services with the client's consent.

6.1.3. All employees and agents in contact with private information are required to sign a confidentiality agreement.

6.1.4. In the event of bank merger, private information is retained. In the event of closure of a bank, private information is destroyed.

(a) the bank will only do so with the customer expressed permission or consent.

6.1.5. If there is a change in terms or conditions of specific services, the customer will be informed within reasonable time frame.

6.1.6. If there is an alleged breach of protocol the customer will be notified within 5 business days.

6.1.7. The customers' telephone conversations maybe monitored for quality purposes and your image may be captured at ATM and with the CCTV at bank and telephone banking.

6.1.8. The bank will follow internationally accepted standards for confidentiality of PINs and Passwords.

6.1.9. The customer's private information may be disclosed under the following circumstances:

6.1.10. The bank has the customer's express permission and consent to disclose the said information.

6.1.11. The bank is legally compelled to disclose the customer's information by a government agency or department for the purpose of a criminal investigation.

- to protect the bank's interests
- to prevent fraud
- The customer's account is in default
- To provide information to debt collectors

6.2. **Equitable and Fair treatment**

- i) The bank will not discriminate unfairly against any customer on grounds of race, age, disability, gender, marital status, sexual orientation.

- ii) A customer may be excluded from certain promotions that target a certain market group.

6.3 **Sales and Marketing**

6.3.1 **Marketing and advertising**

The bank will ensure that all advertising and promotional material is clear, fair, reasonable and not misleading in any way.

Unless the customer has opted out, the bank may use the customer's information for marketing and advertising purposes. Further, the customer may opt out from receiving such communication at any time.

The bank will give the customer information on how to exercise the customer's right to opt out of receiving promotions and usage of the customer's information in marketing campaigns.

6.3.1.1 Unless the customer has opted out, the bank may:

- i. bring to the customer's attention details of the bank's services and products, which may be of interest to the customer;

- ii. give certain information about the customer of a generic nature for marketing purposes;

- 6.3.1.2 When the customer applies for credit, and the product will allow for regular pre-approved credit limit increases, the bank will give the customer the option to decline any such pre-approved credit limit increases.
- 6.3.1.3 The bank will not:
- i. make any offer of credit to the customer, including an offer to increase the customer's overdraft or credit facility, on the basis that the offer will automatically come into existence unless the customer decline the offer; and
 - ii. enter into a credit agreement at the customer's home or office, unless the customer has specifically arranged with the bank to meet the customer at one of these places.
- 6.3.1.4 When the bank contacts the customer with an offer to take up credit, the bank will:
- i. only contact the customer if the bank considered on the basis of public information available to the bank that the customer may be able to afford the credit;
 - ii. confirm the customer's identity, advise the customer that this is an offer of credit and ask whether the customer would like to continue the conversation;
 - iii. explain the product to the customer, so that the customer can make an informed decision, if the customer have indicated the customer's interest; and
 - iv. advise the customer that the customer will be taken through the appropriate credit vetting and customer verification processes, should the customer accept the offer.
- 6.3.1.5 The bank will not contact the customer for direct marketing purposes if

the customer has informed the bank or registered the customer's details in a recognized registry to exclude the customer from any direct marketing communication; however, it may take up to 30 *business days* for such pre-emptive block to become effective.

- 6.3.1.6 The bank will only contact the customer at home for purposes of direct marketing within reasonable hours of the day.

6.3.2 Promotions

- 6.3.2.1 When the bank runs promotional competitions, the bank will not tell the customer who has won the competition, and if there was no competition; the bank will not require that the customer pay something in exchange for the prize, after the competition results have been announced.

- 6.3.2.2 The bank will not tell the customer that the customer has a right to a prize, if this is untrue and the bank will also not expect the customer to pay anything or to buy anything in order to get the prize.

- 6.3.2.3 Once the promotional competition has started the bank will make a copy of the rules available.

6.3.3 Loyalty and Reward Programmes

When the bank offers *loyalty* and *reward programmes*, the bank will make this information available to the customer if the customer asks for it:

- i. the nature of the *loyalty* or *reward programme*, credit or award being offered;
- ii. the goods or services to which the offer relates;
- iii. the steps required by the customer to participate or to receive any benefit in terms of the *loyalty* or *reward programme*; and
- iv. how, when and where the customer may have access to the *loyalty* or *reward programme*, or to any loyalty credit or awards in terms of the *loyalty* or *reward programme*.

There may be a partial or complete restriction on the availability of any goods or services in exchange for *loyalty credits or awards* during any specific period of the programme, and if so this will be communicated to the customer in writing.

When the bank offers *loyalty credits*, they are regarded as a legal medium of exchange and can be offered or tendered as consideration (payment) for the specified goods or services which are offered by the *loyalty programme*.

6.4 **Credit Insurance**

The bank will ensure that the customer is clearly informed of the different types of insurance, whether the bank requires insurance to be taken out, whose responsibility it is to arrange for the insurance and what insurance cover is available, including the possibility that the customer may use an existing insurance policy as security.

The bank will also advise the customer of the risk of not taking out adequate insurance to cover the customer's obligations in the event of the customer's death.

6.5 **Disclosure**

The bank undertakes to make full disclosure to the customer all of the Terms and Conditions for the bank's products and services.

6.5.1 **Terms and Conditions**

The bank will ensure that:

6.5.1.1 its Terms and Conditions are fair, lawful and written in simple language. Legal and technical language will only be used where necessary and the Terms and Conditions will be dissimilar to any marketing or promotional material;

6.5.1.2 its Terms and Conditions are provided at the time of, or before, a

contract for an ongoing banking service is concluded, except where it is impracticable to do so, in which case it will be provided as soon as practicable afterwards;

6.5.1.3 its staff is available to give the customer further clarification and to answer any queries that the customer may have about the Terms and Conditions;

6.5.1.4. before the customer enters into the agreement, the bank will draw to the customer's attention any limitation of liability, exclusion, indemnity or assumption of risk in the Terms and Conditions.

When the Terms and Conditions of the customer's product or service change, the bank has a responsibility to advise the customer.

