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PREAMBLE

This Code of Consumer Banking Practice represents the collective and concerted effort of banks in Singapore in reaching out to their customers. Over the last two years, The Association of Banks in Singapore has spearheaded this voluntary initiative and has worked with member banks with retail customers to crystallise for the first time, and on an industry wide basis, the minimum standards of service and conduct, which you, the customer can expect in dealing with your bank.

Like other organisations and corporations, banks in Singapore face some challenging times ahead. Foremost is the preservation and enhancement of the banks' relationship with their customers. We believe that the four principles on which this Code is premised: Fairness, Transparency, Accountability and Reliability, will establish the bedrock for building a trusting and open relationship between you and your bank.

In this first edition of the Code, we have focused on the major elements in banking and prescribed standards and best practices to these. In essence, this booklet should serve as a guide to best practices in banking. The banking industry is committed to deliver standards of practice no less than that stated in the Code.

How will this Code benefit you? It is our hope that the standards of service and conduct described in this Code will foster a better understanding of why banks sometimes behave the way they do. The Code will also serve as a benchmark to help determine whether your bank is providing you with products and services that meet the standards stated in this book.

Mrs Ong-Ang Ai Boon

Director

The Association of Banks in Singapore

CODE OF CONSUMER BANKING PRACTICE

1. Introduction

This Code of Consumer Banking Practice outlines the minimum standards of good banking practice you can expect from your bank. This Code will be a guide for you, the customer, when you transact with your bank and it will help you better understand your bank's responsibilities in serving you.

This Code is issued as a voluntary initiative of the banking industry in Singapore. Members of The Association of Banks in Singapore (ABS), which offer financial services to individual customers, subscribe to the commitments and standards in this Code. It will enhance the industry standards in the provision of products and services to you.

As the needs of customers change and the banking industry evolves, this Code will be reviewed regularly and revised if necessary. All member banks are committed to comply fully with this inaugural edition by 2 January 2003.

2. Objectives

- a. The Code of Consumer Banking Practice for retail banking customers has been developed to:
 - i. promote good banking practices by setting minimum standards in dealing with you;
 - ii. increase transparency so that you can have a better understanding of what you can reasonably expect of the services;
 - iii. promote a fair and cordial relationship between you and your bank;
 - iv. foster confidence in the banking system.

This Code further outlines the establishment of a formal structure and process for dispute resolution at The Association of Banks in Singapore for retail banking customers.

3. Key Commitments

Your bank's relationship with you will be guided by four key principles:

a. fairness:

Your bank commits that it will:

- i. act fairly and reasonably in all its dealings with you;
- ii. ensure that all the products and services offered are in line with the Code;
- iii. establish a clear and common set of procedures to ensure that any disputes between you and your bank will be resolved fairly and quickly.

b. transparency:

Your bank commits that it will:

- i. provide you with relevant and useful information that will help you arrive at informed decisions about its products and services;
- ii. provide clarification, highlighting major points that impact the products and services that you are interested in buying;
- iii. inform you of the range of products and services offered through various delivery channels (e.g. over the Internet, telephone or in branches).

c. accountability:

Your bank commits that it will:

- i. explain and help you understand the financial benefits of its products and services that you are interested in buying, how they work and the risks involved;
- ii. ensure that the procedures laid down for the bank's staff reflect the commitments set out in the Code;
- iii. ensure that all products and services meet relevant laws and regulations of Singapore.

d. reliability:

Your bank commits that it will:

- i. have a secure and reliable banking system;
- ii. ensure your records and transactions are kept confidential and accurate;
- iii. maintain a reliable system of security controls for the bank's self-service banking channels;
- iv. ensure that the information provided is up-to-date.

