



CODE OF CONSUMER BANKING PRACTICE

CONTENTS

I.	ABS Preamble	3
II.	Code of Consumer Banking Practice	4
1.	Introduction	4
2.	Objectives	4
3.	Key Commitments	5
4.	Service Standards	6
5.	Information	7
6.	Being a Guarantor	8
7.	Marketing and Promotions	8
8.	Basic Banking Services	9
9.	Terms and Conditions	9
10.	Accounts	10
11.	Bank Products	11
12.	Interest	14
13.	Fees and Charges	17
14.	Channels of Communication	18
15.	Debt Recovery	19
16.	Complaints - Dispute Resolution Process	21
III.	Appendix I	25
	What you can do to help your bank serve you better:	
1.	Update Your Contact Information	25
2.	Protect Your Accounts	25

IV.	Appendix II	28
	Questions to ask your bank when considering its products & services:	
1.	Fixed Deposits	28
2.	Loans	28
3.	Credit Cards	31
4.	Unit Trusts	32
5.	Bancassurance	33
V.	Appendix III	34
	Questions you should ask yourself or the bank when considering becoming a guarantor:	
VI.	Appendix IV	35
	Useful Definitions of Banking Terms	

With effect from : November 2009

Last revised : November 2017

PREAMBLE

This is an update of the Code of Consumer Banking Practice which was introduced in September 2002 as a voluntary initiative of the banking industry.

As customers' needs change and the banking industry evolves, the Code has to be updated to reflect these developments. This ensures that the Code remains a relevant best banking practice guide for the retail banks, and that retail customers continue to be treated fairly and reasonably at all times.

With the collapse of Lehman Brothers and the global financial melt-down that followed, banks in Singapore face challenges ahead. Foremost is the preservation of the banks' relationships with their customers. The five principles on which this Code is premised – Accountability, Fairness, Privacy, Reliability and Transparency – will establish the bedrock for building a fair and cordial relationship between you and your bank.

This Code keeps the customer's interests in mind. The banking industry is committed to delivering standards of practice no less than those stated in the Code. At the same time, it is our hope that by describing such standards clearly, this Code will foster a better understanding of what you the customer can reasonably expect of your bank.

Mrs Ong-Ang Ai Boon
Director
The Association of Banks in Singapore

CODE OF CONSUMER BANKING PRACTICE

1. Introduction

This Code outlines the minimum standards of good banking practice which you, the customer, can expect from your bank. Members of The Association of Banks in Singapore (ABS) which offer financial services to individual customers must comply with this Code.

A voluntary initiative by the banking industry, this Code was introduced in September 2002 and revised in June 2007. As customers' needs and banking practices evolve, this Code will be reviewed and revised regularly. The most up-to-date version of this Code is always available on the ABS' website.

All member banks also subscribe to the Code of Practice for Banks – Credit Cards¹, Code of Advertising Practice for Banks² and Telemarketing Guidelines for the Financial Industry³.

This Code also contains an outline of the formal structure and process available to resolve disputes between banks and their retail customers at The Financial Industry Disputes Resolution Centre Ltd (FIDReC).

2. Objectives

This Code aims to:

- a. promote good banking practices by setting minimum standards for your bank;
- b. increase transparency so that you can have a better understanding of what you can reasonably expect of the services provided;
- c. build a fair and cordial relationship between you and your bank;
- d. foster confidence in the banking system; and
- e. encourage a corporate culture of fair dealing and the achievement of fair dealing outcomes at your bank.

¹ Code of Practice for Banks – Credit Cards can be found at <http://www.abs.org.sg>

² Code of Advertising Practice for Banks can be found at <http://www.abs.org.sg>

³ Telemarketing Guidelines for the Financial Industry can be found at <http://www.ccas.org.sg>

3. Key Commitments

Your bank's relationship with you will be guided by five key principles:

a. **Accountability:**

Your bank promises that:

- i. all its products and services meet relevant laws and regulations of Singapore;
- ii. its procedures in promoting products and services comply with this Code;
- iii. it will explain and help you understand the financial benefits of its products and services that you are interested in, how they work and the risks involved.

b. **Fairness:**

Your bank promises to:

- i. act fairly and reasonably in all its dealings with you, applying the Monetary Authority of Singapore's Guidelines on Fair Dealing – Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers;
- ii. not unfairly rely on its contractual rights to hold you completely responsible for liabilities incurred on forged cheques if you have established that you have not by your acts or omissions (directly or indirectly) caused or contributed to the occurrence of the liabilities;
- iii. ensure that all the products and services offered comply with the Code and are suitable for the target customer segments;
- iv. establish a clear and common set of procedures to ensure that any dispute between you and your bank will be resolved fairly and quickly.

c. **Privacy:**

Your bank promises to:

- i. treat all your personal information as private and confidential;
- ii. comply at all times with the Banking Secrecy provision of the Banking Act (Cap.19);
- iii. stop using your personal information for its own marketing purposes if you inform your bank that you object to this practice;

- iv. provide your personal particulars and your loan profile to Credit Bureau (Singapore) Pte Ltd (<http://www.creditbureau.com.sg>) and/or DP Credit Bureau Pte Ltd (<http://www.dpcreditbureau.sg>) which are recognised by the Monetary Authority of Singapore and gazetted under the Banking Act;
- v. not contact you on an unsolicited basis, whether directly or through telemarketers, if you have requested to be placed on the “Do-Not-Call” list maintained by your bank.

d. Reliability:

Your bank promises to:

- i. have a secure and reliable banking system, including security controls for its self-service banking channels;
- ii. keep your records and transactions confidential and accurate;
- iii. provide up-to-date information.

e. Transparency:

Your bank promises to:

- i. provide you with clear, relevant and timely information to help you make informed decisions about its products and services;
- ii. highlight major points (including disclosure of conflicts of interest) concerning the products and services that you are interested in and provide clarifications where necessary;
- iii. inform you, through various delivery channels (e.g. over the internet and telephone or at branches), of available products and services. These are the same channels through which you can contact your bank for information or provide feedback.