6.5.2 General banking products and services

The bank will provide the customer or a potential customer, when requested, with information concerning its banking products and services, including:

6.5.2.1 simple information on the various products and accounts available from the bank and its key features, to assist the customer to make an informed decision suitable to the customer's needs;

6.5.2.2 information on how to open an account and how an account works as well as recommended safety measures;

6.5.2.3 how *debit orders* and *stop orders* work, the difference between the two and how to stop and/or cancel them;

6.5.2.4 information on electronic banking services including the special requirements and precautions which the bank expects of the customer if banking electronically;

6.5.2.5 the different functions of any *card(s)* issued to the customer; and

- 6.5.2.6 when the customer can withdraw funds after a *deposit* has been paid into the customer's account and when funds begin to earn interest.

Upon request, the bank will provide the customer with the useful advice or refer the customer to the proper sources.

6.6 Charges and fees

The bank will:

- 6.6.1 provide the customer with information on applicable *fees* and *charges* (including all commissions payable) for the service or product that the customer has chosen or are enquiring about;
- 6.6.2 make its standard *fees* and *charges* available at all bank branches and other appropriate channels;
- 6.6.3 inform the customer of the basis of *charges* for services rendered that are not included in the standard *fees* and *charges* at the time the services are offered or on request and whether these *fees* and *charges* are negotiable;
- 6.6.4 provide calculation tools on the website, in its branches to assist the customer to determine the cost of its transaction products for the customer's specific transactions pattern; to enable the customer to compare its products with those of other institutions, and to choose the suitable one for the customer;
- 6.6.5 inform the customer of additional *charges* or expenses that the customer may have to pay, including any *charges* when the customer's account becomes overdrawn without prior agreement, the customer exceed the customer's overdraft limit, the customer's loan falls into arrears, when the customer make an early withdrawal or early cancellation and when a *debit order* is returned;
- i. notify the customer at least *21 business days* before any changes in *fees* or *charges* take effect as the well as any change in the basis on which the *fees* and *charges* are determined by using the most appropriate two or more of the following methods (in the event of

credit agreements the bank will notify the customer *ATM* or electronic banking system messages within 5 *business days*):

- ii. letter, statement messages or other personal notices;
- iii. notices or leaflets in branches or outlets;
 - iii. telephonic announcements, e-mail or short message service (sms);
 - iv. announcements on the website or any other electronic media;
 - v. media advertisements; or
- vi. any other communication channel available to us.

6.7 **Interest rates**

When the customer become a customer, or upon reasonable enquiry, the bank will give the customer information about the interest rates which apply to the customer's account(s), in compliance with applicable legislation, including:

- i. when *interest* will be deducted from or paid to the customer;
- ii. the basis on which interest is calculated;
- iii. when changes (increases or decreases) are made to the *interest* rates which apply to the customer's account(s).

6.8 **Copies of Documents**

6.8.1 At the customer's request, and within legal and practical document retention compliances, the bank will provide the customer with a copy of any of the following documents the bank has relating to a banking service the customer has or has had with the bank.



OPENING A BANK ACCOUNT

7. Accounts

7.1 Opening an account

Before or at the time the customer opens an account, the bank will advise the customer of his or her rights and obligations relating to that account. This will include informing the customer about:

- 7.1.1 the type of account and how and by whom the account may be operated;
- 7.1.2 how funds may be deposited or withdrawn from the account;
- 7.1.3 the usual time taken for clearing a *cheque* or a payment instrument credited to the account;
- 7.1.4 any minimum balance requirements and the *charges* payable if the balance falls below the prescribed minimum;
- 7.1.5 any rights of *set-off* claimed by the bank;
- 7.1.6 the requirements for closing the account; and
- 7.1.7 how the bank deals with the account if it becomes dormant and has any unclaimed balance.

The bank is required by law to verify the identity when the customer seeks to open an account. This is necessary to protect the customers, the public and the bank against the misuse of the banking system. The customer will therefore be requested to provide the bank with the relevant identification and verification documents when the customer first open an account with the bank, depending on the nature of the account the customer wishes to open. The bank may also require the customer to update the identification and verification documentation on a regular basis, including when there is a change in the customer's circumstances (e.g. change of name upon marriage, change of residential address, or change in company/Close Corporation details).

7.2 The customer's role in respect of the new bank

As part of switching banks, the customer should first open a new account with the new bank. The customer may request a "switching guide" from this bank which will provide the customer with all the necessary information needed to switch banks. The customer will need to provide the new bank with the appropriate information to transfer *debit orders*, arrange new *stop orders*, and, if relevant, load the customer's payment beneficiaries.

When the new bank informs the customer of anybody such as *debit order* originators that would not accept these instructions from the new bank, the customer must have the account details changed with each party.

The customer must inform his or her employer of the new bank account details if his or her salary is paid into his or her account.

7.2.1 The customer's role in respect of the customer's old bank

The customer must give his or her old bank clear instructions to close his or her account, and when this must be done. The customer should request the old bank to keep the old account open for at least a reasonable time or as specified by the institute after switching banks, so that the customer can ensure that all his or her transactions has been switched to the new account.

The customer should also ensure there are adequate funds in the old account to cover any payments that are not switched in a timely fashion due to the actions of third parties. The customer should contact those individuals and/or companies who, for whatever reason, fail to switch account numbers within a reasonable period (e.g. within 4 the weeks of notification).

7.3 Closing an account

7.3.1 The bank will assist the customer to close an account that the customer no longer requires.

7.3.2 The bank will not close the customer's account without giving his or her reasonable prior notice at the last contact details that he or she gave the bank.

7.3.3 The bank reserves the right, however, to protect the customer's interests in its discretion, which might include closing the customer's account without giving the customer notice:

- if the bank is compelled to do so by law (or by international best practice);
- if the customer has not used the account for a long period of time or
- if the bank has reasons to believe that the customer's account is being used for any illegal purposes.

7.4. At the customer's request, the bank will provide the customer (in certain instances) with a statement of the following:

7.4.1. the current balance of the customer's account;

7.4.2 the amount required to settle the account in full;

7.4.3 any amounts credited or debited to the customer's account during any specified period;

7.4.4 any amounts currently overdue and when each such amount became due; and

7.4.5 any amount currently payable and the date it becomes due.

The bank would recommend that the customer check the customer's statements or *savings account* book regularly. If it has an entry which seems to be wrong, the customer should tell the bank as soon as possible, so that the bank can investigate the problem and correct any errors where required.

7.5 ***Set-off***

When the customer opens an account, the bank will provide the customer with information that will include clear and prominent notice of any rights of *set-off* that the bank may claim over credit and debit balances in the customer's different accounts.

