



Gibraltar Bankers' Association

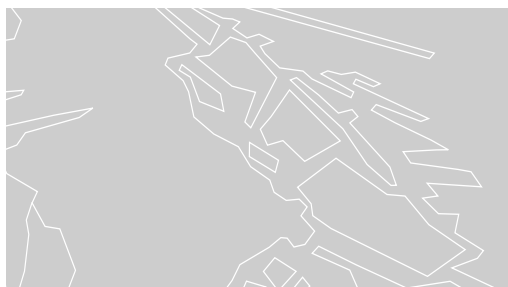
THE GIBRALTAR BANKING AND MORTGAGE CODE

January 2003



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Introduction

1 INTRODUCTION

1.1 This is a voluntary code, which sets standards of good banking practice for banks and building societies in Gibraltar to follow when they are dealing with **personal customers**. As a voluntary code, it allows competition and market forces to work to encourage higher standards for the benefit of customers. Some aspects are based on the British Bankers' Association Banking Code, which is covered by copyright, and we thank them for their permission to do so. Terms within Bank/Customer agreements will always take preference over terms within this code.

1.2 Within the code, "you" means the customer and "we" means the bank or building society the customer deals with.

1.3 The code provides valuable protection for you. It will help you understand how banks and building societies are expected to deal with you day-to-day and in times of financial difficulty.

1.4 The standards of the code are covered by the 10 key commitments found at the beginning. These apply to the following products and services provided to personal customers:

- Current Accounts
- Deposit and savings accounts
- **Card services and cash machines**
- Loans, **mortgages** and overdrafts
- Payment systems, including direct debits and standing orders
- Foreign exchange transactions
- **Electronic purses**
- **Investment Services**

Not all banks and building societies offer all the products and services listed

1.5 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, through the internet or by any other method.

1.6 Throughout this code, any words, which are shown in bold print, are defined in the glossary at the end of the code.

1.7 This code is effective from January 2003.

Key Commitments

2 OUR KEY COMMITMENTS TO YOU

2.1 We promise that we will:

- A. act fairly and reasonably in all our dealings with you;
- B. make sure that all the products and services we offer meet this code;
- C. give you information about our products and services in plain language and offer help if there is anything you do not understand;
- D. help you to understand the financial implications of our products and services, how they work and help you to choose one that meets your needs;
- E. have secure and reliable banking systems;
- F. make sure that the procedures our staff follow reflect the commitments set out in this code;
- G. consider cases of financial difficulty and debt arrears sympathetically and positively;
- H. if things go wrong, correct the mistakes, tell you how to make a complaint and handle your complaints quickly;
- I. make sure that all products and services meet relevant laws and regulations; and
- J. tell you if we offer products and services in more than one way (for example, on the internet, over the phone, or in branches and so on) and tell you how to find out more.

3 HELPING YOU 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 service and products you tell us you are interested in;
- 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 Once you have chosen an account or service, we will tell you how it works. For example, for a current account, this will, if you require it, include information on:

- stopping a cheque or other types of payment;
- direct debits (including the **Direct Debit Guarantee**) and standing orders
- how the clearing cycle works, including when you can withdraw money after paying cash or a cheque into your account and when you will start to earn interest (providing it is an interest bearing account);
- **unpaid cheques;**
- **out of date cheques;** and
- when we may pass your account details to **credit reference agencies** and the checks we may make with them.

3.3 When you open a joint account, we will give you extra information on your rights and responsibilities.

4 INTEREST RATES

4.1 When you become a customer we will give you information on the interest rates, which apply to your accounts and when we will deduct interest or pay it to you. We will also tell you, where relevant, our website address, help line number and the newspapers we usually use to tell you about changes in interest rates.

4.2 You can also find out about our interest rates by:

- phoning us
- asking our staff

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 When we change the interest rates on your account we will make this information available to you within thirty working days

Superseded savings accounts

4.5 If you have a savings account, other than a fixed-rate account, which has been 'superseded' because we no longer open new accounts or we do not actively promote the account, we will either:

- keep the interest rate on the **superseded account** at the same level as an account with similar features from our current range; or
- switch the **superseded account** to an account with similar features from our current range.

