

The **Banking** Code

Setting standards for banks, building societies
and other banking service providers



March 2005

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March 2005



BRITISH BANKERS'
ASSOCIATION



APACS

Association for Payment
Clearing Services



BUILDING
SOCIETIES
ASSOCIATION

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

1 Introduction

What the Code covers

- 1.1** This is a voluntary code which sets standards of good banking practice for financial institutions to follow when they are dealing with **personal customers** in the United Kingdom. It provides valuable protection for you and explains how financial institutions are expected to deal with you day-to-day and in times of financial difficulty.

The Code applies to:

- current accounts, including **basic bank accounts** (section 3);
- savings and deposit accounts (sections 3 and 4), including mini cash and Tessa ISAs, and cash deposit Child Trust Funds;
- payment services, including foreign-exchange services (section 9);
- **cards and PINs** (section 10); and
- loans and overdrafts (section 13).

It does not cover mortgages, investments, insurance, Premium Bonds or currency accounts.

About this Code

- 1.2** As a voluntary code, it allows competition and market forces to work to encourage higher standards for the benefit of customers.

Within the Code, 'you' means the customer and 'we', 'us' and 'our' means the financial institution the customer deals with.

You can check which financial institutions follow the Code by contacting the Banking Code Standards Board, the independent organisation which monitors how well financial institutions are meeting the Code. (You can find their contact details later in the Code – section 16.2.) The types of financial institution currently include:

- banks;
- building societies;
- **credit card** companies; and
- National Savings & Investments.

The standards of the Code are covered by the six key commitments found in section 2.

Not all the financial institutions covered by this Code offer all the products and services listed in section 1.1 above.

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 phone, by post, through interactive TV, on the internet or by any other method.

This revised edition is effective from 1 March 2005 unless otherwise shown.

2 Our key commitments to you

We promise that 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 shown below.

- We will make sure that our advertising and promotional literature is clear and not misleading and that you are given clear information about our products and services.
- When you have chosen an account or service, we will give you clear information about how it works, the terms and conditions and the interest rates which apply to it.
- We will help you use your account or service by sending you regular statements (where appropriate) and we will keep you informed about changes to the interest rates, charges or terms and conditions.
- We will deal quickly and sympathetically with things that go wrong and consider all cases of financial difficulty sympathetically and positively.
- We will treat all your personal information as private and confidential, and operate secure and reliable banking and payment systems.
- We will publicise this Code, have copies available and make sure that our staff are trained to put it into practice.

3 Helping you to choose products and services which meet your needs

- 3.1 Before you become a customer, we will:
- give you clear information explaining the key features of the services and products you tell us you are interested in;
 - assess whether your needs are suited to a **basic bank account** (if we offer one) and if they are we will offer you this product;
 - offer you a **basic bank account** if you specifically ask, and meet the qualifying conditions for one;
 - give you information on a single product or service, if you have already made up your mind; and
 - tell you what information we need from you to prove your identity (by law, we have to check your identity).
- 3.2 We will tell you if we offer products and services in more than one way (for example, on the internet, over the phone, in branches and so on) and tell you how to find out more about them. Where we offer **basic bank accounts**, we will tell you if they can be used at post offices.
- 3.3 Once you have chosen an account or service, we will tell you how it works.
- 3.4 When you open a joint account, we will give you extra information on your rights and responsibilities.
- 3.5 **Personal customers** are protected by the European Distance Marketing Directive (DMD) in relation to deposit taking. This gives you rights when opening current, savings and deposit accounts, and doing financial services business in relation to these types of account at a distance (typically by post, telephone or electronically). In summary, the major types of protection are:
- detailed information before you commit to a contract;
 - a 14-day right of cancellation; and
 - restrictions on how a financial service is supplied if you have not asked for it.

4 Interest rates

- 4.1 You can find out about our interest rates by:
- phoning our helpline;
 - looking on our website;
 - looking at the notices in our branches; or
 - asking our staff.
- 4.2 When you become a customer, we will give you information on the interest rates which apply to your accounts, and when we will take interest or pay it to you. We will also tell you our website address, our helpline numbers and the other ways in which you can find out about changes in interest rates on your accounts.
- 4.3 If you ask us, we will also give you a full explanation of how we work out interest.