When the customer obtains credit from the bank, it may require the customer's consent to *set-off* any outstanding amounts against funds available in other accounts the customer holds with the bank.

The bank will inform the customer promptly after the bank have effected *set-off* in respect of any of the customer's accounts. The customer will receive timely statements (if statements are generally produced on the relevant account), which will reflect the *set-off* position.

Prior to setting off the customer's debit and credit balances, the bank may elect to place any of the customer's funds on hold pending a discussion with the customer on any amount owed to the bank.

7.6 **Cards and PINS**

In order for the customer to access and transact on the customer's accounts, the bank may issue the customer a *card*, *PIN*, *password* or other *unique means of identification*, or replace one that has already been issued, and may charge fees for this.

When the bank issues the customer with a *card*, the bank will ensure that the *card* and the *PIN* are issued separately and will take reasonable steps to be satisfied that these have been received by the customer.

Where the bank issues the customer with a *PIN* the bank will take reasonable care to ensure that the *PIN* is issued in confidence. If the customer or his or her representative collects or receives his or her *card* and *PIN* personally, the bank will require proof of the customer's or the individual's identity and in the case of a representative, written evidence from the customer of this instruction.

The customer's *PIN*, *password* and other *unique means of identification* are strictly confidential. The customer should never disclose his or her *PIN*, *password*, or other *unique means of personal identification* to anyone, and more specifically not to any employee of the bank.

The bank will tell the customer if he or she can select the customer's own *PIN, password* or other *unique means of personal identification* and inform the customer of the procedures to change the customer's *PIN, password* or other *unique means of personal identification* when the need arises.

The customer may request the bank issues additional cards, also called secondary cards. These cards will be issued to the secondary cardholders and they will be provided with their own *PIN, password* or other *unique means of personal identification*. The customer will hold the bank to be responsible for all transactions relating to the secondary cards. The customer may request the bank at any time to cancel a secondary card, in which case the customer must ensure that the secondary card is destroyed or returned to the bank – if the customer do not do it, the customer may be liable for the use of the *card*.

7.7 **Protecting the customer's account**

It is important that the customer keeps the bank informed of any changes to the customer's *personal information*, including any changes to the customer's name, address, phone number or e-mail address.

Taking care of the customer's cheque book, savings account book, *cards*, electronic purse, *PINs, passwords* and other *unique means of personal identification* is essential to help prevent fraud and protect the customer's accounts.

The bank advises the customer to ensure he or she always:

- 7.7.1 keeps his or her cheque book or the customer's *PIN* and *cards* together;
- 7.7.2 does not allow anyone else to use the customer's *card, PIN, password* or other *unique means of personal identification*;
- 7.7.3 takes reasonable steps to keep the customer's *card, PIN, password* and other *unique means of personal identification* secret, safe and secure at all times; never disclose the customer's *PIN* or *password* to anybody, including family, friends or any bank employees who offer to assist the customer;

- 7.7.4 never write down or record the customer's *PIN, password* or other *unique means of personal identification*. If the customer must write it down, ensure that it is not accessible to others and that it is disguised. For example, never write down or record the customer's *PIN* using the numbers in the correct order;
- 7.7.5 are alert to the risk of muggings, card swapping and other criminal activities when using *ATMs* or other electronic banking devices;
- 7.7.6 do not use *PINs* that are easy to guess, such as 1111 or 12345 or the customer's date of birth, and use the customer's *card* with care.
- 7.7.7 The customer may be able to subscribe to receive transaction notifications via sms that may be used to alert the customer of unauthorized activity on the customer's account.

It is critical that the customer tell the bank as soon as possible if the customer suspects or discovers that:

- 7.7.8 the customer's cheque book, savings account book, *cards* and/or *electronic purse* have been lost or stolen;
- 7.7.9 someone else knows the customer's *PIN, password, information about the customer's accounts or personal information* or the customer's other *unique means of personal identification*; or
- 7.7.10 there are transactions on the customer's accounts, which the customer has not authorized;
- 7.7.11 take care when storing or getting rid of information about the customer's accounts. People who commit fraud use many methods, such as retrieving statements from bins, to get this type of information.

In cases of theft or fraud, the bank may also need the customer to open a case with the police services and the bank will provide the customer with the necessary information to facilitate this with the police.

The bank will publish the contact details in statements, at *ATMs* or through other means of communication to the customer, which the customer should use to report lost or stolen *cards* or cheque books or to advise the bank if the customer's *PIN, password* or *unique means of personal identification* has been compromised.

When the customer reports that a cheque book, *savings account* book, *card* or electronic purse has been lost or stolen or that the customer's *PIN, password* or other *unique means of personal identification* has been compromised, the bank will give the customer a code or reference number. Please keep this number for future reference, as this is the customer's proof of having reported the loss or theft.

The customer should treat the customer's *electronic purse* as cash in a wallet. The customer may lose any money left in the "e-cash" part of the *electronic purse* at the time it is lost or stolen, in just the same way as if the customer lost the customer's wallet.

Please be aware that the customer may be vulnerable to crime when the customer uses certain *ATMs*. The customer should adhere to any notices of caution at *ATMs* in order to protect the customers against crime. In particular, be wary of anybody who comes near the customer or attempts to distract the customer while the customer is using an *ATM*.

7.8 **Responsibility for losses**

After the customer has informed the bank that a cheque book, *savings account* book, *card* or *electronic purse* has been lost or stolen or that someone else knows the customer's *PIN, password* or other *unique means of personal identification*, the bank will take immediate steps to prevent these from being used to access the customer's account.

The customer will be liable for all losses, if the customer acted fraudulently. The customer may also be liable for losses, if the customer acted negligently or without reasonable care and this has caused or contributed to losses. This may apply if the customer fails to follow the safeguards set out in paragraph 7.7 above.

Furthermore, the customer may be liable for losses if he or she has not informed the bank as soon as reasonably practicable after the customer discover or believe that the customer's secret codes or devices, if any, for accessing the e-banking services have been compromised, lost or stolen, or that unauthorized transactions have been conducted on the customer's accounts.