4. Service Standards

Your bank will ensure that:

- a. its staff are trained to provide prompt and efficient service, so that your transactions will be handled promptly and your queuing time minimised;
- b. ATMs and other self-service banking channels, if offered, will be available both day and night to serve you; however, please note that the machines may be temporarily inaccessible when they undergo regular servicing and maintenance;

- c. information on its products and services will be updated and current. It will be made easily available at bank branches, through your bank's website and other appropriate channels;
- d. its internet banking and e-banking services will comply at all times with the MAS guidelines issued on 12 Nov 2001 on "Responsibility for Internet Banking Security";
- e. you will be informed 30 days in advance before implementation of any changes to the Terms and Conditions, fees and charges and discontinuation of services/relocation of premises (see Section 12 for details);
- f. its officers will handle and respond to your feedback;
- g. your complaint will be acknowledged within 2 business days of receipt and will be investigated. We will respond to you on the status of the investigation within 14 business days. (For complaints requiring investigation by a third party this may take more than 14 days.);
- h. a contact point will be available to handle your queries and concerns;
- i. a dispute resolution process is in place to ensure all complaints are quickly and fairly dealt with. (Please see Section 19 for details).

5. Information Your Bank Will Provide

Your bank will help you to choose a product or service that meets your needs.

- a. Before you choose a product or service, your bank will:
 - i. explain clearly the key features of the range of products and services that you are interested in;

- ii. state in clear and plain language, the salient terms and conditions of a product or service, including any charges incurred;
 - iii. request you to provide all the information needed to verify your eligibility.
- b. The questions you should raise with your bank when considering the following products and services have been listed for your reference at **Appendix I items 1 - 5**:
 - i. placing a fixed deposit
 - ii. taking up a loan
 - iii. investing in a unit trust fund
 - iv. applying for a credit card
 - v. buying bancassurance products
- c. There are various **bancassurance products** available with varying features, benefits and coverage. For a basic policy, you should ask the questions as listed to ensure you have a clear understanding of the product. (see **Appendix I item 5**.)
- d. **Being a guarantor** is a serious commitment and has significant consequences on you. You must give it sufficient consideration and seek independent legal advice before you agree to it. The questions you should raise with the bank when considering to be a guarantor have been listed. (see **Appendix II**.)
 - i. The bank should, in writing, advise you of the quantum and nature of your liabilities.
 - ii. The bank should advise you to seek independent legal advice before you enter into a personal guarantee.

- e. After your bank has provided you with all the above information, you still need not make a commitment to select or buy the product or service, accept its offer or utilise a service unless you choose to do so. You may wish to seek your own financial and legal advice before deciding to select the product or service.
- f. Once you have chosen a product or service, your bank will:
 - i. give you a copy of the terms and conditions, where applicable, for your agreement and acceptance;
 - ii. inform you of applicable charges, fees or additional interest you will have to bear should you decide on an early termination of any contract - e.g. early repayment of a housing loan or early withdrawal of fixed deposits.

6. Marketing and Promotions

- a. Your bank will exercise care in the use of direct mail:
 - i. where customers are less than 16 years of age;
 - ii. when promoting loans, overdrafts and other credit facilities.
- b. The bank will also ensure all advertising and promotional materials are not misleading and comply with all relevant and applicable legislation, codes and rules.
- c. Plain language will be used to the extent that it is consistent with the need for legal certainty. Legal and technical language will be used only where necessary.
- d. All printed advertising and promotional materials for banking services which include a reference to an interest rate, will include the Effective Interest Rate (EIR), other relevant fees and charges.

7. Basic Banking Services

- a. The major retail banks are committed to provide affordable basic banking services through the provision of a basic banking account. You may wish to check this out with your bank.
- b. The bank offering the basic banking account will be able to provide you with the conditions and details for the operation of such an account.

8. Terms and Conditions

- a. Your bank will ensure that:
 - i. a written set of Terms and Conditions relating to each banking service will be made readily available, where applicable and highlight to you the fees, charges, penalties and relevant interest rates as well as your liabilities and obligations in the use of a banking product or service;
 - ii. its staff will be available to answer any queries you may have concerning the Terms and Conditions;
 - iii. the Terms and Conditions provide a fair and balanced description of the relationship between you and your bank;
 - iv. plain language is used to the extent that it is consistent with the need for legal certainty. Legal and technical language will only be used where necessary;
 - v. its operations are in line with the regulatory framework and guidelines as set out by the Monetary Authority of Singapore or Ministry of Finance and all other regulatory authorities.

