

# Bermuda Banking Code of Conduct



## The Banking Code

### Contents

<b>1</b>	<b>Introduction</b>	<b>3</b>
<b>2</b>	<b>Our Key Commitments to you</b>	<b>3</b>
<b>3</b>	<b>Helping you to choose Products and Services which meet your Needs</b>	<b>4</b>
<b>4</b>	<b>Interest Rates</b>	<b>4</b>
<b>5</b>	<b>Charges</b>	<b>4</b>
<b>6</b>	<b>Terms and Conditions</b>	<b>5</b>
<b>7</b>	<b>Closing your Account</b>	<b>5</b>
<b>8</b>	<b>Advertising and Marketing</b>	<b>5</b>
<b>9</b>	<b>Operating your Account Statements</b>	<b>6</b>
<b>10</b>	<b>Cards and PINs</b>	<b>7</b>
<b>11</b>	<b>Your Personal Information</b>	<b>8</b>
<b>12</b>	<b>Protecting your Accounts</b>	<b>9</b>
<b>13</b>	<b>Lending</b>	<b>11</b>
<b>14</b>	<b>Financial Difficulties – How we can help</b>	<b>12</b>
<b>15</b>	<b>Complaints</b>	<b>13</b>
<b>16</b>	<b>Further Information</b>	<b>13</b>
	<b>Glossary</b>	<b>14</b>

Throughout this Code, words in the text which are shown in bold print are defined in the Glossary at the end of the Code

## THE BANKING CODE

### 1 Introduction

#### What the Code covers

- 1.1** The Bermuda Banking Code of Conduct (the “**Code**”) is a voluntary code which sets standards of good banking practice in Bermuda and explains explaining how banking institutions subscribing to the Code and their staff are expected to deal with you.

The Code applies to:

- current accounts;
- savings and deposit accounts;
- payment services, including foreign-exchange services;
- cards; and
- borrowing of money.

#### About this Code

- 1.2** This Code is intended primarily for retail clients and small business owners/sole proprietorships and is not intended to apply to corporate/commercial banking relationships.

As a voluntary code, it encourages higher standards for the benefit of customers through competition and market forces. Within the Code, ‘**you**’ means the customer and ‘**we**’, ‘**us**’ and ‘**our**’ means the banking institution the customer deals with.

You can confirm with your banking institution if they follow the Code. All of the banking institutions covered by this Code may not necessarily offer all of the products and services listed in section 1.1 above and the names of products may differ between banks.

Unless it says otherwise, all parts of this Code apply to all the products and services listed above, whether they are provided by branches, over the telephone, by post, on the internet or by any other method.

This Code edition is effective from November 1<sup>st</sup>, 2010 unless otherwise shown.

### 2 Our Key Commitments to you

We will act fairly and reasonably in all our dealings with you by meeting all the commitments and standards in this Code.

The key commitments are as follows:

- when you have chosen an account or service, we will provide you with clear information about how it operates, the terms and conditions and applicable interest rates;
- we will ensure that our advertising and promotional literature for our products and services are clear and not misleading;

- we will assist you with using your account or service by making regular account statements available to you (where appropriate) and we will display and update (when required) our interest rates for your information on our websites and possibly in our branches;
- we will treat all of your personal information as private and confidential, in accordance with the laws of Bermuda and will use our best efforts to operate secure and reliable banking and payment systems;
- we will use our best efforts to deal quickly and reasonably with any concerns you may raise regarding your account or our products or services; and
- we will publicise this Code, have copies available and make sure that our staff is aware of its contents.

### **3 Helping you to choose Products and Services which meet your Needs**

**3.1** When you choose a product or service, we will:

- provide you with a clear explanation of the key features of the product or service you desire;
- give you information on any product or service we offer if you ask; and
- outline to you the information we need from you to satisfy our due diligence requirements and to appropriately assess the suitability of any products you may be interested in.

**3.2** We will tell you the various channels through which we offer our products and services, for example, over the telephone, on the internet or through our branches.