Unless the bank can show that the customer has acted fraudulently, negligently or without reasonable care, the bank will refund the customer the amount of any transaction together with any interest and charges associated with the disputed transaction in the following circumstances and after consideration of all the facts:

- 7.8.1 where the customer has not received the customer's *card* and it is misused by someone else;
- 7.8.2 for all transactions not authorized or effected by the customer after the customer have reported loss or theft of the customer's *card* or cheque book or that the customer's *PIN* may be compromised;
- 7.8.3 if additional money is transferred from the customer's account to the customer's *electronic purse* after the customer has informed the bank of its loss or theft and the customer has informed the bank that someone else knows the customer's *PIN*, *password* or *unique means of personal identification*;
- 7.8.4 where system malfunctions have occurred in *ATMs*, or associated systems, which were not obvious or subject to a warning message or notice at the time of use (the bank will have to investigate each matter separately); or
- 7.8.5 where a credit card transaction is disputed, the bank accepts the burden of proving fraud or negligence or that the customer has received the customer's card. In such cases the bank expects the customer to co-operate with the bank and with the police in any investigation.

Please note, however, that the bank will not be liable for any losses caused by circumstances that are beyond the bank's reasonable control, such as the following:

- 7.8.6 the customer's inability to access internet banking, or any other application associated with or reliant on internet banking, at any time, or any failure or delay in providing a service via the internet;
- 7.8.7 a malfunction of any equipment (including telecommunications equipment) which supports the bank's *ATMs* and internet, telephone or cell phone banking service;
- 7.8.8 the customer's inability to access telephone or mobile phone banking, or any other application associated or reliant on telephone or mobile phone banking, at any time, or any failure or delay in providing a service via telephone or cell phone or
- 7.8.9 a disruption of services caused by political actions or natural disasters.



APPROVED

8. Credit

8.1 Provision of Credit

8.1.1 The bank will extend credit to the customer in a manner that is responsible and that matches the customer's borrowing requirements and financial capability, so as to ensure as far as possible that the customer is not extended beyond the customer's financial means. The customer is also responsible for ensuring that he or she does not extend him or herself beyond his or her financial means.

8.1.2 The bank's ability to do so is heavily dependent on the customer's co-operation and the full disclosure of the customer's financial obligations. The customer must provide complete and accurate information to the customer's bank as part of the credit application process.

Before extending credit, the bank will

8.1.3 assess the customer's general understanding and appreciation of the risks and costs of the proposed credit and the customer's rights and obligations under the credit agreement. The bank will make available to the customer educational information on how to manage debt and how to manage specific products, such as the customer's mortgage, where appropriate, as outlined in more detail below;

8.1.4 assess the customer's ability to afford and willingness to repay the credit the customer applied for. This credit assessment may take into account a range of factors, such as:

- i. the customer's income and expenses and statement of assets and liabilities;
- ii. how the customer handled the customer's financial affairs in the past;
- iii. how the customer has conducted the customer's previous and existing accounts with the bank.
- iv. information obtained from *credit risk management services* and related services, and other appropriate parties, for example, employers, other lenders and landlords; and

- v. any *security* or collateral provided.
- 8.1.5 provide the customer with the costs and Terms and Conditions of the credit the customer applied for, prior to signing the *credit agreement*.
- 8.1.6 If the bank declines the customer's application for credit and the customer request the reason/s, the bank will provide the customer with the main reason/s, in writing, which could include:
- i. the overall *credit score*;
 - ii. information obtained from *credit risk management services*;
 - iii. the outcome of the credit assessment;
 - iv. over-indebtedness; or
 - v. a specific policy of the bank.

With automated credit scoring systems these reasons may not be explicit, in which case only general reasons may be provided.

8.2 **Mortgage loans**

When the customer applies for a mortgage loan, and on request, the bank will make available to the customer written information about:

- 8.2.1 the operation and repayment of the customer's loan, including all the charges and costs, the benefits of payment acceleration and the additional interest and costs payable should the customer's account fall into arrears;
- 8.2.2 the potential impact of variable versus fixed interest rates;
- 8.2.3 the possibility of losing the customer's property should the customer not keep up the customer's loan repayments;
- 8.2.4 the need to be careful when signing building progress payment documents;
- 8.2.5 the role of the bank in appraising the property and the difference between a market valuation, the assessed *security* value of the property, and the

minimum replacement cost placed on the buildings and improvements for insurance purposes;

- 8.2.6 how to get advice on the structural quality of the property, compliance with local authority requirements and replacement costs of the buildings and improvements from the proper experts. (The customer's bank is not responsible for determining the structural quality or any defects in the property); and
- 8.2.7 how annual insurance premiums and other *charges* and administrative matters can be dealt with after the customer's mortgage loan has been repaid in full.

8.3 Suretyships

Suretyships may have serious implications; therefore, the bank will ensure that the surety receives proper information - this may be the customer when the customer provide surety for someone or when someone provides surety for the customer.

When the customer offers a *suretyship* for someone else and when someone else offers a *suretyship* for the customer (in both instances, called "the surety"), the bank will advise the surety

8.3.1 to take independent legal advice to make sure that s/he understands the commitment and the potential consequences of such a decision;

8.3.2 that by giving the *suretyship* or other *security* s/he may become liable instead of, or as the bank as, the person whose debt is being secured;

8.3.3 whether the *suretyship* is a limited (and the maximum value) or unlimited *suretyship* and explain the implications of an unlimited *suretyship*.

The bank will also inform the surety

8.3.4 of the implications of the *suretyship* in terms of the periods of validity, the potential amount/s of indebtedness, the nature of the debt covered and the cancellation/termination process;

8.3.5 that s/he is entitled by law to request statement information relating to the credit agreement and that the surety is entitled to settle the credit agreement at any time as the principal debtor.

8.4 Financial Difficulties

8.4.1 If the customer is having difficulty meeting the customer's financial commitments, the customer should approach the bank as soon as possible and, in particular, respond to the bank's communications as soon as possible.

8.4.2 The customer and the bank will jointly review the customer's situation and develop a plan to address the customer's financial difficulties. If the customer is a *personal customer* and the discussion reveals that the customer is over-indebted, or the customer believes that he or she is over-indebted, the customer may approach a debt counsellor for assistance where available.

8.5 Debt Enforcement and Recovery

Should the customer's account go into default, the bank's first step will be to try to contact the customer to discuss the matter. It is therefore imperative that the customer inform the bank at all times of any changes to the customer's address and contact details.

Before taking any legal action, the bank will send the customer a written notice drawing the default to the customer's attention and making the customer aware of the customer's options to resolve the default, including contacting the bank, approaching an accredited debt mediator or a debt counsellor, or an alternative

dispute resolution agent, consumer court, arbitrator or mediator, if the customer believe that the account or the default is in dispute.

