

22 May 2014

The Editor  
Straits Times Forum

Dear Sir,

We thank Mr Tushar Tarun Bansal for his feedback on the need for card issuers to disclose the additional fees charged on credit card transactions routed overseas ("Hidden charges in credit card transactions"; last Thursday).

We agree with him that fees and charges relating to credit card transactions must be disclosed to consumers.

Under the Association of Banks in Singapore's (ABS) Code of Practice on Credit Cards, a card issuer has to provide every new cardholder with a highlight of its key terms and conditions, which include the fees and charges imposed for foreign currency transactions.

Generally, card issuers in Singapore also state in their terms and conditions that Singapore dollar payments routed through overseas payment processors attract additional service charges, which may vary from bank to bank. Nevertheless, more can be done to improve transparency and disclosure to consumers.

In this regard, the ABS and the banks, in consultation with the Monetary Authority of Singapore, have been working closely to develop, among other initiatives, a Product Highlight Sheet on credit cards for consumers, based on each bank's specific terms and conditions.

The Product Highlight Sheet will contain the key terms of use of the credit card, including the payment grace period, interest and late payment charges, fees for foreign currency transactions and dynamic currency conversion, as well as payment hierarchy.

Mr Bansal's feedback provides useful input on how disclosure standards can be further enhanced, as the industry reviews the specific contents for the Product Highlight Sheet, which is targeted to be introduced by the third quarter of this year.

Yours sincerely,

Ong-Ang Ai Boon, Mrs  
Director