**3.3** Once you have chosen an account or service, we will explain to you how it operates or provide information that explains how it operates.

**3.4** When you open a joint account, we will require you to sign an agreement that will explain the rights and responsibilities of the account parties.

### **4 Interest Rates**

**4.1** You can find out about our interest rates by:

- contacting us by telephone;
- checking our website; or
- asking our staff.

**4.2** When you become a customer, we will give you information on the interest rates which apply to your account(s), and when interest will be applied to your account(s). We will also provide you with our website address, our telephone numbers and the other ways in which you can find out about changes in interest rates on your account(s).

### **5 Charges**

**5.1** When you become a customer, we will provide you with details of any charges for the day-to-day running of your account or direct you to such charges available on our website.

**5.2** You can find out about all of our service fees and charges by:

- contacting us by telephone;

- viewing our fee schedule on our website or in our branches; or
- asking our staff.

**5.3** If we increase any of these charges or introduce a new charge, we will notify you through our website and/or branch displays and/or by statement inserts within a reasonable period of time before the change takes effect.

### **Cash machine charges**

**5.4** All details of any charges we make for using cash machines will be available to you on our fee schedule.

## **6 Terms and Conditions**

**6.1** We will give you any relevant terms and conditions for the product and/or service you have asked us to provide when you apply to become a customer or accept a product and/or service for the first time.

**6.2** All terms and conditions will be fair and will set out your rights and responsibilities clearly, legibly and in plain language. We will only use legal or technical language where necessary.

### **Changes to terms and conditions**

**6.3** When there are changes to the terms and conditions of a product and/or service that you have with us, we will inform you in a timely manner in accordance with the applicable terms and conditions.

## **7 Closing your Account**

**7.1** Under normal circumstances, we will not close your account(s) without giving you at least 30 calendar days notice. Examples of circumstances which are not ‘normal’ include threatening or abusive behaviour towards our staff and improper use of a product and/or service.

**7.2** We reserve the right to freeze or close your account if we suspect any illegal activity or if requested to do so by any relevant authorities.

**7.3** If we plan to close or move any of our branches (excluding ATMs) we will inform you within a reasonable period of time. We will also tell you how we will continue to provide banking services to you.

## **8 Advertising and Marketing**

**8.1** We will ensure that all advertising and promotional material is clear, fair, reasonable and not misleading.

**8.2** We will exercise caution when sending marketing material to you, particularly if it relates to loans or overdrafts.

**8.3** Where you have consented, you accept that we may pass your information to certain companies that may offer products and services that meet your financial needs.

- 8.4 We may inform you about other services or products offered by our subsidiary companies for example life or property insurance.
- 8.5 We will not insist that you buy an insurance product through or from us when we agree to provide you with a lending product.

## **9 Operating your Account Statements**

- 9.1 To assist you in managing your account and check entries on it, we will make available to you (where appropriate) regular account statements.
- 9.2 We will make available to you (where appropriate) an account statement with a frequency that reflects the nature and activity of your account and confirm this to you.
- 9.3 If you have a card which allows you to withdraw money from your account, we will make available to you account statements on a monthly statement at least every three months if the card has been used.

### **Clearing cycle**

- 9.4 We will tell you about the clearing cycle for cheques and automated payments, including those over the telephone or internet. We will tell you when you can withdraw money after paying into your account, and when you will start to earn interest. We will do this when you open your account and whenever you ask us.

### **Standing orders and recurring transactions**

- 9.5 We will tell you how, standing orders and banking recurring transactions work and how you may cancel one of these when you no longer need it.
- 9.6 If any money is wrongly taken from your account as a result of an action by us, for example, due to a posting error, we will refund your account with the amount of the transaction and all charges and interest charged by us as a result of this transaction.

### **Cheques**

- 9.7 We will keep original cheques paid from your account, or copies, for at least six (6) years.
- 9.8 If, within a reasonable period of time after an entry has been made on your account statement, there is a dispute with us about a cheque paid from your account, we will give you a copy of the cheque as evidence of the transaction.
- 9.9 We will tell you how we will deal with out-of-date cheques.