- b. Your bank will ensure that you are notified of any changes in the Terms and Conditions governing the product or service through an appropriate channel (see **Section 14** for details).
- c. Your bank will:
 - i. in most instances, give you 30 days' notice before any variation to the Terms and Conditions relating to fees and charges and the liabilities or obligations of Customers take effect;
 - ii. where the variation is substantial or the changes are complicated, provide a written summary of the key features of the revised Terms and Conditions.
- d. If you refuse to accept the variation to the Terms and Conditions, you may choose to terminate the banking service, subject to the existing terms of offer and applicable Terms and Conditions.

You are advised to read and understand the Terms and Conditions applicable to each banking service.

9. Accounts

a. Opening of Accounts

- i. Your bank will need to satisfy itself about the identity of a person seeking to open an account in order to protect their customers, the public and themselves against misuse of the banking system. Hence, you will need to provide your bank with the relevant identification documents to support your account opening.
- ii. Your bank will provide you upon request, information about the identification requirements.

b. Operation of Accounts

Your bank will provide monthly statements of your accounts, unless otherwise stated in the Terms and Conditions. However the product feature of the account may exclude the provision of such statement, for example, Passbook accounts.

c. Closing of Accounts

- i. You or your bank may end any banking relationship at any time subject to specific terms and conditions relating to the closing of accounts;
- ii. Additionally, your bank will not close your account without giving reasonable notice, except under exceptional circumstances, for example, where the account is being used for criminal activity.

10. Loans

- a. Before taking up a loan, you may wish to refer to the ABS publication **“Loans and You”** which is available from your bank.
- b. Your bank may use one or more of the following criteria for making the financial assessment of your loan application:
 - i. income and financial commitments
 - ii. prior knowledge of your financial affairs
 - iii. information obtained from credit reference agencies
 - iv. credit assessment techniques such as credit scoring
 - v. security provided, if any

- c. Request your bank to give you the **Customer Information Sheet** (see **Appendix I item 2**) with the relevant information when considering taking up a loan with your bank.
- d. In the case of housing loans, your bank will provide you with revised instalments payable after every adjustment of the interest rate.
- e. In addition, for a housing loan, an insurance policy has to be taken up to protect the property against risks. Your bank will advise you on the coverage for the policy to be taken.

11. Debt Recovery Expenses

When you take up a loan or credit facility, you would have agreed to repay the loan or amount outstanding. If you are unable to repay, the bank will have the right to take steps to recover the amount owing and in doing so, will incur expenses.

- a. Your bank will not incur unreasonable costs and expenses in the process of recovering the debt owing.
- b. Your bank may be entitled to offset the outstanding amount owing with any credit balances in your other accounts including your deposit account with the bank.
- c. Upon request, your bank will provide a detailed breakdown of the costs and expenses.
- d. Your bank will not try to recover debt from third parties including your referees, family members or friends if these persons have not signed a formal contract to guarantee your liability.

12. Interest Rates for Loans and Deposits

Interest is charged by banks for the use of the money lent to you. Interest is also paid when banks accept an interest-bearing deposit from you. You should note that not all deposits earn interest.

- a. For both **interest-bearing deposits and loans**, your bank will:
 - i. give you information on the applicable interest rates for the contracted period and the basis and frequency at which deposits or deductions are to be made;
 - ii. explain the method used to calculate interest rates, e.g. daily or monthly;
 - iii. provide you the total amount you will receive on your fixed deposits and the amount you have to pay for your loans;
 - iv. disclose both the nominal and the effective interest rates as the two may vary depending on the way the loan is structured;
 - v. notify you of any changes in interest rates within the stipulated period as appropriate for that product or service.
- b. For **fixed deposits**, you should be aware that when uplifting or breaking your fixed deposit prematurely, the levy of charges and the payment of interest vary from bank to bank. Please ask your bank to explain their charges and interest payment to you before you decide to place your fixed deposit with it. See **Appendix I item 1** for questions that you need to ask your bank on placing a fixed deposit.