4.6 Examples of similar features include notice periods, types of withdrawals, numbers of free withdrawals and how money is paid into and drawn out of the account.

4.7 If there is no account with similar features we will contact you, within thirty days of your account being superseded, to:

- tell you that the account is superseded;
- tell you about our other accounts; and
- help you to switch to one of these accounts without any notice period and without any extra 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 us; or
- asking our staff

5.3 If we increase any of these charges, we will advise you at least thirty days before the increase 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 We will tell you of any extra charges you may have to pay if:

- your account becomes overdrawn without our agreement;
- the balance on your account falls below an agreed minimum amount;
- you go over your overdraft limit;
- you are behind with your loan repayments; or
- you change your mind about a **fixed-term product**, decide to repay it early or (where this is allowed) withdraw money from it.

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

6.2 When you become a customer, we will tell you how we will let you know about changes in terms and conditions.

6.3 If the change is to your advantage, we may make the change immediately and tell you about it within thirty days.

6.4 If the change is neither to your advantage or disadvantage, we will always give you at least thirty days' notice before making the change.

6.5 If the change is to your disadvantage, we will make the information available to you at least thirty days before making the change. At any time up to sixty 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 interest for doing this.

6.6 If we have made a major change or a lot of 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 (except for a **fixed-rate** account) within fourteen days of making your first payment into the account, we will help you switch to another of our accounts or we will give all your money back with any interest earned. We will ignore any notice period and any extra charges.

Moving your current account

7.2 If you decide to move your account to another bank or building society, we will co-operate with them and, subject to having received your authority, give them information about regular payments from your account. So long as you have honoured your promises and commitments entered into with us, we will do this within five working days, so that the transfer can be made within five weeks from the date of the original request.

Closing your account

7.3 Unless there are exceptional circumstances, such as suspected fraud, we will not close your account without giving you at least thirty days' notice.

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 years of age.

8.3 Unless you specifically give your consent 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**.

8.5 We may tell you about another company's services or products and if you say you are interested, that company may contact you



Account Operations

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 provide you with a statement every month, every three months or, in any case, at least once a year. You can ask us to provide you with 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.

9.4 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.

Personal Cheques

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

9.6 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.

9.7 If we already return your paid cheques or copies to you, we will continue to do this until further notice and we will tell you our charges for this service.

9.8 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.

10 CARDS AND PINS

10.1 We will only send you a **card** if you ask for one or to replace a **card** that has already been issued to you.

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

Choosing your own PIN

10.3 If available, we will tell you about our systems to allow you to choose your own **PIN**. This should make it easier for you to remember. You should choose your **PIN** carefully.

11 LENDING

Financial assessment

11.1 Before we lend you any money, we will assess whether we feel you will be able to repay it. This assessment may include looking at the following:

- Your income and financial commitments;
- How you have handled your finances in the past;
- Information we may get from **credit reference agencies** and with your permission and if appropriate, others such as other lenders, your employer and your landlord;
- Information you give us, including your age, information to prove your identity and why you want to borrow the money;
- Credit assessment techniques, such as **credit scoring**; and
- Any **security** provided including, if appropriate, the condition and value of any property.

Guarantees

11.2 If you want us to accept a **guarantee** or other security from someone for your liabilities, 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.

Mortgages

11.3 Choosing a **mortgage** may be your most important financial commitment. There are three levels of service, which may be provided and we will tell you which we offer at the outset. These are:

- advice and a recommendation as to which **mortgage** is most suitable for you. When giving advice, we will take care to help you to select a **mortgage** to fit your needs by asking for relevant information about your circumstances and objectives. Our advice will also depend on your particular requirements and on the market conditions at the time. The reasons for the recommendations will be given to you in writing before you complete your **mortgage**.
- information on the different types of mortgage product we offer so that you can make an informed choice of which to take.
- information on a single mortgage product only, if we only offer one **mortgage** product or if you have already made up your mind.
- Before you take out your **mortgage**, we will confirm in writing, the level of service given.