4. Service Standards

Your bank will ensure that:

- a. its staff are trained to handle your transactions promptly and efficiently to minimise your waiting time;

- b. ATMs and any other self-service banking channels are available both day and night, except when maintenance makes them temporarily unavailable;
- c. information on its products and services is current and easily available at its branches and through its website and other customary channels;
- d. its internet banking and e-banking services comply at all times with the MAS guidelines issued on 2 June 2008 on “Internet Banking and Technology Risk Management”;
- e. you are informed 30 days before implementation of any changes to the Terms and Conditions, fees and charges and discontinuation of services/relocation of premises (see Sections 9 & 13);
- f. a contact point is available to handle your queries and concerns, and that its officers respond to your feedback promptly;
- g. your complaint is acknowledged within 2 business days of receipt and investigated. You will be told of the status of the investigation within 14 business days. (Complaints requiring investigation by a third party may take longer);
- h. a dispute resolution process is in place to ensure all complaints can be dealt with in an independent, effective and prompt manner (see Section 16).

5. Information

- a. Before you choose a product or service, your bank will provide clear, relevant and timely information to enable you to make informed financial decisions. Your bank will:
 - i. explain clearly the key features and risks of the range of products and services that you have indicated interest in;
 - ii. state in clear and plain language, the salient terms and conditions, including any charges;
 - iii. ask for information and documentary proof to validate your eligibility.

- b. Please refer to **Appendix II items 1 – 5** for some questions you should ask your bank when considering the following products and services:
 - i. fixed deposits;
 - ii. loans;
 - iii. credit cards;
 - iv. unit trust funds;
 - v. bancassurance products.
- c. After your bank has provided you with the information you seek, you are not obliged to buy the product or service. You may also wish to seek your own financial and legal advice before proceeding.
- d. Once you have chosen a product or service, your bank will:
 - i. give you a copy of the terms and conditions, where applicable, for your consideration and acceptance;
 - ii. inform you of applicable charges, fees or additional interest you will have to bear should you decide on early termination of any contract (e.g. early repayment of a housing loan or early withdrawal of fixed deposits).

6. Being a Guarantor

Being a guarantor is a serious commitment which could have significant consequences for you. Some questions you should consider when asked to be a guarantor can be found in Appendix III.

Note that:

- i. the bank to which you will be giving the guarantee has to advise you in writing of the quantum and nature of your liabilities in advance;
- ii. you should seek independent legal advice before you agree to be a guarantor.

7. Marketing and Promotions

Your bank promises:

- a. to exercise care in using direct mail:
 - i. to customers below 16 years old;
 - ii. when promoting loans, overdrafts and other credit facilities.
- b. that all its advertising and promotional materials:
 - i. comply with all relevant and applicable legislation, codes and rules to be fair and balanced (see also Code of Advertising Practice for Banks and Telemarketing Guidelines for the Financial Industry);
 - ii. are not misleading and accurately reflect the product / service being advertised. Where appropriate, the risks and returns involved will be highlighted clearly;
 - iii. are written in plain language and consistent with the need for legal certainty. Legal and technical language will be used only when it is unavoidable;
 - iv. for banking services which refer to an interest rate, will include the Effective Interest Rate (EIR) (if the two rates are different), other relevant fees and charges.

8. Basic Banking Services

- a. The major retail banks are committed to provide affordable basic banking services through the provision of a basic banking account.
- b. The bank will be able to provide you with the conditions and details for operating a basic banking account.

9. Terms and Conditions

- a. Your bank promises that:
 - i. where applicable, a set of Terms and Conditions relating to each banking service will be made readily available to you, with all the fees, charges, penalties and relevant interest rates, your liabilities and obligations in the use of a banking product or service highlighted;
 - ii. its staff will be available to answer queries you may have concerning the Terms and Conditions;

- iii. the Terms and Conditions provide a fair and balanced description of the relationship between you and your bank;
 - iv. plain language will be used to the extent that it is consistent with the need for legal certainty. Legal and technical language will only be used when unavoidable;
 - v. its operations are in line with the regulatory framework and guidelines as set out by the Monetary Authority of Singapore or Ministry of Finance and all other regulatory authorities.
- b. Your bank promises to:
- i. notify you of any changes in the Terms and Conditions governing the product or service through an appropriate channel (see **Section 14**);
 - ii. give you 30 days' notice, in the absence of any contractual agreement to the contrary, before any variation to the Terms and Conditions relating to customers' fees and charges and the liabilities or obligations take effect;
 - iii. provide a written summary of the key features of the revised Terms and Conditions, if the variation is substantial or the changes are complicated;
- c. If you do not wish to accept the variation to the Terms and Conditions:
- i. you may terminate the banking service, subject to the existing applicable Terms and Conditions; and
 - ii. upon your request to lower / waive applicable fees, charges or penalty in the termination of banking services, your bank will consider your request reasonably, but exercise its sole discretion whether or not to lower / waive such fees, charges or penalty.