If the bank refers the customer's account for legal action, the bank will advise the customer in writing of the process and the additional cost implications. The bank will take reasonable steps to ensure that any agents, including attorneys, acting on their behalf, perform their duties ethically, responsibly and within the cost parameters allowed by law.

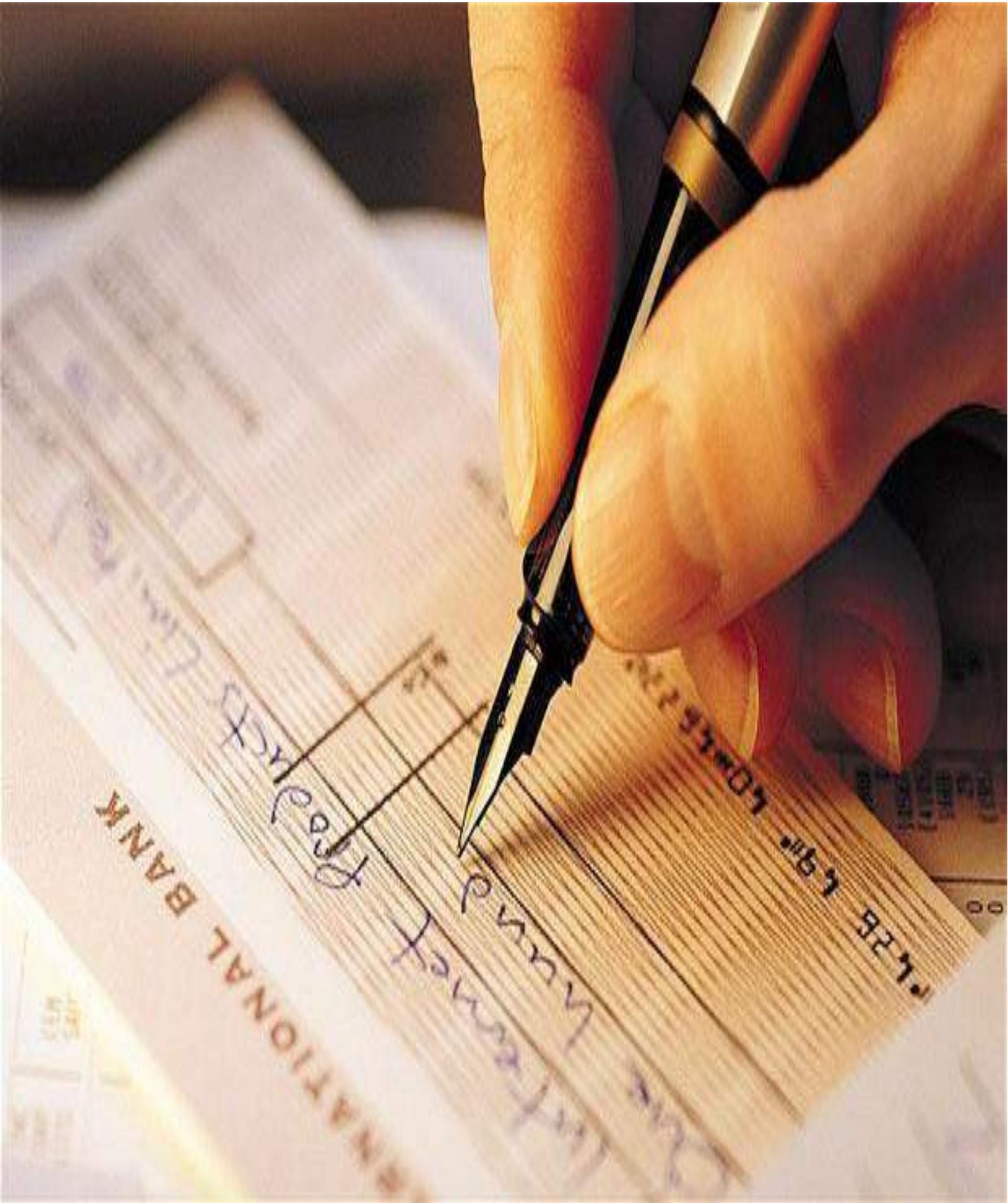
The bank will set standards of conduct for debt collection agencies acting on its behalf, which will be contained in an agreement that the bank will conclude with the agencies.

The bank will require that they:

- i. act within the law;
- ii. refrain from action prejudicial to its business, integrity, reputation and goodwill;
- iii. observe a strict duty of confidentiality in respect of customer information and
- iv. do not resort to intimidation or violence, whether verbal or physical, harassment or any other improper collection methods in their debt recovery actions.

The bank shall remain accountable to the customer for the conduct of its agents, including debt collection agencies. The bank will not incur unreasonable costs and expenses in the process of recovering the debt owing and will provide the customer with a detailed breakdown of the costs and expenses that the bank has incurred upon request.

If the bank cedes or sells the customer's account to a third party the bank will ensure that these agreed practices form part of the Terms and Conditions of such sale or cession.



9. Payment services

9.1 Cheque accounts

When the customer opens a *cheque* account, and on request, the bank will provide the customer with information on:

9.1.1 the time taken generally to clear a *cheque* and how a *cheque* may be specially cleared, including the various methods of issuing a *cheque* and how a *cheque* can be made out to reduce the risk of unauthorized alterations;

9.1.2 stopping a *cheque* or other types of payment;

9.1.3 the difference between and the implications of bank guaranteed *cheques* and bank *cheques*, where appropriate;

9.1.4 the effect of *unpaid cheques* and other payment instruments on the customer's account including the instances where the bank may credit the customer's account with the value of a *cheque* for which the bank might not have received value itself;

9.1.5 how a *cheque* can become a *stale cheque* and the effect of this; and

9.1.6 the implications of a dishonoured *cheque*.

The following arrangements are applicable to *cheques* and related matters:

9.1.7 The bank may keep (by arrangement) original *cheques* paid from the customer's account or copies of these, for the period prescribed by law. If the bank does, the bank may charge a fee for supplying the customer with copies.

9.1.8 If, within a reasonable period after the entry has been made, the customer

disputes a *cheque* paid from the customer's account, the bank will give the customer the *cheque* or a copy (where the *cheque* has already been returned to the customer) as proof of the instruction to pay. The bank may charge a fee for doing so.

