



BANKERS
ASSOCIATION
OF TRINIDAD AND TOBAGO

CODE OF BANKING PRACTICE



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Code of Banking Practice

PREAMBLE

The Code of Banking Practice (the Code) is a voluntary code by which Banks seek to foster good relations with their Customers (as defined on page 4) and to promote good banking practice by formalizing standards of disclosure and conduct, which Banks that adopt the Code, agree to observe when dealing with their Customers.

OBJECTIVES

The Code is intended to –

- (i) describe standards of good practice and service;
- (ii) promote disclosure of information relevant and useful to Customers;
- (iii) promote informed and effective relationships between Banks and Customers;
- (iv) promote transparency and demonstrate Banks' accountability to customers in relation to the financial services they provide; and
- (v) set out procedures for resolution of disputes between Banks and Customers.

PRINCIPLES

These objectives are to be achieved to –

- (i) provide a level of accountability by all Banks with respect to maintaining healthy client relationships that redound to the mutual benefit of the banking system as well as the public;
- (ii) preserve the stability and integrity of the banking system in Trinidad and Tobago having regard to the paramount requirement of Banks to act in accordance with the necessary prudential standards;
- (iii) preserve the legality and enforceability of contracts between Banks and their Customers consistent with the subsisting legal and regulatory obligations; and
- (iv) foster product and service diversity and flexibility and competitive pricing in Customers' best interests.

REVIEW

The Code shall be reviewed from time to time as may be necessary in accordance with the Objectives and the Principles set out in this Preamble and having regard to the views of interested Parties.

STAFF TRAINING

A Bank shall ensure that its staff are aware of the principles embodied in this Code, as it may be relevant to their duties and of the procedures for handling disputes between Customers and the Bank.

THE CODE

This Code is in three parts:

Part A - Disclosures. This part describes the information, which a Bank will provide to a Customer in respect of the Banking Services, which the Bank offers to the Customer.

Part B - Principles of Conduct. This part describes certain principles of conduct, which a Bank will follow in dealing with its Customers.

Part C - Resolution of Disputes. This part requires Banks to have dispute handling procedures.

DEFINITIONS AND APPLICATION

In this Code:

“**Account**” includes a deposit or loan account or credit facility as the context may require.

“**Bank**” means an institution licensed by the Central Bank of Trinidad and Tobago to carry on the business of banking and business of a financial nature in Trinidad and Tobago and which has adopted this Code.

“**Banking Service**” means a deposit, loan or other banking facility provided by a Bank to a Customer, but does not include a debt to a Bank that arises as a result of a withdrawal of more than the amount, by which an Account is in credit without the approval of the Bank.

“**Customer**” means any person who enters into a relationship with a Bank for the provision of Banking Services.

“**Standard Fees and Charges**” means fees and charges normally applied by a Bank in respect of a Banking Service at a particular time.

“**Terms and Conditions**” means those terms and conditions specifically applied by a Bank to a Banking Service, but does not include any other terms and conditions that may apply by operation of law.

PREVAILING LAW

This Code is to be read subject to the laws of Trinidad and Tobago.

PART A: DISCLOSURES

DISCLOSURE: TERMS AND CONDITIONS

A Bank shall provide to a Customer, in written or electronic form, any Terms and Conditions applicable to an ongoing Banking Service provided by the Bank to the Customer. Those Terms and Conditions shall:

- (i) be clearly expressed;
- (ii) be provided at the time of or before the contract for the Banking Service is entered into except where it is impracticable to do so, in which case Terms and Conditions shall be provided, as soon as practicable after the provision of the Banking Service.

A Bank shall notify affected Customers of amendments to Terms and Conditions prior to amendments taking effect.

At the commencement of a Banking Service, a Bank shall inform Customers of the manner in which Customers will be notified of changes to Terms and Conditions, including but not limited to changes to Interest Rates, Standard Fees and Charges and the form and frequency with which Statements of Account will be provided.

DISCLOSURE: OPERATION OF ACCOUNTS

Upon request, a Bank shall provide to a Customer or prospective Customer for a Banking Service, general descriptive information including where appropriate:

- (i) account opening procedures;
- (ii) complaint handling procedures;
- (iii) the Bank's right to combine Accounts;
- (iv) the importance of, and how a Customer should inform the Bank, if facilities used to access Accounts or credit facilities, including but not limited to debit cards, credit cards and cheque books are lost or misplaced;
- (v) the advisability of a Customer informing the Bank promptly when the Customer is in financial difficulty;
- (vi) the advisability of a Customer reading the Terms and Conditions applicable to a Banking Service.