- c. For **loans**, you should know that interest rates can either be:
 - i. **fixed**, e.g. at 3.75% per annum - which means that it remains at this rate throughout the specified period of the loan; or
 - ii. **variable**- which means it is subject to change. It can be pegged to the bank's prime rate, e.g. prime + 2% per annum. This means that the interest rate changes when there is a change in the prime rate. The rate can also be set as a consumer board rate for some loans such as housing loans and unsecured credit line facility. See **Appendix I item 2** for the information your bank will provide when you are enquiring about a loan.
- d. For deposit placed in foreign currency, there are other considerations and risks and when accepting your money for it, your bank will:
 - i. highlight to you the inherent exchange rate risks and exchange controls (if any) applicable to holding such deposits;
 - ii. advise you when you open such an account that earnings on deposits would be dependent on the exchange rates prevailing at the time of their maturity if any conversion of currency takes place.

13. Fees and Charges

Costs are incurred in providing various services to you. Charges and fees are levied for these services rendered.

- a. Your bank will, for all charges and fees levied:
 - i. provide you with a schedule of fees and charges (including commissions payable) for the service or product that you have chosen;

- ii. display its standard fees and charges at all bank branches or other appropriate channels;
 - iii. inform you of the basis of charges for services rendered which are not subject to standard fees and charges at the time the services are offered or on request;
 - iv. inform you of any additional charges or expenses that you have to pay such as search fees to retrieve available past records and the reasons for charging;
 - v. notify you at least 30 days before any change in fees and charges take effect as well as any change in the basis on which the fees and charges are determined so long as these changes are within your bank's control.
- b. In some instances, third party charges are involved.

You should know that there are some charges which are not levied directly by your bank but arise when another bank, financial institution, party or parties is/ are needed to complete or settle your transaction. Your bank may not know in advance nor be able to advise you of the actual charges the third party may levy on you.

However, where possible, your bank will:

- i. inform you of the relevant service and applicable charges;
- ii. advise you of charges (e.g. if you choose to withdraw foreign currency funds from third party cash machines overseas, using any bank-issued cards);
- iii. highlight to you that these agent's fees may reduce the amount due to you and your beneficiary.

c. You should be aware that:

- i. your bank may not always be able to advise you of charges and commissions in advance, e.g. foreign exchange commission and other charges, levied by its agent banks;
- ii. you will incur commission, collection and other charges when you bank in a foreign currency cheque over the counter or through the cheque deposit box. These charges will reduce the amount that you will ultimately receive.

d. Charges For Early or Premature Termination

When you place a fixed deposit or take up a loan facility with your bank, charges may be levied if you break the deposit or repay the loan in full prematurely. In most cases, your bank would have taken a corresponding commitment on your deposit/loan with a counter-party. If you should decide to terminate the facility and prematurely break the deposit, your bank may have to levy charges to cover the cost of its own commitment.

14. Channels of Communication

- a. From time to time and when necessary, your bank will notify you of changes to the following:
 - i. terms and conditions
 - ii. fees and charges
 - iii. interest rates
 - iv. planned discontinuation of service
 - v. relocation of premises

- b. Your bank will communicate these changes to you through any of these appropriate channels:
 - i. account statements
 - ii. its ATMs
 - iii. its branches
 - iv. the Internet, including its website or through e-mail
 - v. letters
 - vi. the newspapers
- c. Should you need clarification on these changes, please:
 - i. call your bank's hotline
 - ii. ask your bank's staff at its branches
 - iii. write to your bank
 - iv. e-mail your bank

15. Updating Your Address

- a. To enable your bank to serve you better and keep you posted of any changes, please keep your bank informed of any change in your postal and e-mail addresses, as well as your telephone numbers.
- b. You should note that if the bank has mailed you a letter informing you of any changes to your last known address, it will be deemed as notice given. Please, therefore, remember to inform your bank of any change in your mailing address.