9.1.9 When the bank need to inform the customer that the bank has returned one of the customer's *cheques* or other items as unpaid, the bank will do this within a reasonable period and in the most cost-effective way, assuring the customer of the bank's efforts to maintain confidentiality and privacy.

9.1.10 When the bank become aware that a *cheque* deposited by the customer is returned unpaid, the bank will inform the customer thereof within a reasonable period and in the most cost-effective way.

9.1.11 When the customer deposits a *cheque* the customer should remember that the bank usually acts as a collection agent on the customer's behalf.

9.1.12 If a *cheque* is deposited into the customer's account, the proceeds of the *cheque* will only be available as cash when the cheque is drawn the bank has honoured the *cheque*, irrespective of the *cheque* clearance period. The bank may, at the bank's discretion, determine if the customer may access this value before the bank receive such proceeds (i.e. before the *cheque* is honoured). However, if the *cheque* is not honoured for any reason, the bank will reverse the credit and any associated interest. This will also apply to cheques processed with special clearance.

9.1.13 If a *cheque* payment is sent to the bank by post, for depositing into the customer's account, the bank will only be obliged to credit the customer's account when the bank receives the payment. The risk of the postal *cheque* payment being intercepted, lost or stolen while in transit to the bank remains the customer's risk until the payment is received by the bank.

9.1.14 If a *cheque* is lost or damaged after being deposited, the customer will have to approach the issuer of the *cheque* to stop payment (if it has not already been paid out) and to issue a replacement *cheque* or instrument. If the customer provides the bank with the relevant details of the drawn on the 'lost' *cheque*, and the customer mandate us in writing to act on the customer's behalf, the bank will take reasonable steps to get a replacement *cheque*.

9.2 **Foreign exchange services and remittances**

If the customer receives money from abroad or wish to transfer money abroad, the bank will notify the customer of any requirements relating to cross- border payments and remittances.

The bank will provide, at least, the following information in relation to foreign exchange services:

- a description of the services and
- details of the *exchange rate*.

When the customer has transferred money abroad the bank will give the customer an indication of when the money the customer has sent abroad should be available to the recipient and any reason for potential delays.

When money is transferred to the customer's account or received from abroad, the bank will tell the customer the original amount received and any commission or charges the customer will have to pay.

The bank will also give the customer information when the customer or the recipient must pay the foreign bank's charges. If it is not possible to provide specific details of charges, the bank will inform the customer of the basis on which these will be worked out.

Where money has been transferred from abroad, the bank will credit the customer's account as soon as the receipt of funds has been confirmed and any necessary checks have been done.

9.3 **Internet, telephone and mobile phone banking**

Internet, telephone and mobile phone banking services make some banking services and transactions more easily accessible. However, as with all the bank's products, there are certain precautions that the customer need to take to protect the customers against fraudulent transactions.

The bank will take reasonable measures to ensure that our internet banking systems and technology are secure and are regularly review and updated for this purpose. The bank will further:

9.3.1 provide the customer with regularly updated information on how to access internet banking services, including details about the customer's ID, selection of appropriate passwords and the availability of additional authentication or security options, how to maintain the customer's security and what the customer's liability for unauthorized transactions will be;

9.3.2 inform the customer of the applicable Terms and Conditions relating to the use of internet banking services, including any fees and charges;

9.3.3 advise the customer of the current transaction limits that apply to its internet banking services. These limits may change from time to time and are available upon request;

9.3.4 inform the customer of what procedures the customer must follow to report unauthorized access to the customer's information, accounts or disputed transactions using the customer's internet banking service and provide the customer with effective and convenient means to notify the bank of security incidents and easily accessible contact points to report such activity as soon as the customer is aware of it; and

9.3.5 ensure that transactions of the bank's e-banking services can be traced and checked as long as they are received by the bank's systems.

In order to protect the customer from unauthorized electronic access to the customer's accounts, please ensure that the customer:

9.3.6 review the customer's statements and reconcile the customer's accounts regularly;

9.3.7 change the customer's temporary *password* to a *password* of the customer's choice known only to the customer. Failure to change this temporary password immediately may be construed by the bank as negligence by the customer.

Do not under any circumstances reveal the customer's secret access code/*PIN*/*password* or other *unique means of personal identification* to anyone, and especially not to one of the staff members, as this can be used to access the customer's electronic banking facility. Change any of these if the customer believe that someone may know the customer's secret access code/*PIN*/*password* or other *unique means of personal identification*;

9.3.8 do not use the browser facility to store the customer's *password* in order to avoid having to enter it each time the customer transact using Internet banking;

9.3.9 rather type in our Internet address when logging in; do not use a link, ensure that the website is ours and not a fraudulent site and check the *site security certificate* for the Internet banking site each time before the customer do the customer's banking;

9.4.0 do not use computer terminals to which members of the public generally have access;

9.4.1 install and enable adequate anti-virus and *security* software on the computer the customer use for Internet banking. Do not leave the customer's computer

unattended when the customer is logged into the customer's internet banking site;

9.4.2 treat e-mails, SMSes or calls the customer receive with caution and be aware that the bank will never ask the customer to reveal any personal account or security details (like the customer's PIN, password, etc.) in a letter, e-mail, SMS or telephone call;

9.4.3 take care when entering numbers while doing the customer's banking and in particular with telephone and cell phone banking so that when the customer makes payments; the customer transfers the correct amounts to the correct accounts or beneficiaries. The bank cannot reverse duplicate or erroneous payments the customer makes to other accounts without the specific consent of those account holders;

9.5 Debit orders

The bank is committed to improving its systems to ensure the reliable operation of the *debit order* system, the prevention of unauthorized *debit orders* and the reliable stopping of *debit orders* where instructed.

9.5.1 Use of *debit orders*

The customer may use *debit orders* as a means of payment for a range of services. A *debit order* is an instruction by the customer to a third party (including a bank) to allow that third party to collect a payment from the customer's account on a regular basis (e.g. monthly or annually). The customer can choose whether it will be a fixed amount (e.g. a loan repayment) or a variable amount (e.g. monthly cell phone charges).

When completing the customer's instruction, the customer should select a date for the *debit order* deduction on which the customer will always have sufficient funds to cover the amount to be withdrawn (for example pay day). Ensuring that the customer have sufficient money to fund the *debit order* will enable the customer to avoid any fees for rejected *debit orders* from the bank.