Changes in interest rates

- 4.4 We will keep you informed about changes to the interest rates on your accounts and we will tell you about the ways we will do this.
- 4.5 When we change the interest rates on your accounts, we will update the information on our phone helpline and our website within three **working days**. To help you compare rates, the old rate will also be available on our website and our helpline.

Interest on savings accounts

- 4.6 To help you compare interest rates on all our savings accounts more easily, at least once a year we will send you a summary of these products and their current interest rates unless your account has less than £500 in it. This summary will also include:
- accounts that are no longer available; and
 - details of how you can find out about the current interest rates that apply to your accounts.
- 4.7 We will also tell you the different interest rates which have applied to your account during the year and any changes in the **Bank of England base rate** (unless we have already told you personally about these or if your account has less than £500 in it).

- 4.8** If you have a variable-rate savings account with £250 or more in it and the interest rate has fallen significantly compared with the **Bank of England base rate**, we will contact you within a reasonable period of time to:
- tell you that this has happened;
 - tell you about our other savings accounts and offer to help you to switch to one of these accounts if you want to;
 - tell you that you can withdraw all the money in your account; and
 - give you a reasonable period of time to switch to another account or withdraw the money without any notice period or any charges.

5 Charges

- 5.1** When you become a customer, we will give you details of any charges for the day-to-day running of the account you have chosen.
- 5.2** You can also find out about these charges by:
- phoning our helpline;
 - looking on our website; or
 - asking our staff.
- 5.3** If we increase any of these charges or introduce a new charge, we will tell you personally at least 30 days before the change takes effect.
- 5.4** We will tell you the charge for any other service or product before we provide that service or product, and at any time you ask.
- 5.5** Before we take interest or charges for **standard account services** from your current or savings account, we will give you at least 14 days' notice of how much we will take.

Cash machine charges

- 5.6** We will give you details of any charges we make for using **cash machines** when we issue the **card**.
- 5.7** You will not be charged more than once for any transaction at one of our **cash machines**.

- 5.8** When you use a **cash card** at one of our **cash machines**, a message on the screen will tell you, before you commit to making a withdrawal, the amount (if any) you will be charged for the transaction and who is making the charge.
- 5.9** When you use a **card** other than a **cash card** at one of our **cash machines**, a message on the screen will tell you, before you commit to making a withdrawal, the amount (if any) we will charge you for the transaction. The message will also tell you that your **card** issuer may charge you for the transaction.
- 5.10** We will show **cash machine** charges on your statement of account.

6 Terms and conditions

- 6.1** We will give you any relevant terms and conditions for the product you have asked us to provide when you apply to become a customer or accept a product for the first time.
- 6.2** All written 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 you become a customer, we will tell you how we will let you know about changes to terms and conditions.
- 6.4** If the change is to your disadvantage, we will tell you about it personally at least 30 days before we make the change. At any time up to 60 days from the date of the notice you may, without notice, switch your account or close it without having to pay any extra charges or any interest for doing this.
- 6.5** We may make any other change immediately and tell you about it within 30 days.
- 6.6** If we have made a major change or a lot of minor changes in any one year, we will give you a copy of the new terms and conditions or a summary of the changes.

7 Changing your account

Cooling off

- 7.1** If you are not happy about your choice of current or savings account, you may cancel it within 14 days of:
- the day the contract is entered into; or
 - the day on which you receive the contract terms and conditions and other information on paper or electronically;
- whichever is later.

We will help you switch to another of our accounts or we will give all your money back with any interest it has earned. We will ignore any notice period and any extra charges.

This does not apply to:

- a **fixed-rate** account; or
- an account or contract for financial services where the price depends on rises and falls in financial markets outside our control that may happen during the cancellation period; or
- a branch-based Child Trust Fund cash deposit account (in other words, not sold at a distance).

Moving your account

- 7.2** If you decide to move your current account to another financial institution, we will give them information on your standing orders and direct debits within three **working days** of receiving their request to do this. Also, we will close or move your current account, without charge, when you ask us to do so.

- 7.3** If you want to transfer your current account to us, we will tell you:
- how the process for transferring your account will work and who is responsible for each step in the process;
 - what information your old financial institution will pass to us;
 - what features you will be offered with the new account so that you can compare your new account with features on your old account; and
 - how long the transfer is likely to take.

