

CODE OF BANKING PRACTICE



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1.0 SCOPE

We, the members of the Jamaica Bankers Association, stand committed to providing our Customers with unsurpassed banking services at competitive prices. We will continue to uphold values of security, transparency and service and, in support of our commitment, we have developed a Code of Banking Practice that captures key commitments and obligations that are associated with different services. The Code seeks to facilitate the maintenance of mutually beneficial relationships between banks and our Customers.

This Code is a voluntary code of conduct which sets standards of good banking practice for us to follow when dealing with persons who are, or who may become, our Customers. The document is therefore not legally binding and each bank may adopt the Code of Banking Practice so far as it is relevant to the type of services that are offered and which are covered under this Code.

2.0 OBJECTIVES

The Code of Banking Practice is intended to:

- 2.1 foster a fair and reliable approach in undertaking customer relationships and provide minimum standards for customer care;
- 2.2 promote appropriate disclosure of information;
- 2.3 increase awareness of customer rights and obligations;
- 2.4 inform Customers of complaint resolution procedures;
- 2.5 promote integrity and confidence in the financial system.

3.0 FUNDAMENTAL PRINCIPLES OF GOOD BANKING PRACTICE

We will:

- Employ secure and reliable systems to deliver financial services and products which conform to the relevant laws and regulations of our jurisdiction.
- Provide access to information and well trained staff through various channels, to assist Customers in understanding the products that are available to them as well as financial implications and risks that may exist.
- commit to resolving errors in banking arrangements as expeditiously as possible.

4.0 DISCLOSURES

Customers will be provided with access to the details of all the relevant terms and conditions of the product or service that are applicable at the time of commitment.

4. Terms and Conditions

All written terms and conditions will clearly state the Customer's rights and responsibilities.

4.1.1 We will include (where relevant) the following in, or with, our terms and conditions:

- (a) The standard fees and charges that are applicable or notification as to place/document where fees and charges are published
- (b) The method by which interest, if any, is calculated and the frequency with which it will be credited or debited;
- (c) The manner in which the Customer will be notified of changes to:
 - The terms and conditions;
 - Fees and charges; and
 - Interest rates;
- (d) If appropriate, the fact that more than one interest rate may apply;
- (e) Any minimum balance requirement or restriction on depositing money in, or withdrawing money from, an account known at the time the terms and conditions are provided.

4.1.2 Each bank reserves the right to change the terms and conditions, where legally permissible and inform Customers accordingly. For such instances, there will be a minimum notice period of thirty (30) days. More than one method of notification may be employed to advise Customers of changes.

4.2 Operating an Account

- 4.2.1 Customers will be informed of applicable interest rates and the method of calculating interest on their account before account establishment. Information concerning changes in rates/methods of calculation will be disclosed at least thirty (30) days prior to the changes coming into effect.
- 4.2.2 Customers will be provided with either regular (monthly/quarterly) account statements or a means of accessing their account information, either in printed or electronic format, to allow for review of activity and assist with general account management. Where statements are not provided, Customers will be given full access to account histories up the legal retention requirement (currently seven (7) years), subject to any applicable charge.
- 4.2.3 Customers will be encouraged to operate debit and credit card accounts with due prudence and financial responsibility. This will be facilitated via seminars, literature and access to knowledgeable bank staff.
- All credit card account statements will include, at a minimum:
- the current interest rate;
 - the rates charged on outstanding balances, new borrowings and cash advances;
 - minimum monthly payment and payment due date;
 - General details on transactions (purchases, cash advances or other activity) occurring during the statement period.
- 4.2.4 The time that it takes for local cheques to clear is generally known; however, institutions will ensure that the standard clearing period is documented and where possible remind Customers. For other deposit channels (e.g., drop box or ATM), an advisory may also be posted for the attention of Customers.
- 4.2.5 Copies/images of cheques and copies of documents relating to transactions on customer accounts will be stored in accordance with the requirements of the law.
- 4.2.6 If a cheque is returned unpaid the statement of account will capture this occurrence.
- 4.2.7 When a Customer informs a commercial bank that a cheque book, passbook, ATM card, debit or credit card has been lost or stolen, or that the security of an account may have been compromised in any way, the bank will take immediate steps to prevent illegal usage.