### **Foreign-exchange services**

- 9.10 When you buy or sell foreign currency, we can give you an explanation of the service and details of the foreign exchange rate and charges which apply to foreign-exchange transactions will be made available to you.

**9.11** If you want to transfer money abroad, we will tell you how to do this and will make available to you:

- a description of the services and how to use them;
- when the money you have sent abroad should get there;
- when possible, the expected time the money will arrive;
- the foreign exchange rate applied when converting to the foreign currency (if this is not possible at the time of the transaction, we will let you know later what the foreign exchange rate is); and
- details of any charges which you will have to pay.

**9.12** If money is transferred to your bank account from abroad, we will tell you the original amount received and any charges.

### **Protecting your account**

**9.13** We will tell you what you can do to help protect your accounts. You can find out more about what you can do to help in section 12 of this Code.

**9.14** If you tell us that your cheque book, ATM, credit or debit card has been lost or stolen, or that someone else knows your PIN or other security information, we will take reasonable steps to try to prevent these from being used.

### **Dormant and unclaimed accounts**

**9.15** If you have money in a dormant account, it will always be your property (or if you die, it will become part of your estate). This is the case no matter how many years pass. In the case of an account in the name of a company, the provisions of Bermuda's Companies Act 1981, as the same is amended from time to time will apply.

**9.16** If you ask us, we will tell you how to access these accounts.

## **10 Cards and PINs**

This section applies to cards as defined in the glossary.

### **General features of cards**

**10.1** If you do not recognise a card transaction which appears on your account statement, we will give you more details if you ask us within a reasonable period of time. In some cases, we will need you to give us confirmation or evidence that you have not authorised a transaction.

**10.2** If we confirm a transaction is unauthorised, the transaction value and any interest charged will be refunded, unless you have acted fraudulently or without reasonable care (see under sections 12.5 and 12.11).

**10.3** Your account statement will show the foreign currency purchase tax we apply to foreign currency card transactions.



## **PINs**

- 10.4** We will give you your PIN (personal identification number) together with your card.
- 10.5** We will tell you about our systems, and if they allow you to choose and change your PIN.

## **Credit Cards**

- 10.6** When you become a credit card customer, we will make a description of the main features of the credit card available to you.
- 10.7** When you apply for a credit card, we will tell you how it operates and make the terms and conditions available to you.
- 10.8** Before we give you a credit limit, we will make an assessment of whether you will be able to repay it.
- 10.9** We may increase your credit limit on your credit card.
- You can contact us at any time if you want to reduce your credit limit or opt out of receiving credit limit increases;
  - You can ask us to increase your credit limit and we will consider this when we have made the appropriate checks; or
  - Sometimes, we may decide to reduce your credit limit.
- 10.10** We will make available to you a monthly statement for your credit card, unless your account has a nil balance and has not been used. The monthly statement will include information about transactions since the last statement date, any interest that applies and the minimum repayment.
- 10.11** We will make sure that your minimum repayment covers more than that month's interest.
- 10.12** If you make a cash withdrawal with a credit card, it will be treated as a cash advance and we may charge you a handling fee and interest at the cash advance rate from the date of the withdrawal.

## **11 Your Personal Information**

### **Confidentiality**

- 11.1** We will treat all of your personal information as private and confidential (even when you are no longer a customer).
- 11.2** We will not reveal your name and address or details about your accounts to anyone, other than in the following four exceptional cases when we are allowed to do this by law.
- If we have to give the information by law;
  - If our interests mean we must give the information (for example, to prevent fraud). However, we will not use this as a reason for giving information about you or your accounts (including your name and address) to anyone else, other than affiliated entities and service providers, for marketing purposes;
  - If you ask us to reveal the information, or if you have given us your permission; or
  - Credit reporting agencies and credit bureaus to enable us to make credit decisions.



## **Bankers' References**

- 11.3** If we are asked to give a banker's reference about you, we will need your written permission before we give it.