10. Accounts

a. Opening Accounts

- i. Your bank has to satisfy itself about the identity of the person seeking to open an account in order to protect its customers, the public and itself against misuse of the banking system. Hence, you will need to provide your bank with the identification documents when opening an account.
 - ii. Your bank will, upon request, inform you what documents you need to provide.
- b. **Operation of Accounts**

Your bank will provide monthly statements of your accounts, unless otherwise stated in the Terms and Conditions. However, the product feature of the account – for example passbook accounts – may exclude the provision of such statements.
- c. **Closing Accounts**
 - i. You or your bank may close an account at any time, subject to the specific Terms and Conditions governing the closing of accounts;
 - ii. Your bank will not close your account without giving reasonable notice except under exceptional circumstances, for example, where the bank has reasonable suspicion that an account is being used for criminal activity.

11. Bank Products

a. Loans

Before taking up a loan, you may wish to:

- i. refer to the ABS' publication "Loans and You" or your bank's website to obtain information on loans and loan products;
- ii. request your bank to give you the Customer Information Sheet (see **Appendix II item 2**) or an equivalent document with the information relevant to the loan product.
- iii. Your bank may use one or more of the following criteria to assess your loan application:

- i. income and financial commitments
 - ii. prior knowledge of your financial affairs
 - iii. information obtained from credit reference agencies
 - iv. credit assessment techniques such as credit scoring
 - v. security provided, if any
- b. Housing Loans
 - i. Before taking up a housing loan, you are encouraged to refer to the ABS-MoneySENSE consumer guide “What you need to know about home loans – Key questions to ask your bank before taking a home loan”. You may request a copy from your bank or read it online at <http://www.abs.org.sg>;
 - ii. Your bank will comply with ABS Guidelines on Home Loans. These guidelines apply to loans taking effect from 15 June 2007 onwards. Under these guidelines, your bank will provide you with clear disclosures on the use of home loan board rates, the financial indicator(s) against which these rates are benchmarked, and the basis for the change in the rates over time;
 - iii. You must buy insurance to protect the mortgaged property against risks. Your bank will advise you on the amount of coverage required and will not insist that you use any particular insurance company. If you choose to insure with a company not on the bank’s panel of insurance companies, your bank may levy a fee. If it does so, it will provide you with an explanation for the charge;
 - iv. Your bank will provide you with revised instalment amounts payable after every adjustment of the interest rate.
- c. Unsecured Credit Facilities / Loans
 - i. Your bank may offer unsecured credit facilities to borrowers with minimum annual income of \$20,000.
 - ii. Ask your bank for the **Customer Information Sheet** (see specimen on page 29) with the relevant information when considering taking up unsecured terms loans with your bank.

- iii. Banks will determine the credit limits based on the borrowers' annual income as follows:
 - (1) Annual income of \$120,000 and above or net personal assets of more than \$2 million:
 - (a) No stipulated cap on credit limit;
 - (b) Banks have discretion to determine the credit limit for unsecured credit and/or credit cards subject to MAS' satisfaction that the banks' credit evaluation and credit risk management practices are sufficiently robust to effectively monitor and manage credit risk.
 - (2) Annual income of \$30,000 and above:
 - (a) Credit limit for unsecured credit and credit cards will be capped at four times' monthly income.
 - (3) Annual income of \$20,000 to \$30,000:
 - (a) Credit limit for unsecured credit will be capped at two times' monthly income.
- iv. Banks may offer unsecured credit facilities in the form of a:
 - (1) revolving credit facility with minimum monthly repayments;
 - (2) term loan with monthly instalments to be repaid over a fixed tenor.
- d. Unsecured Credit Cards

The minimum annual income requirement for unsecured credit cards is:

 - i. \$30,000 for individuals aged 55 years or below; and
 - ii. \$15,000 for individuals aged above 55 years (credit limit will be capped at two times' monthly income).
- e. Investment Products

Before investing, you are encouraged to refer to the following consumer guides:

- i. MoneySENSE consumer guide on “Key Questions You Should Ask Yourself Before Buying an Investment Product”.⁴
 - ii. MoneySENSE consumer guide on “Key Questions to Ask the Person Recommending an Investment Product to You”.⁵
 - iii. ABS-MoneySENSE consumer guide on “What you should know about investment products”.⁶
- f. Bancassurance products
- These have varying features, benefits and coverage. For a basic policy, you should ask the questions listed in **Appendix II item 5** to ensure you have a clear understanding of the product.
- g. Bonds
- i. For transactions where the Bank receives and retains rebates for the sale or distribution of primary issuance of bonds, it should specifically disclose such benefits to the customer prior to or at the point of sale.
 - ii. For transactions where the Bank receives and retains rebates for the sale or distribution of SGD-denominated primary issue bonds, the rebates should be capped at 25 basis points.

12. Interest

Interest is charged by banks for the use of the money lent to you. Interest is also paid when banks accept an interest-bearing deposit from you. Not all deposits earn interest.

a. Interest-bearing deposits

Your bank will:

- i. inform you of the applicable interest rates for the contracted period and the basis and frequency at which interest will accrue;

⁴ Available online at <http://www.moneysense.gov.sg>

⁵ Available online at <http://www.moneysense.gov.sg>

⁶ Available online at <http://www.moneysense.gov.sg> or <http://www.abs.org.sg>

- ii. explain the formula used to compute the interest payable, e.g. daily or monthly;
 - iii. inform you of the total amount you will receive on your fixed deposits;
 - iv. notify you of any changes in interest rates within the stipulated period as appropriate for that product or service (see Section 14 for how you will be notified of the changes).
- b. Fixed deposits
- i. Money is placed with a bank for an agreed period of time at a contractual interest rate subject to withdrawal or renewal on a specific maturity date.
 - ii. Withdrawal before maturity is usually permitted. However, there could be penalties such as a charge. Payment of any interest on the prematurely withdrawn amount varies from bank to bank.
 - iii. Ask your bank to explain its policies on charges and interest payments before making a decision.
 - iv. See **Appendix II item 1** for what questions you should ask. See also 13d.

c. Foreign currency deposits

Your bank will:

- i. highlight the inherent exchange rate risks and exchange controls (if any) applicable to holding such deposits;
- ii. advise you before you open such an account that returns on deposits would depend on the exchange rate prevailing at the time of their maturity if any conversion of currency takes place.