When providing the above information, we will give you the following:

- an explanation of the main repayment methods we offer (for example, repayment or interest only) and the repayment periods available;

- for interest only **mortgages**:
 - > a general description of the types of investment (for example, endowment policy) or other means which may be used to repay the **mortgage**;
 - > an explanation of the effect of failing to make suitable arrangements to repay the **mortgage**;
- an explanation that early repayment of a mortgage, early surrender of an investment, or changes in personal circumstances (for example, long-term sickness or relationship breakdown) can have adverse financial consequences, depending on the particular type of **mortgage** or investment;
- a description of the types of interest rates available (for example, variable, fixed, discounted and capped rates);
- an explanation and illustration of future potential repayments at the end of any fixed, discounted or capped interest rate period, based on the current variable **mortgage** interest rate;
- a description of any insurance services, which we can arrange (for example, buildings, contents, **mortgage** payment protection and life insurance);
- whether it is a condition of the **mortgage** that such insurance be taken out and whose responsibility it is to ensure that it is taken out;
- whether it is a condition of the **mortgage** that we must arrange such insurance;
- a general description of any costs, fees or other charges in connection with the **mortgage** which may be payable by you (for example, mortgage valuation fees, arrangement fees, early repayment fees, legal fees and insurance premiums);
- an explanation of whether your selected **mortgage** terms (for example, a fixed rate) can be continued if you move house;
- a description of when your account details may be passed to **credit reference agencies**;

- Whereas general information may be given on **mortgage** related tax relief, you should contact your local tax office or tax advisor for more specific tax information;
- if your **mortgage** represents a high percentage of the price or valuation of your property (usually 75% or more), you may have to pay a high percentage lending fee. Some or all of this fee may be used by the lender, at its discretion, to obtain **mortgage** indemnity insurance to act as extra security for its sole benefit. If this is the case, we will ensure that you are provided with a written explanation, stating that:
 - > such insurance will not protect you if your property is subsequently taken into possession and sold for less than the amount you owe;
 - > you will remain liable to pay all sums owing, including arrears, interest and your lender's legal fees;
 - > if a claim is paid to your lender under such insurance; the insurers generally have the right to recover this amount from you.

Before you take out a **mortgage** and at any time you ask, we will:

- tell you the interest rates which apply to your **mortgage** account(s) and will explain when interest is charged (for example, on the outstanding balance at the beginning of each year);
- tell you whether the interest rate may be varied; and
- tell you when any capital repayments you make will reduce the balance on the outstanding interest on your **mortgage**.

The interest rate, which applies to your **mortgage** account, may change from time to time. When we change the interest rate we will make information available about the changes at the earliest opportunity by either:

- letter/other personal notice; or
- notices/leaflets in the customer areas of our office(s) and press advertisements. If this option is used, we will tell you the interest rate applicable to your mortgage account at least once a year.

Before you take out a **mortgage** and at any time you ask, we will give you a **tariff** covering the operation and repayment of your mortgage, including charges and additional interest costs payable should you fall into arrears.

We will send you a **mortgage tariff** each year, if there have been changes to it.

12 FOREIGN EXCHANGE SERVICES

12.1 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 you are about to make. If this is not possible, we will tell you how these will be worked out.

12.2 If you want to transfer money abroad, we will tell you how to do this and, if requested, will provide you with:

- 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 we are instructed to exchange to a foreign currency; and
- details of any commission or charges that you will have to pay and a warning that the person receiving the money may also have to pay the foreign bank's charges.

12.3 If money is transferred to your bank account from abroad, we will tell you the original amount we have received and any charges. If the sender has agreed to pay all charges, we will not deduct charges when we pay the money into your account.

13 INVESTMENT SERVICES

13.1 Certain banks are permitted under a licence granted by the Financial Services Commission, to manage investments and provide investment advice for customers and to advise on or arrange deals as agents in securities, both readily realisable and not readily realisable, and in options or other derivatives whether on exchange or not.

13.2 In this connection, except where carrying out execution-only instructions, we will complete for all new customers, a Client Profile or Fact Find sheet containing amongst other things, financial information about the customer's circumstances and investment objectives, which may reasonably be expected to be relevant in enabling us to fulfil our responsibilities to you.

Where we are to provide discretionary management, we will first agree the terms of the relevant client contract or mandate, including investment objectives and risk profile, with you.