## **12 Protecting your Accounts**

### **Secure and reliable banking and payment systems**

- 12.1** We will co-operate as an industry so that you enjoy secure and reliable banking and payment systems you can trust.

*The rest of this section is all about what you can do to help prevent your accounts being misused.*

### **Keeping us up to date**

- 12.2** Please make sure you let us know as soon as possible when you change your:

- name;
- residential address;
- mailing address.
- telephone number; and
- e-mail address (if this is how we communicate with you).

If we do not hold correct information we may temporarily block your account(s) to protect us both (see also section 9.14).

### **Checking your account**

- 12.3** We recommend that you check your account statement regularly. If there is an entry which seems to be wrong, you should tell us as soon as possible so that we can investigate the transaction. Regular checks on direct debits and standing orders will help you be sure the money is going where you want it to.

- 12.4** If we need to investigate a transaction on your account, you should co-operate with us and the police or other law enforcement, if we need to involve them.

### **Taking care**

- 12.5** The care of your cheques, cards, PINs and other security information is essential to help prevent fraud and protect your accounts. Please make sure that you follow the advice given below:

- Do not keep your cheque book and cards together;
- Do not allow anyone else to use your card, and do not tell anyone else your PIN, password or other security information;
- If you change your PIN, you should choose your new PIN carefully;
- Try to remember your PIN, password and other security information, and destroy the notice of the same as soon as you receive it;
- Never write down or record your PIN, password or other security information;

- Always take reasonable steps to keep your card safe and your PIN, password and other security information secret at all times;
- Never give your account details or other security information to anyone;
- Keep your card receipts and other information about your account containing personal details (for example, account statements) safe and destroy them carefully; and
- Take care when storing or getting rid of information about your accounts. People who commit fraud use many methods, such as ‘bin raiding’, to get this type of information. You should take simple steps such as shredding printed material.

We will also provide you with information through our website and/or printed material in our banking halls to help you guard against card fraud. Our staff will also provide you with information if you ask.

- 12.6** When you write a cheque, it will help to prevent fraud if you draw a line through any unused space in the payee space, words space and figures space to avoid someone adding extra information in these spaces.

### **What to do if you lose your cheque book, ATM, credit or debit card, or if someone else knows your PIN**

- 12.7** It is essential that you tell us as soon as you can if you suspect or discover that:

- your cheque book, or card has been lost or stolen; or
- someone else knows your PIN, password or other security information.

- 12.8** The best way of telling us about the loss will usually be by telephone, using the numbers we have given you, or by e-mail if we have given you an address for this purpose. In some instances we may require further information from you to assist us with processing your request.

### **Online banking**

- 12.9** Online banking is safe and convenient as long as you take a number of simple precautions.

Please make sure you follow the advice given below.

- Keep your PC secure. Use up-to-date anti-virus and spyware software and a personal firewall;
- Caution should be taken when using a public computer or a public wireless network;
- Keep your passwords and PINs secret. Never store these in your computer;
- Treat e-mails you receive with caution and be wary of e-mails or calls asking you to reveal any personal security details. We will never contact you to ask you to reveal your online banking or payment card PINs or your password information; and
- Follow our advice – our websites are usually a good place to get help and guidance on how to stay safe online.

Be aware of “phishing” scams where you are asked to follow a link to a website purportedly belonging to your bank to fill details of your account. Never enter your data on such websites. Always access the bank’s website via their official website address (which is always widely publicized and is protected against such scam attempts).

If you are uncertain or suspicious about a request, always contact your bank using the bank’s general telephone number. We will also provide you with information through our website

and/or printed material in our banking halls to help you guard against online banking scams. Our staff will also provide you with information if you ask.

### **Canceling Payments**

**12.10** If you want to cancel a payment or series of payments you have authorised, you should do the following:

- To cancel a cheque or standing order, you must advise us in writing;
- To cancel a direct debit, you can tell the originator of the direct debit. We recommend you keep the proof of cancellation;
- To cancel a recurring transaction, you must tell the originator. We recommend you keep proof of cancellation; or
- Log onto your bank's internet banking.
- If applicable, cancel future payment instructions via online banking.