We will give you what you need to operate the account within 10 **working days** of approving your application.

- 7.4 We will cancel any bank charges you will have to pay as a result of any mistake or unnecessary delay by us when you transfer your current account to or from us.

Closing your account

- 7.5 Under normal circumstances, we will not close your account without giving you at least 30 days' notice. Examples of circumstances which are not 'normal' include threatening or abusive behaviour towards staff.
- 7.6 If we plan to close or move your branch, we will tell you at least eight weeks beforehand, and 12 weeks beforehand if yours is the last bank or building society branch within a one-mile radius (four miles in rural areas). We will tell you how we will continue to provide banking services to you.

8 Advertising and marketing

- 8.1 We will make sure that all advertising and promotional material is clear, fair, reasonable and not misleading.
- 8.2 We will take care when sending marketing material to you, particularly if it relates to loans or overdrafts, or if you are under 18.
- 8.3 Unless you specifically give your permission or ask us to, we will not pass your name and address to any company, including other companies in our group, for marketing purposes. We will not ask you to give your permission in return for **standard account services**.
- 8.4 We may tell you about another company's services or products. If you agree, that company may contact you directly.
- 8.5 When you become a customer, we will give you the opportunity to say that you do not want us to contact you for marketing purposes. At least once every three years, we will remind you that you can do this.
- 8.6 We will not insist that you buy an insurance product from us when we agree to provide you with a lending product.

9 Running your account

Statements

- 9.1 To help you manage your account and check entries on it, we will give you regular account statements unless this is not appropriate for the type of account you have (such as an account where you have a passbook).
- 9.2 We will normally give you a statement every month, every three months or, in any case, at least once a year. You can ask us to give you account statements more often than is normally available on your type of account, but there may be a charge for this service.
- 9.3 If you have a **card** which allows you to withdraw money from your account, we will provide you with account statements at least every three months if the **card** has been used.

Clearing cycle

- 9.4 We will tell you about the **central clearing cycle** – normally three **working days** – for cheques and automated payments, including those over the phone or internet, and whether we add extra days to this **central clearing cycle**. 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.

Direct debits, standing orders and recurring transactions

- 9.5 We will tell you how direct debits, standing orders and **recurring transactions** work and how you may cancel one of these when you no longer need it.
- 9.6 We will tell you about the Direct Debit Guarantee, which protects you if a direct debit you have not authorised is taken from your account. If any money is wrongly taken from your account under a direct debit, we will refund your account as soon as you tell us about it.

Cheques

- 9.7 We will keep original cheques paid from your account, or copies, for at least six years unless we have already returned these to you.

Running your account

- 9.8** If, within a reasonable period after the entry has been made on your statement, there is a dispute with us about a cheque paid from your account, we will give you the cheque or a copy as evidence. If there is an unreasonable delay after you have told us about it, we will add the amount of the cheque to your account until we have sorted the matter out.
- 9.9** We will tell you how we will deal with **unpaid cheques** and **out-of-date cheques**.
- 9.10** If we need to tell you that a cheque you have written (or another item) has been returned unpaid, we will do this either by letter or in another private and confidential way.

Foreign-exchange services

- 9.11** When you buy or sell foreign currency, we will give you an explanation of the service, details of the exchange rate and an explanation of the charges which apply to foreign-exchange transactions.
- 9.12** If you want to transfer money abroad, we will tell you how to do this and will give you:
- a description of the services and how to use them;
 - details of when the money you have sent abroad should get there and the reasons for possible delays;
 - the 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 rate is); and
 - details of any commission or charges which you will have to pay and a warning that the person receiving the money may also have to pay the foreign bank's charges.
- 9.13** If money is transferred to your bank account from abroad, we will tell you the original amount received and any charges. If the sender has agreed to pay all charges, we will not take off charges when we pay the money into your account.

Protecting your account

- 9.14** 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.

- 9.15** If you tell us that your cheque book, passbook, **card** or **electronic purse** has been lost or stolen, or that someone else knows your **PIN** or **other security information**, we will take immediate steps to try to prevent these from being used.

