



The Barbados
Bankers Association Inc.

CODE OF BANKING PRACTICE

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1. SCOPE

We, the members of The Barbados Bankers Association, stand committed to ensuring the fair treatment of our Customers and promoting best practices within the Banking Industry. We will continue to uphold values of privacy & confidentiality, 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. DEFINITIONS

The following terms have the meanings ascribed to them for the purposes of this Code:

- 2.1. **“Account”** means an account into which monies may be received from members of the public including deposit, savings or current accounts or from which monies may be disbursed from a bank whether by credit card, loan or otherwise.
- 2.2. **“ATM card”** means a card used to withdraw money from a bank’s automatic teller machine, which may or may not also function as a Debit Card.
- 2.3. **“Banking Business”** has the meaning ascribed to it under the Financial Institutions Act Cap. 324A of the Laws of Barbados.
- 2.4. **“Banking Services”** means the services provided by a bank in the course of carrying on Banking Business.
- 2.5. **“Credit Card”** means a card issued by a financial institution giving the holder an option to borrow funds, usually at point of sale. Credit cards charge interest and are primarily used for short-term financing. Interest usually begins one month after a purchase is made and borrowing limits are pre-set according to the individual's credit rating.
- 2.6. **“Customer”** means a Small Business or individual, who, alone or jointly with another, acquires banking services which are wholly or exclusively for his or her private or domestic use or for carrying out the operations of the respective Small Business.
- 2.7. **“Debit Card”** means a card issued by a bank which allows a Customer access to the Customer’s account with the bank to withdraw cash or pay for goods and services.

- 2.8. **“Disabled”** means a physical or mental impairment that has a substantial and long-term negative effect on an individual’s ability to do normal daily activities.
- 2.9. **“Electronic Banking”** means Banking Services which are performed wholly or substantially via a communications network, such as the Internet.
- 2.10. **“Foreign Exchange Transaction”** means any transaction by which a currency is exchanged, converted or traded for another or in which negotiable bills are drawn in one country to be paid in another country.
- 2.11. **“Minimum Notice Period”** means thirty (30) days or such period as deemed by the bank to be fair and reasonably appropriate depending on the nature of a particular product or service.
- 2.12. **“Overdraft”** means the amount by which withdrawals from a Customer’s account exceed deposits, or the extension of credit by a bank to allow for such a situation.
- 2.13. **“Products and Services”** refers to the mediums and methods by which Banking Services are provided to a Customer by a bank.
- 2.14. **“Small Business”** means a sole proprietorship, partnership or corporation which is organized for profit, is independently owned and operated, and is not dominant in its field on a national basis and which employs not more than 25 employees.

3. OBJECTIVES

The Code of Banking Practice is intended to: -

- 3.1. Foster a fair and reliable approach in undertaking Customer relationships and provide minimum standards for Customer care.
- 3.2. Promote appropriate disclosure of information.
- 3.3. Increase awareness of Customer rights and obligations.
- 3.4. Inform Customers of complaint resolution procedures.
- 3.5. Promote integrity and confidence in the financial system.
- 3.6. Ensure that Disabled Customers have access to banking facilities, Products and Services.

4. FUNDAMENTAL PRINCIPLES

We will: -

- 4.1. Employ secure and reliable systems to deliver financial services and products which conform to the relevant laws and regulations.
- 4.2. Provide access to information through various channels to assist Customers in understanding the products that are available to them.
- 4.3. Commit to resolving errors in banking arrangements as expeditiously as possible.

5. 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.

5.1. TERMS & CONDITIONS

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

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

- 5.1.1.1. The fees and charges on the most commonly used products and services that are applicable or notification as how information on the fees and charges can be obtained.
- 5.1.1.2. The method by which interest, if any, is calculated and the frequency with which it will be credited or debited or notification regarding how this may be obtained.
- 5.1.1.3. The manner in which the Customer will be notified of changes to: -
 - a. The terms & conditions;
 - b. Fees and charges; and
 - c. Interest rates.
- 5.1.1.4. If appropriate, the fact that more than one interest rate may apply.

5.1.1.5 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.

5.1.2. Each bank reserves the right to change the terms and conditions, where legally permissible, and inform Customers accordingly. For such instances, the Minimum Notice Period will be given. More than one method of notification may be employed to advise Customers of changes.