Where we recommend the purchase of a particular product as a one-off transaction, we will send you a reason why letter before you are committed to the purchase.

13.3 We will therefore:

- Act in your best interests at all times by having regard to all relevant information concerning your portfolios and investment guidelines.
- Not recommend a transaction to you, or act as a discretionary manager for you, unless we have taken reasonable steps to enable you to understand the risks involved.
- Ensure that any recommendation that we make to you or any transaction that we enter into on a discretionary basis under an appropriate mandate is suitable for you.
- Execute a transaction for you as soon as, in our discretion we have reached an agreement to proceed accordingly.
- Promptly allocate the transaction to you but at the very least by not later than the close of business of the day that the confirmation details are received from the broker.
- Take reasonable care to ascertain that the best available price of a trading transaction is based on the best available for you in the relevant market at the time of the transactions of the kind and size, concerned.

13.4 Where we are aware that we have a material interest in a transaction to be entered into with or for a client, or we have a relationship which gives rise to a conflict of interests in relation to such transaction, we will not advise or deal in relation to the transaction unless we disclose our interest.

14 CONFIDENTIALITY

14.1 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 it is in our interests to give the information.

But 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 we have your permission.

Credit reference agencies

14.2 We may give information to **credit reference agencies** about the personal (including **mortgage**) 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.

14.3 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.

14.4 If, in the case of **mortgage** arrears, we intend to take possession of your property, we will tell you that this information may be disclosed to credit reference agencies and that your name may be passed on to other lenders by being placed on a Possessions Register.

14.5 We will not give any other information about you to **credit reference agencies** unless we have your permission.

Data protection

14.6 We will explain to you such rights, as you have to see personal records we hold about you.

14.7 We will tell you if we record your telephone conversations with us and whether all or only some such conversations are recorded.

Bankers' references

14.8 If we are asked to give a **bankers' reference** about you, we will need your written permission before we give it.

15 PROTECTING YOUR ACCOUNTS

Taking care

15.1 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 chequebook and **cards** together;
- Do not allow anyone else to use your **card, PIN or other security information**;
- Always learn your **PIN and other security information** and destroy the notification as soon as you receive it;
- Never write down or record your **PIN or other security information**; and
- Always take reasonable steps to keep your **card safe** and your **PIN and other security information** secret at all times.

15.2 If you send a cheque through the post, 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 for example:

- If you are paying a cheque to a large organisation such as a **credit card** company, write on the cheque the name of the account you want the cheque paid into (ABC Credit, account – J Jones);

- If you are paying a cheque into a bank or building society account, always write on the cheque the name of the account holder (XYZ Bank, account – B Brown).

15.3 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**.

What to do if you lose your cheque book, passbook, electronic purse or card

15.4 We will tell you the best way of telling us about the loss. This will usually be by phone, using the numbers we have given you, or by E-mail to the address we have given you for this purpose.

15.5 Once you have told us that your chequebook, 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.

Cards

15.6 We will provide you with clear, descriptive information on the use of your **card**, which shall include details regarding:

- the transactions you may make on your **card** and any limits on the frequency or amounts of such transactions;
- a telephone number for reporting loss or theft of your **card** and the information you will be expected to give to restrict further card use;
- your potential liability for the misuse of your **card** where it is lost or stolen, or where someone else uses your **card** details without your permission, or where your **card** is used before you receive it.

15.7 If you ask us about a **card** transaction, we will give you more details of the transaction. In some cases, we will need you to give us confirmation or evidence that you have not authorised a transaction.

15.8 If we need to investigate the matter further, we will need you to co-operate with us and with the police if we need to involve them.

Electronic purse

15.9 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 lose your wallet.

15.10 We will advise you of your potential liability if your **electronic purse** is credited by unauthorised withdrawals from your account before you tell us it has been lost, stolen or misused. However, if we can show that you have acted fraudulently or without reasonable care, your liability for the misuse of your **electronic purse** may be increased.

15.11 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, stolen or that someone else knows your **PIN**.

15.12 If you act fraudulently you will be responsible for all losses. 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 15.1.