Dormant and lost accounts, and unclaimed assets

- 9.16** 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.
- 9.17** If you ask us, we will tell you how to access these accounts either directly, or via the British Bankers' Association, The Building Societies Association or National Savings & Investment **dormant account** schemes (see section 17.6).

10 Cards and PINs

This section applies to **cards** as defined in the glossary.

General features of cards

- 10.1** We will only send you a **card** if you ask for one or to replace a **card** you already have.
- 10.2** If you do not recognise a **card** transaction which appears on your statement, we will give you more details if you ask us. In some cases, we will need you to give us confirmation or evidence that you have not authorised a transaction.
- 10.3** If we confirm a transaction is unauthorised, any interest charged will be refunded, unless you have acted fraudulently or without reasonable care (see under sections 12.5 and 12.11).
- 10.4** Your statement will show the rate of commission or charge (if any) we apply to foreign-currency **card** transactions.

PINs

- 10.5** We will give you your **PIN** (personal identification number) separately from your **card**. We will not reveal your **PIN** to anyone else.

- 10.6** We will tell you about our systems, which allow you to choose and change your **PIN**. This should make it easier for you to remember.

Credit cards

- 10.7** Before you become a customer, we will give you the main features of the **credit card** in a **Summary Box**.
- 10.8** When you apply for a **credit card**, we will tell you how it works and give you the terms and conditions.
- 10.9** Before we give you a credit limit, we will assess whether we feel you will be able to repay it.
- 10.10** 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.
 - Sometimes, we may decide to reduce your limit.
- 10.11** You will receive 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 which applies, the minimum repayment and other useful information including the 'allocation of payments' (how we use your payment to reduce your balance).
- 10.12** We will make sure that your minimum repayment covers more than that month's interest.
- 10.13** We will warn you when an introductory promotional interest rate on your **credit card** is about to come to an end.
- 10.14** 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.
- 10.15** You have the opportunity to say you do not want to receive **credit card cheques** and we will let you know about any fees if you use these cheques. You may not have the same level of protection when you use a **credit card cheque** as you do with a **credit card**.

11 Your personal information

Confidentiality

- 11.1** We will treat all your personal information as private and confidential (even when you are no longer a customer). We will not reveal your name and address or details about your accounts to anyone, including other companies in our group, 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 there is a duty to the public to reveal the information.
 - 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, including other companies in our group for marketing purposes.
 - If you ask us to reveal the information, or if we have your permission.

Bankers' references

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

Data protection

- 11.3** We will explain to you that, under the Data Protection Act, you have the right to see the personal records we hold about you.
- 11.4** We will tell you if we record your telephone conversations with us.

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;
 - address;
 - phone number; or
 - e-mail address (if this is how we communicate with you).

If we do not hold correct information we may make your account **dormant** to protect us both (see section 9.16 and section 17.6).

Checking your account

- 12.3** We recommend that you check your statement or passbook regularly. If there is an entry which seems to be wrong, you should tell us as soon as possible so that we can sort it out. 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, if we need to involve them.

Taking care

- 12.5** The care of your cheques, passbook, **cards, electronic purse, 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 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 unless you know who they are and why they need them.
- Keep your **card** receipts and other information about your account containing personal details (for example, statements) safe and get rid of them carefully.
- 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.
- You will find the APACS website www.cardwatch.org.uk a helpful guide on what to do if you suspect **card** fraud.

12.6 When you write a cheque, it will help to prevent fraud if you clearly write the name of the person you are paying the cheque to and put extra information about them on the cheque especially if you are not personally paying a cheque in (for example, because you are sending a cheque by post).

- If you are paying a cheque to a large organisation such as the Inland Revenue, do not make the cheque payable simply to that organisation. Add further details into the payee line (for example, Inland Revenue re: J Jones, your reference xxxxyz). You should draw a line through unused space on the cheque so unauthorised people cannot add extra numbers or names.
- If you are making a cheque payable to a bank or a building society, do not make the cheque payable simply to that organisation. Add further details in the

payee line (for example, XYZ Bank, re: J Jones, account number xxxxxx). You should draw a line through unused space on the cheque so unauthorised people cannot add extra numbers or names.

What to do if you lose your cheque book, passbook, electronic purse or 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, passbook, **card** or **electronic purse** 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 phone, using the numbers we have given you, or by e-mail if we have given you an address for this purpose.