Authority for the *debit order* can be given in paper form or by using the customer's debit card and *PIN*, if the bank allows for it. In exceptional cases voice mandates may be given to the third party provided that it is follow up by written confirmation from the customer within the stipulated period.

9.5.2 Stopping a *debit order*

The customer must cancel a *debit order* by providing written or other appropriate notification to the third party whom the customer authorized to make the deductions.

The customer may also stop a future *debit order* payment for a given period by requesting that the bank places a stop payment instruction on the customer's account. The bank will advise the customer regarding the period for which the stop payment instruction will be effective, and how it operates. The customer may also be charged a fee for implementing this stop payment instruction.

9.5.3 Disputes about *debit orders*

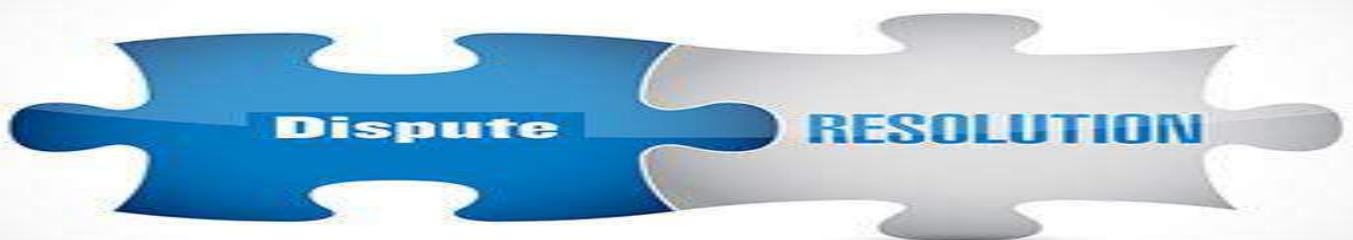
The customer should report any disputes relating to the customer's *debit order* to the bank.

In particular, the customer should raise a dispute when the third party:

- has withdrawn an amount before the date specified in the customer's instruction;
- continues to collect a *debit order* that the customer have cancelled or is subject to a stop payment instruction;
- debits the customer's account for an incorrect amount;
- has collected a debit order the customer did not authorize or in a manner the customer did not authorize (e.g. split the collection amount or consolidate several debit orders); or

- has collected a debit order that is not consistent with the customer's instruction.

The bank may request the customer to provide proof of identity and to confirm the dispute. If the bank determines that the *debit order* is not authorized by the customer, the bank may reverse the transaction and any related fees. The customer will not be able to dispute a *debit order* if the authorization was done by the customer using the customer's debit card and PIN.



10. Dispute resolution

Internal dispute resolution

If the customer wishes to lodge a complaint, the bank will inform the customer how to do so and what to do if the customer is not satisfied with the outcome. The bank through its customer care staff will assist the customer with any queries. The customer might also be able to use the website for this purpose.

The bank will send the customer an acknowledgement within 3 *business* days of receipt of the customer complaint to the contact details the customer have provided. The bank will let the customer know what the status of the investigation of the customer's complaint is within 14 *business* days and the bank will give the customer an estimated time limit for the complaint to be finalized by the bank.

When the bank sends the customer its final response the bank will also tell the customer how to take the customer's complaint further, if the customer is not satisfied with the outcome.

11. Effective date and review

- The effective date of the Code is _____.
- The Code will be reviewed and amended as needed at no later than five (5) years after the effective date.



12. Useful definitions

These definitions are not precise, legal or technical definitions and are intended to assist the customer with a broader understanding of banking terms used in the Code.

ATM: (Automated Teller Machine): A machine that you use to withdraw cash and to access other banking services including for example balance enquiries and prepaid purchases.

Balance enquiry fee: The balance enquiry fee is charged when a customer wants information regarding the actual and available balance/s on his/her account.

Basic banking services: The opening, operation and maintenance of Transaction accounts.

Business days: Any day other than public holidays, Saturdays and Sundays.

Card: A general term for any card used to give you access to banking services, including paying for goods and services and to perform functions at an ATM or point of sale device.

Card fee: This may be charged for having the use of a card.

Card holder: This is a bank customer who has been given a card.

Card replacement fee: A fee charged for the replacement of a card that is lost, damaged or stolen.

Cash deposit fee: You may be charged a fee when you deposit cash into your account.

Card transaction fee: You may be charged a fee when you use your card to make a purchase or a payment.

Cash withdrawal: A transaction where you withdraw cash from your account. This can be done in a variety of ways including at certain stores, at

ATM's and in bank branches.

Cash withdrawal fee: You may be charged a fee when you withdraw cash from your account.

Charges: Amounts which you may be charged in respect of a product, an account or a service offered by a bank.

Cheque: A written order on a printed form telling a bank to pay money to the person named on the printed form, or to the person presenting the cheque

(when addressed to "cash").

Cheque account: An account that offers you access to your funds by writing cheques which will be honoured by your bank provided sufficient funds are available in your account to cover the amount for which the cheque was written, or if the account operates with an overdraft that has not been fully used.

Collection costs: An amount that you may be charged in respect of costs incurred to obtain the services of a third party, such as a debt collector or attorney, to assist the bank in enforcing its rights under a credit agreement where you have defaulted or breached the Terms and Conditions of such an agreement.

Contact details: Details you have provided to your bank at which you would like to receive notices and other communications. This may include postal, email, telephone and cell phone information. Where you are required to provide an address for legal notices, you must provide a physical address.

Credit Agreement: A legal contract in terms of which a bank loans to you a certain amount of money for a specified amount of time. The credit agreement outlines all the rules and regulations associated with the contract, including the periodic repayment by you of the loan plus interest.

Debit order: An agreement between you and a third party in which you authorise or mandate the third party to collect money from your account for goods or services that the third party provides to you. For example a debit order can be used to pay the premium for your car insurance.

Deposit: When money is put into an account, thereby increasing the credit balance or reducing any debit balance.

Dormant account: Accounts on which no customer initiated activity has occurred for a period pre-determined by the bank in accordance with the rules relating to the specific type of account and which contain monies that have not been claimed.

EFT: Electronic Funds Transfer – A direct payment to a third party from your account by any electronic means, including ATM, cell phone, telephone and internet.

Exchange rate: This is the current market price at which one currency can be exchanged for another.

Fees: Amounts which may be charged by the bank for services rendered to a customer or in connection with a customer's account. Banks also refer to them as "charges".