4.3 Bank Fees and charges

4.3.1 For existing fees, we will ensure ongoing customer awareness by the following means:

- Making available brochures on fees and charges in branches;
- Posting the Fee Schedule/brochures on the banks' websites; and
- In writing, where the fee or charge would not have been available to the customer.

4.3.2 As it relates to new fees, we will provide notification of changes at least thirty (30) days before the change takes effect through at least one of the following channels:

- Statement notices;
- In-branch Notices;
- Website Advisories;
- Publication of brochures for in-branch dissemination; or
- Any other appropriate channel(s).

4.3.3 As an Association, we will:

- Encourage/ implement annual industry minimum fee reviews;
- Encourage our members to post fees on bank websites and keep the information updated; and
- Encourage the practice of using electronic banking solutions incurring reduced fees or no charges.

4.4 Foreign Exchange Services

4.4.1 We will publicly display details of exchange rates and provide Customers with details of related foreign exchange transaction charges.

4.4.2 Customers will be advised of the expected timeframe for the delivery of funds being remitted to the beneficiary as well as the fact that the beneficiary bank may deduct charges for the amount that was transferred. It will be highlighted that the time for delivery to the beneficiary account is subject to the procedure of the beneficiary bank and that the sending bank has control only over the time it takes to send the payment, but limited control over when the funds are credited to the beneficiary.

4.4.3 When money is transferred from overseas to a Customer's account , the banks will inform the Customer (which may be via account statement) of the original amount received and any related charges.

4.5 Lending

4.5.1 No bank intends to financially overburden a Customer. However, the responsibility lies with the Customer to avoid over-extension of responsibility. Accordingly, in determining whether or not to extend credit facilities to a Customer (including extending overdraft, raising credit card limits or making additional borrowings available), banks will (among other factors) assess the Customer's ability to repay.

4.5.2 Banks will present timely and accurate disclosures of terms, rights and liabilities and the bank's fees and charges with regard to loan transactions. As part of the documentation to be signed by the Customer, information should be included on the total amount of the loan, any minimum repayment terms, loan fees, interest rate, collateral, conditions of early repayment and consequences and procedures if the Customer defaults on his/her obligations under the agreement.

4.6 Advertising and Marketing

Each bank will take reasonable steps to ensure that all advertising and promotional material published by the institution is not misleading.

5.0 PROTECTING CUSTOMER INFORMATION

- 5.1 In accordance with applicable law, each bank will treat customer information as private and confidential (even if the Customer is no longer a customer of such bank).
- 5.2 Each bank will take all commercially reasonable steps to safeguard against the disclosure to third parties of personal details of Customers (including names, addresses or other details about Customer accounts), except as required or permitted by law or the Customers' written authorisations.

6.0 COMPLAINT HANDLING PROCEDURES

- 6.1 Each bank will inform prospective Customers of the availability of procedures for handling complaints.
- 6.2 If a Customer wishes to make a complaint, the bank will provide information on how this may be done and the means of recourse if the Customer is not pleased with the outcome.
- 6.3 Each bank will, in response to a written complaint:
- Send a written acknowledgement, within ten (10) working days of receiving a complaint. This acknowledgement may take the form of letters, e-mails, texts, IVR applications or such other forms as the bank may have available for communication with the Customer;
 - write to the Customer again, within six (6) weeks, with a final response or to explain the reasons for the failure to provide a response, if more time is required;
 - Send a final response within ten (10) weeks (if an explanation instead of a final response had been sent within six (6) weeks) and advise the Customer of the procedures (if any) for taking the complaint further if he/she is not satisfied with the outcome.

7.0 GOVERNANCE OF THE CODE OF BANKING PRACTICE

- 7.1 The Code of Banking Practice will be signed off by members of the Jamaica Bankers Association.
- 7.2 Institutions will ensure that staff are aware of the standards and will publish the standards to Customers electronically via their websites.
- 7.3 The Jamaica Bankers Association Secretariat will be responsible for an annual review of the elements of this Code to ensure that it remains relevant to the needs of the industry as well as our Customers.

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