DISCLOSURE: FEES AND CHARGES

A Bank shall:

- (i) before or at the time of providing a particular Banking Service to a Customer or otherwise on request by a Customer, make available to the Customer a schedule containing the Standard Fees and Charges applicable to the Banking Service;
- (ii) Engage with Customers to determine whether Customers may avail themselves of reduced or no-fee services, in order to optimize the benefits Customers may derive from Bank Services;
- (iii) Ensure Customers are kept abreast of fee changes by making fee brochures available in branches and publishing updated fee schedules on each Bank's website;

(iv) Provide notification of fee changes by one or more of the following:

- Statements
- Notices in branches
- Publication on the Bank's website
- Publication via the Central Bank of Trinidad and Tobago's website
- Any other means specifically identified in Account Terms and Conditions.

DISCLOSURE: INTEREST

A Bank shall include (where applicable) the following in the Terms and Conditions applicable to a Banking Service:

- (i) the method by which interest is payable by or to a Customer;
- (ii) the manner in which interest is calculated and the frequency with which interest will be credited to or debited from a Customer's Account;
- (iii) whether more than one interest rate may apply and circumstances under which one or another rate will apply;
- (iv) any minimum Account balance requirement or restriction on depositing money in or withdrawing money from an Account;
- (v) in respect of term deposits, the manner in which payment of interest and principal will be made, the manner in which funds may be dealt with at maturity and the nature of any charge or variation to an interest rate resulting from a withdrawal in advance of maturity;
- (vi) in respect of credit facilities, prevailing interest rates and, if applicable, default interest rates.

DISCLOSURE: FOREIGN EXCHANGE SERVICES

Banks will make available to the public:

- (i) details of exchange rates and commissions and charges applicable to foreign exchange transactions;
- (ii) expected time frames for receipt by beneficiaries of funds remitted overseas and notification to Customers of the possibility that receiving banks may deduct commissions or charges, which will be payable by a beneficiary;
- (iii) expected time frames for receipt of funds transferred from overseas and any commissions or charges to be deducted by Banks upon receipt.

DISCLOSURE: PROVISION OF CREDIT

In considering whether to provide a credit facility to a Customer, a Bank's primary objective is to avoid financially overburdening a customer. A Bank will therefore take into account a range of factors including:

- (i) the Customer's income and expenditure;
- (ii) the purpose of the credit facility;
- (iii) the Customer's credit and/or behaviour scoring; and
- (iv) the Customer's assets and liabilities.

As may be applicable, a Bank shall make available to a Customer in relation to a credit facility:

- (i) terms and conditions;
- (ii) fees and charges;
- (iii) a Customer's rights and liabilities;
- (iv) the total amount of a loan;
- (v) minimum repayment terms;
- (vi) conditions of early repayment;
- (vii) required security;
- (viii) conditions becoming applicable in the event of default.

DISCLOSURE: PAYMENTS SERVICES

Where a Bank provides a Customer with a direct debit, a credit repayment or any other automatic payment service or access to an account by means of telephone or electronic banking, the Bank shall make available to the Customer details of any terms and conditions and bank fees or charges applicable to that service.

DISCLOSURE: BILLS OF EXCHANGE

A Bank shall provide to a Customer general descriptive information on:

- (i) the applicable time period after which funds deposited via a local or foreign cheque will become available to a Customer;
- (ii) how and where a cheque or cheque image in relation to a deposited instrument may be made available to a Customer;
- (iii) the effect of crossing a cheque and the meaning of terms customarily printed on cheques;
- (iv) how and when a cheque payment may be stopped;
- (v) how a cheque may be made out so as to reduce the risk of unauthorised alteration;
- (vi) the circumstances giving rise to the dishonour of cheques; and
- (vii) the consequences related to post-dated and stale dated instruments.

PART B: PRINCIPLES OF CONDUCT

PRE-CONTRACTUAL CONDUCT

A Bank shall have readily available any Terms and Conditions of each Banking Service it currently offers to Customers or prospective Customers.

A Bank shall disclose the existence of any application fee or charge and whether the fee or charge is refundable if the application is rejected or not pursued.

PRIVACY AND CONFIDENTIALITY

A Bank acknowledges that it has a general duty of confidentiality towards a Customer except in the following circumstances:

- (i) where disclosure is compelled by law;
- (ii) where there is a duty to the public to disclose confidential information;
- (iii) where the interests of the Bank require disclosure;
- (iv) where disclosure is made with the express or implied consent of the Customer;
- (v) where disclosure is made pursuant to exceptions specifically set out in Customers' financial services agreement with Banks.