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.
 - Keep your **passwords** and **PINs** secret.
 - Treat e-mails you receive with caution and be wary of e-mails or calls asking you to reveal any personal security details. Neither the police nor we will ever contact you to ask you to reveal your online banking or payment **card PINs**, or your **password** information.
 - Follow our advice – our websites are usually a good place to get help and guidance on how to stay safe online.
 - Visit www.banksafeonline.org.uk for useful information.

Cancelling 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 tell us (we cannot cancel cheques covered by a cheque guarantee **card**).
 - To cancel a direct debit, you can either tell the **originator** of the direct debit or tell us. We recommend you do both.

- To cancel a **recurring transaction**, you must tell the **originator**. We recommend you keep proof of cancellation.
- It may not be possible to cancel payments if you do not give enough notice of your decision to cancel.

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 limited as follows.

- If someone else uses your **card**, before you tell us it has been lost or stolen or that someone else knows your **PIN**, the most you will have to pay is £50.
- If someone else uses your **card** details without your permission, and your **card** has not been lost or stolen, you will not have to pay anything.
- If someone else uses your **card** details without your permission for a transaction where the cardholder does not need to be present, you will not have to pay anything.
- If your **card** is used before you have received it, you will not have to pay anything.

Account aggregation services

12.13 If you use an **account aggregation** service, you may be liable for any fraud or mistakes that happen on your accounts as a result.

Electronic purse

12.14 You should treat your **electronic purse** like cash in a wallet. If you lose your **electronic purse** or it is stolen, you will lose any money in it, in just the same way as if you lost your wallet.

12.15 However, unless we can show that you have acted fraudulently or without reasonable care, your liability for the misuse of your **electronic purse** will be as follows. If money is transferred to your **electronic purse** by

unauthorised withdrawals from your account before you tell us it has been lost, stolen or misused, the most you will lose is £50.

- 12.16** You will not lose anything if money is transferred from your account to your **electronic purse** after you have told us it has been lost or stolen or that someone else knows your **PIN**.

13 Lending

Borrowing money

- 13.1** Before we lend you any money or increase your overdraft, or other borrowing, we will assess whether we feel you will be able to repay it.
- (For **credit cards** – see also section 10.9.)
- 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. We will give you this, in writing or electronically, if you ask.
- 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 will 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 may become liable instead of, or as well as, you; and
 - tell them what their liability will be.
- We will not take an unlimited **guarantee**.

Credit reference agencies

- 13.5** When you open your account or apply for a **card**, we will tell you when we may pass your details to **credit reference agencies** and the checks we may make with them.

- 13.6** 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.
- 13.7** In these cases, we will give you at least 28 days' notice that we plan to give information about the debts you owe us to **credit reference agencies**. At the same time, we will explain to you the role of **credit reference agencies** and the effect the information they provide can have on your ability to get credit.
- 13.8** 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.
- 13.9** If you ask, we will tell you how to get a copy of the information that **credit reference agencies** have about you, or their leaflets that explain how credit referencing works. You should contact the customer service teams at:

Experian Ltd
PO Box 8000
Nottingham
NG80 7WF
www.experian.co.uk

Equifax Plc
PO Box 1140
Bradford
BD1 5US
www.equifax.co.uk

Callcredit Plc
PO Box 491
Leeds
LS1 1WX
www.callcredit.co.uk

We may also ask you to give your permission to use the information held by **credit reference agencies** to check identity for anti-money-laundering and fraud purposes – this does not affect your credit history.

14 Financial difficulties – how we can help

- 14.1** We will consider cases of financial difficulty sympathetically and positively. Our first step will be to try to contact you to discuss the matter.
- 14.2** 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 will develop a plan with you for dealing with your financial difficulties and we will tell you in writing what we have agreed.
- 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** If you are in difficulties, you can also get help and advice from debt-counselling organisations. We will tell you where you can get free money advice. If you ask us to, we will work with debt-counselling organisations, such as Citizens Advice Bureaux, money advice centres or the Consumer Credit Counselling Service. Their contact details are as follows.
- Advice UK – 020 7407 4070 (www.adviceuk.org.uk)
 - Citizens Advice Bureaux – You can get the phone number of your local bureau from the phone book, the local library or www.citizensadvice.org.uk
 - Citizens Advice Scotland – 0131 550 1000 (www.cas.org.uk)
 - Consumer Credit Counselling Service – 0800 138 1111 (www.cccs.co.uk)
 - Money Advice Scotland – 0141 572 0237 (www.moneyadvicescotland.org.uk)
 - National Debtline – 0808 808 4000 (www.nationaldebtline.co.uk)
 - Payplan – 0800 085 4298 (www.payplan.com)

You should also be aware that there are other companies that charge a fee for managing your debts. It is your responsibility to check the fees that may be charged before asking these companies to act on your behalf.