Financial difficulties: Any circumstances which might have an adverse effect on a customer's financial ability to fulfil contractual obligations in terms of agreements entered into.

Interest: Where the term is used in the context of interest to be charged or paid, this is the amount charged to you in respect of the amount you owe or where interest is paid to you in respect of your savings or investments. This is usually expressed as a percentage with reference to a period (example: per annum). Credit interest is the interest that the bank pays to customers who deposit money at the bank and debit interest is the interest that the bank charges customers that borrow money from it.

Internet banking: An internet based system that allows you to transfer money between your accounts, pay bills, see statements and perform other transactions over the internet.

Loyalty credit or award: This is any benefit which may accrue to a consumer, or a right to goods, services or other benefits. It also includes points, credits, tokens, devices or other in/tangible things which you can accumulate and entitles you to certain goods, services or benefits which are part of a loyalty programme.

Loyalty programme: This is any arrangement or scheme where a supplier of goods or services or a similar entity offers or grants any loyalty credit or award in connection with a transaction or agreement, to consumers.

Mobile phone banking: A means by which you can access your account using your mobile phone.

Mortgage bond: A mortgage bond is the preferred right to an asset given as security for a home loan by a prospective homeowner to a lender, whereby the home buyer is lent enough money to buy a specific property. This agreement is structured over a specific period – usually 20 or 30 years – and usually requires monthly repayments of the debt, at an interest rate that is either flexible or fixed.

Fixed mortgage interest rate: A fixed interest rate means that the interest rate will remain unchanged for a specified period of the loan. During this period the interest rate will therefore not be affected by market rate fluctuations.

Variable mortgage interest rate: A variable interest rate means that the interest rate applicable to the loan is linked to the prime rate, i.e. when the prime interest rate is increased, the interest rate charged on the outstanding loan amount will also be increased and if the prime rate drops, the interest rate charged on the loan will also decrease.

Password: A word or an access code a customer selects to permit him or her access to a telephone, the internet, or cell phone banking service and which is also used for identification. A customer may occasionally be supplied with a temporary password which must be changed by the customer to a password unique to them.

Penalties: Fees or charges which may be charged in the event of misconduct on an account or in respect of a service.

Personal customer: Any individual, who maintains an account or who receives other services from a bank.

Personal information: This is information relating to an identifiable, living, natural person, and where it is applicable, an identifiable, existing juristic person, including,

- (a) information relating to the race, gender, marital status, national, ethnic or social origin, colour, age, language and birth of the person;
- (b) any identifying number, symbol, e-mail address, physical address, telephone number or other particular assignment to the person;
- (c) correspondence sent by the person that is implicitly or explicitly of a private or confidential nature or further correspondence that would reveal the contents of the original correspondence.

PIN (Personal Identification Number): A number provided by the bank to a card holder or chosen by a cardholder/customer, on a strictly confidential basis. Use of this number by the customer will enable the customer to withdraw cash and access other services from an ATM or point of sale device and can be used as an authentication mechanism on many other delivery channels.

Prepaid purchase: This is a transaction in terms of which you pay upfront for a service that is to be provided at a later stage when you require the use of such service, for example the prepaid purchase of call time on your cell phone.

Principal debt: This is the total amount payable, including fees allowed by the NCA (such as initiation fees, extended warranties) for which you are liable in terms of credit agreements entered into by you.

Savings account: A savings account is an account that you mainly use for the purpose of saving money and earning interest on such savings, which can be withdrawn at any time. It normally offers less transacting functionality than a transaction account as the main objective of this type of account is not transacting but saving.

Security/collateral: Words used to describe items of value such as a mortgage bond registered over a property, share certificates, life policies, etc., which represent assets used as support for a loan or other credit facilities. For example, under a secured loan the lender has the right to dispose of the security if the loan is not repaid.

Set-off: When available funds in one account of an account holder are used by the bank to settle a debt or part of a debt in another account of the same account holder.

Small business: An association of natural or legal persons incorporated in or outside the Republic of South Africa, which has legal personality or enjoys a similar status in terms of which it may enter into contractual relations and legal proceedings in its own name and whose turnover for the last financial year was less than R5 million.

Special clearance of a cheque: Typically, a deposited cheque will take 7 working days before it is cleared and a customer is able to access the funds.

However, if the customer requests a 'special clearance' at the time of making the cheque deposit, the bank will speed up the processing of the cheque, and clearance can be obtained in 2 working days. The bank may charge a fee for this special service. Note that the special clearance only facilitates the process, it does not guarantee payment.

Stale cheque: A cheque which has not been paid because its date is too old. An example of this would be where a cheque is presented for payment six months after the date appearing on the cheque. There may be different time limits applicable and customers should verify these with their banks.

Stop order: An instruction given by you to your bank to pay funds to a nominated third party, at a fixed amount on a regular basis. The bank acts on your instructions and the third party is not given authority to debit your account as is the case with a debit order.

Stop payment: An instruction to your bank not to honor the payment of a cheque, stop order or debit order.

Subscription: The process by which you sign on for the receipt or use of a product or service on a regular basis, for example subscribing to receive sms notifications whenever a transaction is performed on your bank account.

Suretyship: An undertaking given by a person called "the surety", to pay the debts of another person (known as the principal debtor), if the principal debtor fails to pay.

Telephone banking: This is a service that may be offered by your bank that allows you to perform transactions on your account by giving instructions over the telephone.

Third party payment: An instruction given to your bank to make a payment to your nominated person that has or will be providing goods or services to you. The payment is made by the bank on your instruction and your bank account is debited with the amount paid.

Transaction Account: Is an account into which you can make or receive deposits and from which you can make third party payments.

Transfer: This is the transaction that occurs when you move money from one banking account to another account that you have with the same bank, thereby debiting the one account and crediting the other account with the amount transferred

Unpaid cheque: This is a cheque which, after being deposited into the account of the person to whom it is payable, is unpaid for whatever reason and subsequently returned to that account holder by the bank. This leaves the person to whom the cheque is payable without the money in their account. A replacement cheque may need to be obtained by the depositing account owner. Stolen or fraudulent cheques may also be regarded as unpaid.

Unique means of personal identification: A selection of memorable facts and information of a private and personal nature chosen by the customer (the sequence of which is known only to the customer) which can be used for identification and to verify identification when accessing accounts.

Written: Includes electronic representations of information which are stored sent or received by electronic means.

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