It may not be possible to cancel a specific payment if you do not give sufficient notice.

### **Liability for Losses**

**12.11** If you act fraudulently, you will be responsible for all losses on your account. If you act without reasonable care, and this causes losses, you may be responsible for them. (This may apply if you do not follow section 12.5 or you do not keep to your account's terms and conditions.)

**12.12** Unless we can show that you have acted fraudulently or without reasonable care, your liability for the misuse of your card will be determined by the terms and conditions of your account.

## **13 Lending**

### **Borrowing Money**

**13.1** Before we lend you any money or increase your overdraft limit or other borrowing, we will make an assessment of whether you will be able to repay it. (For credit cards – see also section 10.8.)

**13.2** If we offer you an overdraft, or an increase in your existing overdraft limit, we will tell you if your overdraft is repayable on demand.

**13.3** If we cannot help you, we will explain the main reason why if you ask us to.

**13.4** If you want us to accept a guarantee or other security from someone for any amounts you owe, we may ask you for your permission to give confidential information about your finances to the person giving the guarantee or other security, or to their legal adviser. We may also:

- encourage them to take independent legal advice to make sure that they understand their commitment and the possible consequences of their decision (where appropriate, the documents we ask them to sign will contain this recommendation as a clear and obvious notice);
- tell them that, by giving the guarantee or other security, they will become liable instead of, or as well as, you; and
- tell them what their liability will be.

We will not normally take an unlimited guarantee.

### **Changes in Interest Rates charged on Borrowing**

- 13.5** We will advertise any changes to Bermuda's base lending rate through any medium deemed expedient by us which may include but not be limited to the local media.
- 13.6** When we change our interest rates on your accounts, we will update the information through any medium deemed expedient by us which may include but not be limited to the local media, our website and/or in-branch displays.

### **Credit Reference Agencies**

- 13.7** If you have or apply for a product or service with us that involve credit we may pass your details to credit reference agencies.
- 13.8** We may give information to credit reference agencies about the personal debts you owe us if:
- you have fallen behind with your payments;
  - the amount owed is not in dispute; and
  - you have not made proposals we are satisfied with for repaying your debt, following our formal demand.
- 13.9** We may give credit reference agencies other information about the day-to-day running of your account if you have given us your permission to do so.

## **14 Financial Difficulties – How we can help**

- 14.1** If you find yourself in financial difficulties, you should let us know as soon as possible. We will do all we can to help you to overcome your difficulties. With your co-operation, we may be able to develop a plan with you for dealing with your financial difficulties and, where appropriate, we will fully document it with you.
- 14.2** If it appears to us from the operation of your account that you may be in financial difficulties, our first step will be to contact you to discuss the matter.
- 14.3** The sooner we discuss your problems, the easier it will be for both of us to find a solution. The more you tell us about your full financial circumstances, the more we may be able to help.
- 14.4** In certain circumstances we may pass your debt to another organisation or debt-collection agency. We will always choose reputable firms.
- 14.5** In other circumstances, we may sell your debt. We will always choose reputable firms if we do this.

## **15      Complaints**

- 15.1**    As a customer, we will tell you where to find details of our procedures for handling complaints fairly and quickly.
- 15.2**    If you want to make a complaint, we will tell you how to do this and what to do if you are not happy about the outcome. Our staff will help you with any questions you have.
- 15.3**    Upon receipt of your written complaint, we will start to work to investigate the facts and may need to contact you to ask for clarification. In a timely manner we will send you our final response and will tell you how to take your complaint further if you are still not satisfied with our action.

## **16      Further Information**

- 16.1**    The Code is issued by Members of The Bermuda Bankers' Association operating in Bermuda. If you have any enquiries about the Code, you can contact any of the retail banks.

## **Glossary**

These definitions explain the meaning of words and terms used in the Code. They are not precise legal or technical definitions.

### **Banker's reference**

An opinion or statement about a particular customer's ability to enter into, or repay, a financial commitment.