- 14.5** If you have debts with many creditors, a debt-counselling organisation may complete a **Common Financial Statement** (or equivalent acceptable to us) on your behalf, which we will accept as the basis for negotiations with you in drawing up a **debt-management plan**.
- 14.6** In certain circumstances we may pass your debt to another organisation or debt-collection agency. We will always choose reputable firms which also agree to follow the Code when arranging repayment.
- 14.7** In other circumstances, we may sell your debt. We will always choose reputable firms if we do this.

15 Complaints

Internal procedures

- 15.1** 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.
- 15.2** When you become a customer, we will tell you where to find details of our procedures for handling complaints fairly and quickly. These procedures meet the requirements of the Financial Services Authority.
- 15.3** Within five **working days** of receiving your complaint, we will send you a written acknowledgement.
- 15.4** Within four weeks, we will write to you again with our final response, or to explain why we need more time to respond.
- 15.5** If we have not already sent it, we will send you our final or other response within eight weeks and will tell you how to take your complaint further if you are still not satisfied.

Financial Ombudsman Service

- 15.6** We will display on our website and in all our branches a notice explaining that we are covered by the Financial Ombudsman Service (FOS). The FOS is available to settle certain complaints you make if they cannot be settled through our own complaints procedures. The contact details of the FOS are as follows.

- The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR
Phone: 0845 080 1800
Website: www.financial-ombudsman.org.uk

16 Monitoring

- 16.1** We have a 'Code Compliance Officer' and our own auditing procedures make sure we meet the Code.

Banking Code Standards Board

- 16.2** The Code is monitored by the Banking Code Standards Board whose directors include a majority of independent members as well as representatives of financial institutions. Their contact details are as follows.
- The Banking Code Standards Board
Level 12, City Tower, 40 Basinghall Street
London EC2V 5DE
Phone: 0845 230 9694
Website: www.bankingcode.org.uk

17 Getting help

- 17.1** If you have any enquiries about the Code, you should contact the British Bankers' Association, The Building Societies Association or APACS. Their addresses and phone numbers are shown at the front of this booklet. Or, contact the Banking Code Standards Board at the address above.

Copies of the Code

- 17.2** All financial institutions that follow this Code will make copies of it available to all their **personal customers** and have notices in all their branches and on their websites explaining that copies of the Code are available and how you can get one.

- 17.3** You can get a copy of this Code and guidance notes on how this Code should be followed from the Banking Code Standards Board, whose contact details are given in section 16.2, or from the British Bankers' Association or The Building Societies Association at the addresses shown at the front of this Code.

Further information

- 17.4** You can get more information on a range of banking matters from the British Bankers' Association's (BBA) 'BankFacts' leaflets, and factsheets and information leaflets from the Building Societies Association (BSA) and APACS. Also, the BBA, BSA and APACS have customer helplines. (The phone numbers are given at the front of this Code.)

17.5 Financial Services Compensation Scheme

We are part of the Financial Services Compensation Scheme (FSCS) set up under the Financial Services and Markets Act 2000. The FSCS is a fund of last resort for customers of financial services firms. The FSCS pays compensation if an authorised firm cannot pay claims against it. The scheme is governed by FSA rules. For more details on the scheme, go to the FSCS website – www.fscs.org.uk or phone 020 7892 7300.

17.6 **Dormant account** schemes

You can get copies of the **dormant account**, lost account, unclaimed assets tracing forms from us or from the following.

FOR BANKS

British Bankers' Association, phone 020 7216 8909 or download a copy from www.bba.org.uk or write to BBA Dormant Accounts, Pinners Hall, 105 – 108 Old Broad Street, London, EC2N 1EX.

