

Dear Editor

We wish to clarify that banks are only facilitators of the payment transactions between the cardholders and the merchants. The agreement with regard to the supply of goods/services purchased is a commercial arrangement between the cardholders and the merchants.

In other words, issuing banks and acquiring banks are only "processors" of a transaction. It would be inappropriate to hold the banks responsible for deficiencies in the delivery of goods/services by the merchants. This should solely be the responsibility of the merchants and in the event of default should be addressed through legal remedy.

Making charge backs mandatory does not address the fundamental issue of customers willingly and under no duress signing up for product offerings.

It was suggested that "banks not approve the full package payments to businesses like beauty and spa but only allow the businesses to deduct payment on an installment basis or when treated basis". Being "processors" of a transaction, it is not practicable and not within the scope of the issuing and/or acquiring banks to ascertain the schedule of consumption between each merchant and the cardholder.

We commend the Spa and Wellness Association's initiative to have their members insured together. This is good for the industry going forward as customers will be assured that they are dealing with credible merchants.

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