There are inherent risks involved in any investment, such as foreign exchange risk, sovereign risk and interest rate fluctuations. For example, for foreign currency deposits or loans, adverse exchange rate movements could erase the deposit interest earnings completely, reduce the original capital amount or increase the quantum of loan payment substantially.

d. Loans

Your bank will:

- i. inform you of the applicable interest rates for the contracted period and the basis and frequency at which deductions are to be made;
 - ii. explain the formula used to compute interest rates, e.g. daily or monthly;
 - iii. inform you of the total amount (principal plus interest) you have to pay for your loans;
 - iv. where applicable, disclose both the nominal and the effective interest rates as the two rates may be different depending on what formula was used to calculate the interest on the loan⁷;
 - v. notify you of any changes in interest rates within the stipulated period as appropriate for that product or service (see Section 14 on how you will be notified of the changes).
- e. Interest rates for loans can either be:
- i. **fixed**, e.g. at 3.75% per annum, meaning that the interest rate remains the same throughout the period of the loan; or
 - ii. **variable**, meaning the interest rate is subject to change. It could be pegged to the bank's prime rate, e.g. prime + 2% per annum and will change when there is a change in the prime rate. It could be set as a consumer board rate for some loans such as housing loans and unsecured credit line facility.

See **Appendix II item 2** for the information your bank will provide when you are enquiring about a loan.

Where the interest rate for a loan can be varied by your bank and where the interest rate is dependent on a reference rate, your bank will disclose the financial indicator(s) against which the reference rate is benchmarked when you enquire about the loan.

When making changes in the interest rates for such loans, your bank will explain why the rates need to change e.g. changes in market conditions and / or changes in the financial indicators against which the reference rates are benchmarked.

⁷ For more information on the effective interest rate for home loans, consumers can refer to the ABS consumer guide on home loans

13. Fees and Charges

Costs are incurred when your bank provides various services to you. Charges and fees are levied for these services.

- a. For all charges and fees levied, your bank will:
 - i. provide you with a schedule of fees and charges (including commissions payable) for the service or product that you have chosen;
 - ii. display its standard fees and charges at all its branches or other appropriate channels;
 - iii. inform you of the basis of charges for services rendered which are not part of the standard fees and charges at the time the services are offered or on request;
 - iv. inform you of any additional charges or expenses that you have to pay such as search fees to retrieve available past records and the reasons for the charges;
 - v. inform you of the remuneration earned by the bank for sales of investment products;
 - vi. notify you at least 30 days before any change in fees and charges take effect as well as any change in the basis on which the fees and charges are determined so long as these changes are within your bank's control.
- b. In some instances, third party charges are involved.

You should know that there are some charges which are not levied directly by your bank but arise when another bank, financial institution, party or parties is / are needed to complete or settle your transaction. Your bank may not know in advance nor be able to advise you of the actual charges the third party may levy on you.

However, where possible, your bank will:

- i. inform you of the relevant service and applicable charges;
- ii. advise you of charges (e.g. if you choose to withdraw foreign currency funds from third party cash machines overseas using any bank-issued cards);
- iii. highlight to you that these agent's fees may reduce the amount due to you and your beneficiary.

- c. Note that:
 - i. your bank may not always be able to advise you of charges and commissions in advance, e.g. foreign exchange commission and other charges, levied by its agent banks;
 - ii. you will incur commission, collection and other charges when you bank in a foreign currency cheque over the counter or through the cheque deposit box. These charges will reduce the amount that you will ultimately receive.
- d. Charges For Early or Premature Termination

When you place a fixed deposit or take up a loan facility with your bank, charges may be levied if you break the deposit or repay the loan in full prematurely. This is because in most cases, your bank would have taken a corresponding commitment on your deposit / loan with a counter-party and may have to cover the cost of its own commitment.

14. Channels of Communication

- a. From time to time and when necessary, your bank will notify you of changes to the following:
 - i. Terms and Conditions
 - ii. Fees and Charges
 - iii. Interest rates
 - iv. Planned discontinuation of service
 - v. Relocation of premises
- b. Your bank will communicate these changes to you through any of these appropriate channels:
 - i. account statements
 - ii. its ATMs
 - iii. its branches
 - iv. the Internet, including its website or through e-mail
 - v. letters

- vi. the newspapers
- c. Should you need clarification on these changes:
 - i. call your bank's hotline
 - ii. ask your bank's staff at its branches
 - iii. write to your bank; or
 - iv. e-mail your bank

15. Debt Recovery

- a. When you take up a loan or credit facility, you would have agreed to repay the loan or amount outstanding. If subsequently you find yourself in financial difficulties and are unable to repay, the bank has the right to take steps to recover the amount owing. If you find yourself in financial difficulties, the following may happen:
 - i. Your bank contacts you to discuss the matter and will do all it can to help you overcome your difficulties. Do not ignore your bank's calls;
 - ii. You contact your bank as soon as possible to work out a repayment plan.