5.2. OPERATING AN ACCOUNT

5.2.1. Customers will be informed of applicable interest rates and the method of calculating interest on their account before account establishment. Prior to any changes coming into effect, Customers will be given the Minimum Notice Period of changes in rates/methods of calculation.

5.2.2. Customers will be provided with regular account statements or a means of accessing their account information, either in printed or electronic format, as each bank may determine appropriate, to allow for review of activity and assist with general account management. Where statements are not provided, at their request, Customers will be given full access to account histories up to the legal retention requirement (currently seven (7) years), subject to any applicable charge.

5.2.3. Customers will be encouraged to operate savings, chequing and credit card accounts with due prudence and financial responsibility. This may be facilitated via seminars, literature and or access to knowledgeable bank staff.

5.2.4 All Credit Card account statements will include, at a minimum: -

5.2.3.1. Current interest rate

5.2.3.2. Current balance and credit limit

5.2.3.3. Minimum monthly payment and payment due date

5.2.3.4. General details on transactions (purchases, cash advances or other activity) occurring during the statement period

5.2.4. 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.

5.2.5. 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 commercially reasonable steps to prevent unauthorized usage of the account within a reasonable time after receipt of such information.

5.2.6 Customers should make every effort to secure their credit and debit cards as well as their passwords and PINs at all times to prevent unauthorised use.

5.3. BANK FEES & CHARGES

5.3.1 For existing fees, we will ensure ongoing Customer awareness by any of the following means: -

5.3.1.1 Making available in branches, brochures outlining fees and charges on the most commonly used products and services;

5.3.1.2 Posting the Fee Schedule/brochures on the banks' websites; or

5.3.1.3 In writing, where deemed appropriate by the Bank.

5.3.2 Prior to any changes coming into effect, the Minimum Notice Period will be provided for any changes to the most commonly used fees and charges through at least one of the following channels: -

5.3.2.1 Statement notices and/or statement inserts;

5.3.2.2 In-branch notices;

5.3.2.3 Website Advisories;

5.3.2.4 Publication of brochures for in-branch dissemination; or

5.3.2.5 Any other appropriate channel(s).

5.3.3 As an Association, we will: -

5.3.3.1 Encourage our members to post the most commonly used fees and charges on bank websites and keep the information updated; and

5.3.3.2 Encourage the practice of using electronic banking solutions.

5.4 FOREIGN EXCHANGE SERVICES

- 5.4.1 We will make available details of exchange rates and provide Customers with details of related foreign exchange transaction charges.
- 5.4.2 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 no control over when the funds are credited to the beneficiary.
- 5.4.3 When money is transferred from overseas to a Customer's account, the banks will inform the Customer (which may be via account statement or electronic notification) of the original amount received and any related charges.

5.5 LENDING

- 5.5.1 Banks will assess the Customer's ability to repay (among other factors) in determining whether or not to extend credit facilities to a Customer (including extending overdraft, raising credit card limits or making additional borrowings available). However, the responsibility lies with the Customer to avoid over-extension of credit obligations.
- 5.5.2 Customers should make full and accurate disclosure of their financial affairs when making an application for credit from a bank. The responsibility lies with the Customer to avoid over-extension of credit obligations.
- 5.5.3 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.

5.6 ADVERTISING & MARKETING

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

6 PROTECTING CUSTOMER INFORMATION

6.1 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).

6.2 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' authorisations.

7 COMPLAINT HANDLING PROCEDURES

7.1 Each bank will inform its Customers of the availability of procedures for handling complaints.

7.2 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 satisfied with the outcome.

7.3 Each bank will, in response to a written complaint: -

7.3.1 Send a written acknowledgement, within ten (10) working days of receiving a complaint. This acknowledgement may take the form of letters, emails, texts, or such other forms as the bank may have available for communication with the Customer.

7.3.2 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).

8 GOVERNANCE OF THE CODE OF BANKING PRACTICE

- 8.1 Institutions will ensure that staff are aware of the standards and will publish the standards to Customers electronically via their respective websites.
- 8.2 The Barbados Bankers Association will be responsible for a review of the elements of this Code at least every five (5) years to ensure that it remains relevant.

April 2019



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