Difficulties

16 FINANCIAL DIFFICULTIES: HOW WE CAN HELP

16.1 We will consider cases of financial difficulty and debt arrears sympathetically and positively. Our first step will be to try to contact you to discuss the matter.

16.2 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 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.

16.3 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.

16.4 In the case of mortgage arrears, possession of your property will be sought only as a last resort when attempts to reach alternative arrangements with you have been unsuccessful.

17 OFFICE CLOSURES

17.1 If we plan to move or close the office or branch of the bank or building society with which you have an account, we will tell you at least eight weeks beforehand. We will tell how we will continue to provide banking services for you.

18 COMPETENCE & TRAINING

18.1 In order to provide banking or building society services in Gibraltar, we have to satisfy the regulatory authorities that we are competent to do so.

18.2 We ensure that our staff receive appropriate training or are adequately supervised for the tasks that they are employed by us to carry out.

18.3 We provide Continuing Professional Development ("CPD") programmes for our staff

19 COMPLAINTS

19.1 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.

19.2 We will tell you about our internal procedures for handling complaints fairly and quickly.

20 MONITORING AND COMPLIANCE

20.1 All banks and building societies are authorised or licensed by the Financial Services Commission subject to their meeting their obligations under the relevant law. We have a Compliance Officer and our internal auditing procedures help us to ensure that we meet such obligations and adhere to the code.

21 GETTING HELP

21.1 If you have any enquiries about the code, or if you want a copy of it, you should write to the Gibraltar Bankers' Association. The address is at the beginning of this publication.

21.2 All banks and building societies, which follow the code, will make copies available to all their personal customers and have notices in all their offices explaining that copies of the code are available.

Website

21.3 Internet address: www.gba.gi

Help us to help you

21.4 It will help us to provide you with a high standard of service if you make sure that 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).

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 about a particular customer's ability to enter into or repay a financial commitment or to operate a bank or building society account.

Card

A general term for any plastic card, which may be used to pay for goods and services or to withdraw cash. In this code, it does not include electronic purses.

Cash Card

A card, other than a credit card, which may be used to pay for goods and services or to withdraw cash but is debited directly from your account.

Cash machine

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

Credit reference agencies

Organisations that hold information about people that is useful to lenders. Banks and building societies 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 credit. Banks and building societies may also give information to the agencies as defined in the above code.

Credit scoring

A system which banks and building societies may use to help them make decisions about whether to lend money. Credit scoring measures the likelihood that a customer will repay a loan on time.

The Direct Debit Guarantee

This protects the customer if a direct debit that they have not authorised is taken from their account. For example, if too much is taken, it is taken too early, it is taken after the customer has cancelled or if the customer has not been given enough notice of

a change to a direct debit which can vary. If any money is wrongly taken from a customer's account under a direct debit then, as soon as the bank or building society is told about it, they will refund the customer's account.

Electronic purses

Any card, or function of a card, which contains real value in the form of electronic money that 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 that is guaranteed not to change over a set period of time.

Fixed term

This applies to products and services that have a set lifetime. The customer may be charged if the bank or building society 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.

Investment Services

Buying or selling investment products on either an execution only basis, advisory basis or discretionary management basis or providing advice on investments.

Mortgage

The term commonly used to describe a loan that is granted to a borrower whereby residential property is the principle item of security.

Other security information

A selection of personal facts and information (in an order which only the customer knows) that is used for identification when using accounts.

Out-of-date cheque

A cheque that 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 the customer has chosen to allow them to use a phone or home-banking service. It is also used for identification.

Personal customer

A person who has an account (including a joint account with another person or an account held as an executor or trustee but not including the accounts of sole traders, partnerships, companies, clubs and societies) or who receive other services from a bank or building society.

PIN (personal identification number)

A confidential number that allows customers to withdraw cash and use other services at a cash machine.

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. 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 without preferential features or advantages.

Superseded account

A savings account that is:

- no longer opened by customers (this could be because the bank or building society has withdrawn it or for some other reason); or
- not actively marketed or promoted to customers; and
- not a fixed rate account

Tariff

A list of charges for services provided.

Unpaid cheque

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





Gibraltar Bankers' Association

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