The sooner you approach your bank, the easier it is for a plan to be worked out, and the more information you provide, the more realistic the plan will be.

- b. In the course of recovering the debt from you:
 - i. Your bank will not incur unreasonable costs and expenses;
 - ii. Your bank may be entitled to offset the outstanding amount owing with any credit balances in your other accounts, including your deposit account with the bank;
 - iii. Upon request, your bank will provide a detailed breakdown of the costs and expenses;
 - iv. Your bank will not try to recover debt from third parties including your referees, family members or friends unless these persons have signed a formal agreement to be your guarantor.

- c. Adherence to Laws, Rules and Regulations:
 - i. Collection activities by or on behalf of your bank will at all times comply with all applicable laws, rules and regulations;
 - ii. All forms of communications used by the appointed collection companies or the bank's collections department (e.g. letters, pre-written scripts or SMS) will adhere to the Bank's standard / practice;
 - iii. Borrowers' repayment conduct will be reflected in the borrowers' credit bureau report.
- d. Borrowers to be treated with dignity and respect:
 - i. Your bank will, as far as possible, limit its calls to certain times and places. If a message has to be left, its contents will be limited to the information required for you to return the call;
 - ii. Collections efforts will include providing information on options to establish a debt repayment schedule, taking into account your financial situation;
 - iii. Collectors will respond in a timely manner to any reasonable requests for information or clarifications;
 - iv. Collectors will not use collection methods that may embarrass you or put you at risk of losing your job, for example calling or writing to your employer;
 - v. If the borrower does not respond or is not contactable, the bank will contact the guarantor.
- e. Conduct of Collectors:

The collectors will:

 - i. be respectful and professional when communicating with you;
 - ii. be appropriately dressed when meeting you and will always carry appropriate identification and explain the purpose of the meeting;
 - iii. accurately explain to you the impact of non-payment whether communicating verbally or in writing;

- iv. protect the privacy by ensuring that information of your indebtedness is not shared with a third party unless specifically authorised by you or required by applicable law.

16. Complaints - Dispute Resolution Process

Your bank is committed to providing you with a high level of service. However, there may be occasions when complaints and disputes arise. In this instance, the Code specifies a structured process for your complaint to be dealt with in an independent, effective and prompt manner.

a. Principles

The underlying principles for dealing with your complaints are:

Sincerity - Your complaint is important feedback and the bank will treat it seriously

Transparency - The procedures for handling complaints are documented and apply to all customers

Effectiveness - The procedures will provide for a speedy resolution

b. Raising A Complaint

If you have an issue to raise or are dissatisfied with a particular service with your bank, there are three steps you can take:

Step One

Contact your bank by:

- calling the bank's hotline
- e-mailing the bank
- writing to the bank
- speaking directly to the bank staff serving you

You need to provide your bank with the details of your specific complaint and supporting documents to help expedite matters. On its part, your bank will ensure that:

- i. all staff who deal directly with customers are familiar with the complaint procedures and are able to give you correct information about these procedures;

- ii. it acknowledges your complaint within 2 business days of receiving it;
- iii. it investigates your complaint and informs you of the status of its investigation within 14 business days of receiving your complaint (Complaints requiring investigation by a third party may take longer);
- iv. an independent officer in the bank is empowered to handle the complaint.

Step Two

If you are dissatisfied with the outcome of Step One, you can contact the Quality Service Department of your bank. Its officers are empowered to handle your complaint objectively. It will:

- i. give you a written response within 14 business days of the appeal;
- ii. inform you of any further action you can take which will include going to an independent and impartial third party, The Financial Industry Disputes Resolution Centre Ltd (FIDReC).

If your bank breaches any of the provisions in this Code, you should email The Association of Banks in Singapore (ABS) at banks@abs.org.sg. Alternatively, you may write in to The Director, ABS at 10 Shenton Way, #12-08 MAS Building, Singapore 079117. Your bank will respond directly to you within 14 business days of receipt of feedback from ABS.

Step Three

If you are still dissatisfied with your bank's response, after dealing with the Quality Service Department at the bank, you can approach **FIDReC**, which is the dispute resolution centre for the whole financial industry.

The dispute resolution process of FIDReC comprises:

- Mediation (1st Stage)
- Adjudication (2nd Stage)

Mediation (1st Stage)

When a complaint is first received, it is case managed by FIDReC's Case Manager. The complainant and the financial institution are encouraged to resolve the claim / dispute in an amicable and fair manner. For appropriate cases, the Case Manager mediates the dispute between the parties. This service is free of charge for consumers.

Adjudication (2nd Stage)

If the dispute is still not resolved after mediation, the complainant may then choose to take his or her case further by referring the dispute to a FIDReC Adjudicator or a Panel of Adjudicators. Consumers pay a nominal administrative fee of S\$50 when their cases proceed for adjudication, and the financial institution pays S\$500. The decision of the Adjudicator or Panel of Adjudicators is final and binding on the financial institution, but not on the consumer. If the consumer is not happy with the decision, he or she is free to reject the decision and pursue his or her claim through other avenues.

d. Scope of FIDReC

- i. The jurisdiction of FIDReC in adjudicating disputes between consumers and financial institutions is as follows:
 - aa. The jurisdiction of FIDReC in adjudicating disputes between consumers and financial institutions is up to \$100,000 per claim for all claims;
 - bb. FIDReC will allow claims above the stated limits to be heard if either (i) the financial institution agrees to allow FIDReC to hear the claim, or (ii) the complainant agrees to limit his claim to the stated claim limits.