### **Banking and payment systems**

This refers to the underlying clearing, money transmission and computer systems which the banking institutions that follow the Code control.

### **Basic bank account**

A basic bank account will normally have the following features.

- Employers can pay income directly into the account.
- The Government can pay pensions, credits and benefits directly into the account.
- Cheques and cash can be paid into the account.
- Bills can be paid by direct debit, by transferring money to another account or by a payment to a linked account.
- Cash can be withdrawn at cash machines.

### **Card**

A general term for any plastic card which a customer may use to pay for goods and services or to withdraw cash. In this Code, it includes debit, credit, cheque guarantee and charge cards.. It does not include store cards.

### **Cash machine**

An automated teller machine (ATM) is a freestanding machine usually owned and operated by a bank that a customer can use their card to get cash, information and other services.

### **Clearing cycle**

This is the period (length of time) it takes for a collecting bank to present a cheque (collected from its customer) to the paying bank and receive payment for that cheque from the paying bank. The clearing cycle for cheques drawn on banks within Bermuda will be shorter than for cheques drawn on banks abroad.

Fully automated payments are typically received by the beneficiary on the same date that the payment is made. It may take longer depending on where the beneficiary account is located and the electronic systems used between banks.

### **Charge card**

A **card** which allows you to make purchases and to draw cash up to an arranged credit limit. The terms include paying the balance in full at the end of a set period. You will normally be charged a fee each year.

**Credit card**

A card which allows you to make purchases and to draw cash up to an arranged credit limit. You can pay off the credit granted in full or in part by a set date. Interest is usually charged on the amount of any balance left owing. In the case of cash advances, interest is normally charged on the amount withdrawn from the transaction date. You may also have to pay an annual fee.

**Credit reference agencies**

Organisations which hold information about people that is useful to lenders. Banking institutions may contact these agencies for information to help them make various decisions, for example, whether or not to open an account or provide loans or grant credit.

**Dormant accounts**

Accounts which contain assets and have not had any customer activity for sometime usually one year or longer.

**Guarantee**

A promise given by a person called 'the guarantor' to pay another person's debts if that person does not pay them.

**Other security information**

A selection of facts and information (which only you know) which is used for identification when using accounts.

**Out-of-date cheque**

A cheque which has not been paid because the date written on the cheque is too old (normally older than six months). These are also referred to as 'stale dated cheques'.

**Password**

A word or an access code which you have chosen, to allow you to use a phone or internet banking service.

**Personal customer**

Any person (consumer or retail customer) who is acting for purposes which are not linked to their trade, business or profession.

In practice, personal customers may act in a number of capacities. Examples of personal customers acting in capacities that are included in the above definition are:

- personal representatives, including executors, unless they are acting in a professional capacity, for example, a solicitor acting as executor; and
- private individuals acting in personal or other family circumstances, for example, as trustee of a family trust.

The above definition does not include an individual acting, for example:

- as trustee of a trust; or
- as a member of the governing body of a club or other unincorporated association such as a trade body or a student union; or
- as a pension trustee.



**PIN (personal identification number)**

A confidential number which allows customers to buy things, withdraw cash and use other services at a cash machine. You might be asked to enter your PIN into a point of sale terminal, instead of signing a receipt, to authorise a transaction.

**Recurring transaction**

A regular payment (other than a direct debit or standing order) collected from a customer's card account by an originator, in line with the customer's instruction.

**Security**

A word used to describe valuable items such as title deeds to houses, share certificates, life policies and so on, which represent assets used as support for a loan or other liability. Under a secured loan, the lender has the right to sell the security if the loan is not repaid.

**Summary Box**

This gives you a brief summary in a standard format of the key features of the credit card you are considering so you can compare different products more easily.

**Unpaid cheque**

This is a cheque which, after being paid into the account of the person it is written out to, is returned 'unpaid' (bounced) by the financial institution whose customer issued the cheque. This leaves the person the cheque was written out to without the money in their account.

**Working days**

Generally Monday to Friday, not including public holidays, or as posted at each institution.