A Bank shall subject to its obligations under law, on the request of a Customer, disclose to that Customer information about that Customer, which is readily accessible by the Bank. The information required to be provided is limited to the Bank's record of the Customer's address, occupation, marital status, age and sex, Accounts held with the Bank and balances and statements relating to those Accounts. In relation to such requests, Customers shall, as clearly as possible, identify the Customer information sought and its likely location within a Bank's system (if known).

A Bank may recover its reasonable costs of supplying Customer information to a Customer.

Subject to the provision of the necessary documentary evidence where required, a Customer of a Bank may request the correction of Customer information about the Customer held by the Bank.

A request for access to Customer information or a request for the correction of Customer information shall be dealt with within a reasonable period of time.

A Bank shall take reasonable steps to protect Customers' confidential information against loss and against access, use, modification or disclosure that is unauthorized. A Bank shall require all staff with access to personal information concerning Customers to maintain confidentiality concerning that information.

PAYMENT INSTRUMENTS

A Bank shall inform a Customer of the advisability of safeguarding payment instruments such as credit and debit cards, cheques and passbooks and shall inform a Customer of the consequences arising from a failure by the Customer to comply with this requirement.

A Bank may require a Customer to notify the Bank as soon as possible of the loss, theft or misuse of his or her payment instruments.

A Bank shall notify Customers of the means by which the Customer can report the loss, theft or misuse of payment instruments.

ACCOUNT COMBINATION

A Bank shall inform a Customer promptly after exercising the Bank's right to combine Accounts affecting the Customer or to set off of amounts payable to a Customer against funds due to a Bank.

ADVERTISING

A Bank shall ensure that its advertising and promotional literature drawing attention to a Banking Service is not deceptive or misleading.

In any advertising in the print media and any promotional literature that draws attention to a Banking Service and includes a reference to an interest rate or an annualised percentage rate, the Bank shall also indicate whether other standard fees and charges will apply and provide full details of the relevant Terms and Conditions on application.

CLOSURE OF ACCOUNTS

Subject to the Terms and Conditions of any relevant Banking Service, a Bank:

- (i) will upon request by the Customer, close an Account of the Customer that is in credit;
- (ii) may close the Account of a Customer that is in credit and repay credit balances to a Customer by giving the Customer appropriate notice after having taken into consideration relevant circumstances;
- (iii) may close an account, if in the sole opinion of the Bank, a Customer is not operating an Account in the way the Bank and Customer contemplated the Account operation at the time of opening; and
- (iv) may charge the Customer an amount that is a reasonable estimate by the Bank of the costs of closure.

PART C - RESOLUTION OF DISPUTES

DISPUTE RESOLUTION

A Bank shall have an internal process for handling disputes between the Bank and a Customer and this process shall be readily accessible by Customers without charge. A dispute will be deemed to exist where a Customer has a complaint and, having followed a Bank's official procedure for resolution is not satisfied that the complaint has been resolved.

Where a request for resolution of the dispute is made, the Bank shall use reasonable efforts to inform the Customer in writing of the outcome within a reasonable timeframe. If the dispute cannot be resolved, the reasons for that outcome shall be given.

The Office of the Financial Services Ombudsman has been established by the Central Bank in conjunction with Banks to handle complaints from Customers in respect of products and services provided by the Banks.

If the customer is dissatisfied with the outcome of a Bank's internal process for resolution, the customer may take his/her complaint to the Office of the Financial Services Ombudsman. Upon a Customer's request, a Bank shall, provided that a Bank's internal process has been exhausted, submit to the dispute resolution process governed by the Financial Services Ombudsman.

The objective of the Office of the Financial Services Ombudsman is to render impartial and prompt resolution to Customers' complaints. It is not a court of law and the parties do not, at any time, surrender their legal rights and are always free to seek alternative methods of resolution, including

embarking upon a judicial process.

Any award made in favour of a complainant will be binding upon a Bank provided the complainant accepts the award in writing within one month of the Ombudsman's decision.

Further information in relation to **The Office of the Financial Services Ombudsman** and the complaint process is available at:

The Office of the Financial Services Ombudsman
1st Floor, Central Bank of Trinidad and Tobago
Eric Williams Plaza,
Independence Square, Port of Spain
www.ofso.org.tt

CONTACT INFORMATION

For further information on the Code of Banking Practice, please contact:

Bankers Association of Trinidad and Tobago

Level 2, Invader's Bay Towers,
Invader's Bay,
Port of Spain
info@batt.org.tt
www.batt.org.tt





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ASSOCIATION

OF TRINIDAD AND TOBAGO

WORKING TOGETHER FOR YOU