FIDReC's services are available to all consumers who are individuals or sole-proprietors.

- ii. The following complaints cannot be brought before FIDReC:
 - aa. commercial decisions;
 - bb. pricing policies and other policies such as interest rates and fees;
 - cc. cases under investigation by any law enforcement agency;
 - dd. cases concerning principal agent issues;
 - ee. complaints that are more than six months old after the affected Financial Institution's final reply; and

- ff. cases which have been subjected to a court hearing and for which a judgment and / or order has been passed.

e. Supervision of FIDReC

FIDReC is an independent organisation with a Board of seven directors chaired by retired Supreme Court Judge and includes three consumer directors and three industry directors. The composition of the Board ensures FIDReC's independence, fairness, accessibility and transparency. FIDReC was created to ensure balanced representation for consumers and the financial sector.

For more information about FIDReC, please visit <http://www.fidrec.com.sg>.

WHAT YOU CAN DO TO HELP YOUR BANK SERVE YOU BETTER:

1. Update Your Contact Information

Inform your bank immediately of any change in your postal and e-mail addresses or telephone numbers.

Note that if your bank sends you a letter to your last known address informing you of any changes relating to its operations or your account, it will be considered as notice given and received.

2. Protect Your Accounts

Your bank endeavours to make banking more and more convenient for you by expanding its self-service facilities and harnessing the latest technologies while ensuring that its systems are reliable and secure.

Such security also relies on your co-operation.

- a. Keep your **ATM card** safe and secure
- b. Keep your **Cheque Book / Passbook** in a safe and locked place when you are not using them.
 - i. When **drawing cheques**:
 - ÿ **never pre-sign your cheques;**
 - ÿ **never use Company rubber stamps as part of your signing mandate;**
 - ÿ **never use Facsimile Signatures on your cheques because the transmitted image of a Facsimile Signature is not acceptable as a security feature.**
 - ii. Write your instructions on cheques using indelible dark ink (e.g. black or navy) but not red / light / fluorescent ink. You may also use a Cheque Writer / Franking Machine with dark colour ribbon (e.g. black or navy).
 - iii. Write your cheque in such a way as to prevent unauthorised insertions, e.g. rule off any blank space after the payee's name and always insert the word "only" after the amount in words.
 - iv. You may use "A/C payee" rubber stamps with dark ink.

c. PIN

Keep your PIN or password (for ATM, phone-banking, internet banking, e-banking, mobile banking services and wireless banking) secure.

- i. You should :
 - ÿ never allow anyone to use your card, know your PIN or any other security information;
 - ÿ never write and / or keep record of your PIN together with your card;
 - ÿ never use easy-to-remember dates or numbers like your NRIC number or birthday as your PIN or password.
- ii. Memorise your PIN and other security information and destroy the initial notification from your bank immediately.
- iii. Change your PIN or password periodically.
- iv. Shield the key pad when keying in your PIN to prevent it from being seen.

d. Mobile Phones / Personal Computers

Safeguard your on-line devices such as mobile telephones and personal computers (PC) against unauthorised access.

e. Internet Banking

For Internet banking, here are some ways to protect your computer against viruses and malicious programs:

- i. You should:
 - ÿ never store your user ID / PIN in the Internet Explorer Browser;
 - ÿ never use shared / public PCs for Internet Banking;
- ii. Install security programs to protect against hackers, virus attacks or malicious 'Trojan Horse' programs. Update the software's virus definition frequently;

- iii. Disable the 'File and Print Sharing' feature on your operating system. This will prevent an external party from gaining illegal control or access to your PC. Refer to your PC manual for instructions on how to do this;
- iv. Log off your PC when not in use;
- v. Check your bank account and transaction history regularly.

f. Others

- i. Inform your bank immediately by calling its 24-hour phone service if your passbook, card or cheque book is lost or stolen;
- ii. Change your PIN, password and any other security information and inform your bank, once you suspect someone has such information.

QUESTIONS TO ASK YOUR BANK WHEN CONSIDERING ITS PRODUCTS & SERVICES

1. FIXED DEPOSITS

a. **Premature Withdrawals**

If I need to prematurely withdraw my fixed deposit, will the bank pay the interest for the period my money was placed with it? If so, how will the interest be computed?

b. **Charges**

What are the penalties or charges I have to pay, if any, for prematurely withdrawing my fixed deposit from the bank?

c. **Rollover of Fixed Deposits**

If my fixed deposit matures and I leave it in the bank, will the bank pay me interest on my money for the period until I withdraw it?

d. **Withdrawals**

What identification/s do I need to present when I withdraw my fixed deposit?

e. **Loss of Fixed Deposit Receipt**

What happens if I lose the original fixed deposit receipt?

f. **Public Holidays**

What happens if the maturity date falls on a public holiday?

2. LOANS

a. Ask your bank for the **Customer Information Sheet** (see specimen below) with the relevant information when considering taking up a loan.

b. Before committing to a loan, you are encouraged to read the ABS-MoneySENSE consumer guide on "Key questions to ask your bank before taking a home loan" before committing to a home loan. The guide is available online at <http://www.abs.org.sg>.

CUSTOMER INFORMATION SHEET

This sheet is for information only. It sets out the current main costs and charges for the facility required and these are subject to change at the Bank's discretion. Please note that this does not constitute an offer of any facility by the bank.