FOR BUILDING SOCIETIES

The Building Societies Association, phone 020 7437 0655 or download a copy from www.bsa.org.uk or write to BSA Dormant Accounts, 3 Savile Row, London, W1S 3PB.

FOR NATIONAL SAVINGS & INVESTMENTS

National Savings & Investments, phone 0845 964 5000 or download a copy from www.nsandi.com or write to National Savings & Investments, FREEPOST BJ 2092, Blackpool, FY3 9XR.

Glossary

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

Account aggregation

Account aggregation services allow you to have details of some or all of the online accounts you hold with financial institutions, and other information, presented on one web page. These services may be operated by a financial institution (with whom you may already hold an account) or they may be provided by a website not owned by a financial institution.

Banker's reference

An opinion 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 financial institutions that follow the Code control.

Base rate or Bank of England base rate

This refers to the Bank of England Repo Rate. This is the rate the Bank of England considers every month and publicly announces any changes to.

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, tax 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.
- There is no overdraft facility.
- The last penny in the account can be withdrawn.

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, charge cards and cash cards. It does not include electronic purses or store cards.

Cash card

A card, other than a charge card or credit card, which allows the cardholder to withdraw cash from a cash machine.

Cash machine

An automated teller machine (ATM) or freestanding machine in which a customer can use their card to get cash, information and other services.

Central clearing cycle

CHEQUES

- The central cheque clearing cycle normally takes three working days.
- If the cheque you pay in was written by a customer of your own bank, this process may be faster. This varies from bank to bank.
- The cycle may also be longer when paying in via some financial institutions or agents (such as post offices).

AUTOMATED PAYMENTS (for example, internet, telephone and standing orders)

When you give an instruction to your bank to make an automated payment (including payments over the phone or internet), the money will normally be taken from your account on the same day.

- The central clearing cycle is normally three working days.
- If the person you are paying banks at the same bank as you, the amount will usually be credited on the same day.
- Payments may take longer than three working days through some financial institutions.

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.

Common Financial Statement

A full review of the financial position of a customer in financial difficulties. This is filled in with the help of a money adviser. It allows you to offer repayments from your available income to a group of creditors. Although it exists in a standard format agreed by the industry, we may also agree to accept an equivalent form.

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 withdrawals, interest is normally charged from the transaction date. You may also have to pay an annual fee.

Credit card cheque

A cheque drawn against a credit card account that gives the cardholder another way of accessing funds – up to their credit limit – usually to make transactions where credit cards are not accepted. Interest is normally charged from the transaction date.

Credit reference agencies

Organisations, licensed under the Consumer Credit Act 1974, which hold information about people that is useful to lenders. Financial 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. Financial institutions may also give the agencies information.

Dormant accounts

Accounts which are lost or which contain assets that have not been claimed.

Electronic purse

Any card, or function of a card, which contains real value in the form of electronic money which someone has paid for beforehand. Some cards can be reloaded with more money and can be used for a range of purposes.

Fixed rate

An interest rate which is guaranteed not to change over a set period of time.

Fixed term

This applies to products and services which have a set lifetime. The customer may be charged if the financial institution agrees to alter the product or service before the end of its life.

Guarantee

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

Originator

A company (either a retail or service organisation) which collects payments from a customer's account in line with the customer's instructions. This only applies to direct debits or recurring transactions.

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).

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 who is acting for purposes which are not linked to their trade, business or profession. (This definition is based on the one used in European legislation and by the Financial Services Authority with the title of either 'consumer' or 'retail customer'.)

In practice, personal customers may act in a number of capacities. The above definition does not include an individual acting, for example:

- as trustee of a trust such as a housing or NHS 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.

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.

PIN (personal identification number)

A confidential number which allows customers to buy things, withdraw cash and use other services at a cash machine. You will often have 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.

Recurring transactions are not covered by the Direct Debit Guarantee.

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.

Standard account services

Opening, maintaining and running accounts for transmitting money (for example, by cheque or debit card). These services would normally be provided in basic or current accounts.

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

Monday to Friday, not including bank holidays.

The Banking Code



BRITISH BANKERS'
ASSOCIATION



APACS

Association for Payment
Clearing Services



BUILDING
SOCIETIES
ASSOCIATION

The Banking Code

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