Bank Name/Logo _____ Name of Enquirer: _____
 1. Branch: _____ Type of Facility : _____

LOAN AMOUNT AND BANK INTEREST/CHARGES

- | | | |
|---------------------------------------------------------------|--------------|----------|
| 2. Amount applied for (Principal sum) | \$ _____ | |
| 3. (Less: 1st instalment/interest paid upfront) | (\$ _____) | |
| 4. Net amount received by customer | | \$ _____ |
| 5. Applied Rate | _____ % p.a. | |
| 6. Effective Interest Rate | _____ % p.a. | |
| 7. Payment Per Month | \$ _____ | |
| 8. Number of Repayments | _____ | |
| 9. Total Interest | \$ _____ | |
| 10. Processing Fees | \$ _____ | |
| 11. Other Bank Fees/Charges (please specify, if any) | \$ _____ | |
| _____ | _____ | |
| 12. Total Fees/Charges (line 10 + line 11) | \$ _____ | |
| 13. Total Interest plus Total Fees/Charges (line 9 + line 12) | | \$ _____ |
| 14. Total Amount Payable (line 2 + (3) or line 4 + line 13) | | \$ _____ |
| 15. Date of Commencement of Repayment | _____ | |

ADDITIONAL CHARGES

The bank will impose charges for : -

- | | Partial repayment | Full repayment |
|--------------------------------------|-------------------|----------------|
| (a) Early Repayment of Loans: | | |
| 16. If repaid within | _____ year(s) | _____ year(s) |
| 17. The minimum repayment amount is | \$ _____ | |
| 18. Prepayment Fees | \$ _____ | \$ _____ |
| 19. Processing Fees | \$ _____ | \$ _____ |
| 20. Notice period required | _____ | _____ |

(b) Late Payment of Instalments:

21. The interest charged will be _____% p.a. (for the overdue amount)
22. Processing Fees \$ _____
23. Default Charges _____

THIRD PARTY CHARGES

24. The above information **DOES NOT** cover third party charges – such as stamp duties, legal fees, valuation fees, insurance premiums etc. Please check with the respective parties for the charges.

USE OF CPF FOR MONTHLY INSTALMENTS

25. The use of CPF for your housing purchase is subject to various housing withdrawal limits. You are allowed to withdraw your CPF for the property up to 100% of the Valuation Limit (VL). Thereafter, you can withdraw more CPF up to the Withdrawal Limit (WL) only if you are able to set aside the prevailing Minimum Sum cash component in your Ordinary and Special Accounts. **No further CPF can be used when the WL is reached and you will have to use cash to settle the outstanding loan.** Hence, you should exercise prudence when buying a property. Please refer to the CPF Housing Withdrawal Limits Calculator available on the CPF website (<http://www.cpf.gov.sg>) to estimate when you will reach the CPF housing WL.

INSURANCE POLICY REQUIRED

Officer-in-attendance : _____ Signature : _____

Date : _____

3. CREDIT CARDS (please refer to Consumer Guide on Credit Cards at <http://www.abs.org.sg>. You may ask your bank for the printed version)

- a. Ask your bank for the **Highlights of Terms and Conditions** governing the Credit Card that you are applying for and check the following information carefully:
 - credit limit
 - repayment grace period
 - finance charges for purchases
 - cash advance charges
 - minimum monthly payment
 - late payment charges
 - annual membership fee
 - lost / stolen card liability
 - retrieval fee for documents
 - service charge for returned cheques
 - balance computation method
 - for transactions in foreign currencies
 - basis for determining the FX rate used and whether such rate is determined by the issuer and / or a third party
 - administrative fees charged by the card issuer, if any
 - commission charged by the card issuer, if any
 - any other charges levied by the card issuer
 - changes in Terms and Conditions
- b. You may want to **ask the bank** additional questions such as:
 - i. Annual membership fee: When will the promotional free membership period, if any, expire? What is the fee I will have to pay after the expiry period?
 - ii. Minimum monthly payment: What is the minimum amount I have to pay each month? How much interest do I have to pay on the outstanding amount? If I do not make the minimum payment for one month, what are the interest and other charges that I will have to pay? What action can the bank take if I fail to settle my overdue payments?

- iii. Service for returned cheques: What are the charges I will incur if my payment, either by cheque or GIRO, is returned for whatever reason?
- iv. Cash advance charges: If I take a cash advance from my credit card line, what are the charges that I will have to pay?
- v. Loss/stolen Credit Card liability: If I lose my credit card, what must I do? What are my liabilities for unauthorised purchases?
- vi. Changes in Terms and Conditions: If there are any changes in the terms and conditions for the use of the card, will I be informed? If so, when will I be informed?

You may also want to **ask yourself** these questions:

- i. Why am I applying for this card?
- ii. Can I pay for the purchases in full each month? Or do I intend to pay the minimum sum required and rollover my payment?
- iii. If I rollover, do I have the means to pay the accompanying charges?
- iv. Do I truly understand the Terms and Conditions such as the various fees, interest, finance charges and penalties that accompany the use of the credit card?

4. UNIT TRUSTS

- a. What are the profile and background of the asset management company that I am going to invest my money with?
- b. Can I invest using cash, CPF and / or SRS savings?
- c. What are the risks of investing in this unit trust fund? (**Ask yourself**: Are the risks acceptable to me?)
- d. What is the price of each unit of this fund?
- e. What is the upfront sales charge that I have to pay?
- f. What are the other charges e.g. management fee, switching fee, redemption fees?
- g. How and when will these charges be levied?

- h. When will the bank inform me of the number of units I have bought?
- i. When and where can I redeem my units?
- j. When will I receive my sales proceeds?
- k. How often do I receive updates on my holdings and performance of the unit trust?

5. BANCASSURANCE

- a. Which of the following risks am I likely to face:
 - i. loss of income
 - ii. unemployment
 - iii. disability
 - iv. death
 - v. divorce
 - vi. catastrophic losses
- b. What does the policy insure me against?
- c. What are the exclusions?
- d. What are its features and benefits?
- e. What are the premiums payable and how often does payment have to be made?
- f. What are the fees and charges?
- g. Can I cancel the insurance plan prior to expiry / maturity?
- h. What is the cash value if I cancel the policy?
- i. What is the guaranteed value on maturity?
- j. Does the policy provide for a policy loan? If so, what is the interest rate payable?

Appendix III

QUESTIONS YOU SHOULD ASK YOURSELF OR THE BANK WHEN CONSIDERING BECOMING A GUARANTOR:

- a. What is my liability as a guarantor?
- b. What is the amount of the liability that I am committing myself to?
- c. Under what circumstances can the bank call on me to pay up?
- d. Does the bank have recourse to my other monies, if any, with the bank if I fail to pay up as a guarantor?
- e. Are my liabilities as a guarantor limited to a specific quantum or are they unlimited?
- f. When will my liability as a guarantor be discharged, how will I be notified and by whom?

USEFUL DEFINITIONS OF BANKING TERMS

Banker's Reference:	A banker's reference is an opinion about a particular customer's ability to enter into or repay a financial commitment. It is given by an institution, to an enquirer, with the prescribed consent of the customer concerned. Typically, the reference will cover information confirming that an account is held and how long for. It indicates the customer's financial position but is not intended to be conclusive proof of the customer's position.
Business Day:	A day on which business may be conducted. This excludes Saturdays, Sundays and public holidays.
Basic Banking Account:	An account which offers a limited number of transactions for a low and affordable monthly account fee.
Cards:	<p>A general term for any plastic card which may be used to pay for goods and services or to withdraw cash.</p> <p>Common examples are:</p> <p>Credit card - A card which allows cardholders to buy on credit and to obtain cash advances. Cardholders receive regular statements and may pay the balance in full, or in part usually subject to a certain minimum. Interest is chargeable on outstanding amounts not paid in full.</p> <p>Debit card (EPS card) - A card, operating as a substitute for a cheque, that can be used to obtain cash or make a payment at a point of sale. The cardholder's account is immediately debited for such a transaction without deferment of payment.</p>

ATM card - A card used to obtain cash and other services from an ATM. It can also be used to pay for purchases made at departmental stores, petrol kiosks, etc.

Cash card – A multi-purpose stored-valued card that allows holders to pay for goods and services without need for PINs or signatures.

Consumer Credit Bureau: A consumer credit bureau is a repository of factual information on the credit application and repayment records of consumers. The bureau provides this specific information to its members (credit providers), under authorised conditions, to carry out a creditworthiness check on a consumer. In doing this, the bureau helps lenders to make accurate and responsible lending decisions, and to guard against fraud.

Commission: Money paid to an agent as fees for his services.

Electronic Banking (e-banking) Services: Banking services delivered over the internet, wireless network, Automatic Teller Machines (ATMs), fixed telephone network or other electronic terminals or devices.

Electronic Funds Transfer At The Point Of Sale: An electronic payment and purchase technique whereby a shopper's Debit Card or ATM Card is used to query his bank account and obtain information on whether there is enough money in his account to settle the purchase. If sufficient funds exist his account will immediately be debited and the shop's account credited.

Guarantee: An undertaking given by a person called the guarantor promising to pay the debts of another person if that other person fails to do so.

Out-of-date cheque:	A cheque which has not been paid because the date on the cheque is older than 6 months.
Overseas Agent Bank:	Overseas bank which facilitates transactions abroad for you on behalf of your bank in Singapore.
Paying Agent:	The institution, usually one major bank in each relevant financial centre, which is charged with collecting, verifying and paying the coupons from bearer securities.
Personal Identification Numbers (PINs):	Numbers provided on a strictly confidential basis by card issuers to cardholders. Use of this number by the customer will allow the card to be used either to withdraw cash from an ATM or to authorise payment for goods or services in retail or other outlets, by means of a special terminal device.
Post-dated Cheque:	A cheque that is dated some time in the future and not payable at time of issuance.
Promotional Material:	Any literature or information which is designed to help sell a product or service to a customer. This does not include information relating to service enhancements and changes to customer's existing accounts which need to be sent to the customers to meet legislative requirements or which may be sent where it is in the interest of customers.
Retail Individual Customer:	A private individual who maintains an account (including a joint account with another private individual or an account held as an executor or trustee, but excluding the accounts of sole traders, partnerships, companies, clubs and societies) or who receives other services from an institution.

Security:	A word used to describe the pledging of assets, such as properties and shares to institutions as support for loans granted to customers. If the loans are not repaid, the institution's position is "secured" which means that it can sell the assets to meet the amount outstanding on the loan.
Third Party Security:	Security provided by a person who is not the borrower.
Yield:	The annualised return on an investment, expressed as a percentage of the value of the investment.

*This publication is produced and printed by The Association of Banks in Singapore.
Permission must be sought for any reproduction of its contents.*

For more information, please contact:



The Association of Banks in Singapore
10 Shenton Way #12-08 MAS Building
Singapore 079117
Tel: 6224-4300 Fax: 6224-1785
Email: banks@abs.org.sg
Website: www.abs.org.sg