16. Understanding Risks

There are inherent risks involved in any investment such as foreign exchange risk, sovereign risk and interest rate fluctuations e.g. for foreign currency deposits or loans, adverse exchange rate movements could erase the deposit interest earnings completely or increase the quantum of loan payment substantially.

Before you commit to a particular investment or foreign currency account, your bank will:

- i. draw your attention to the caution in all documents, advertising materials and literature soliciting foreign currency deposits and offering such loans;
- ii. ensure that all advertising material accurately reflects the product/service being advertised. Where appropriate, the risks involved will be highlighted.

17. Safeguarding Your Information

Your bank will:

- i. treat all your personal information as private and confidential;
- ii. comply at all times with the Banking Secrecy provision of the Banking Act (Cap.19), Last Update -10 Oct 2001;
- iii. stop using your personal information for its own marketing purposes if you inform your bank that you object to this practice;
- iv. provide your personal particulars and your loan performance profile, to the consumer credit bureau which is recognised by the Monetary Authority of Singapore and gazetted under the Banking Act.

18. Protecting Your Accounts

Your bank is working towards making banking more convenient for you and is expanding its self-service banking facilities. Your bank will ensure that its banking systems are reliable and secure.

However, the security of the system also depends on you being aware of the need to:

a. ATM Card

Protect and keep secure your ATM card

b. Cheque Book/Passbook

Protect and keep your chequebook and passbook in a safe and locked place, when you are not using them.

When **drawing cheques**, please take note of the following:

- i. Do not pre-sign your cheques.
- ii. Write your instructions on cheques in dark ink (e.g. black or navy). Do not use red/light/fluorescent ink.
- iii. Write your cheque in such a way as to prevent unauthorised insertions, e.g. rule off any blank space after the payee's name and always insert the word "only" after the amount in words.
- iv. You may use "A/C payee" rubber stamps with dark ink.
- v. Do not use Company rubber stamps as part of your signing mandate.
- vi. You may use a Cheque Writer/Franking Machine with dark colour ribbon (e.g. black or navy).
- vii. Do not use Facsimile Signatures on your cheques. The transmitted image of a Facsimile Signature will not be acceptable as a security feature.

c. PIN

Protect and secure your PIN (for ATM, phone-banking, internet banking, e-banking, mobile banking services and wireless banking).

You can protect your PIN and other security information by:

- i. not allowing anyone else to use your card, know your PIN or any other security information;
- ii. memorising your PIN and other security information and destroying the notification immediately. You should not write and keep a record of your PIN together with your card;
- iii. not using easy-to-remember dates or numbers like your NRIC number or birthday as your PIN or password;
- iv. changing your PIN or password periodically.

d. Mobile Phones/Personal Computers

Safeguard your on-line devices such as mobile telephones and personal computers (PC) against unauthorised access.

e. Internet Banking

For Internet banking, you can adopt these measures to protect your PCs against viruses and malicious programs to supplement those provided by your banks:

- i. Installing security programmes to protect against hackers, virus attacks or malicious 'Trojan Horse' programmes. These security programmes are capable of preventing and detecting unauthorised access to your home PCs. They are available at most computer software retailers. Additionally, you should update the software's virus definition frequently;

- ii. Disabling the 'File and Printing Sharing' feature on your operating system. This prevents an external party from gaining illegal control or access to your PC. You can refer to PC vendors or instruction manual on how this is done;
- iii. Logging off your PC when not in use;
- iv. Not storing your user ID/PIN in the Internet Explorer Browser;
- v. Not using shared/public PCs for Internet Banking;
- vi. Checking your account and transaction history regularly.

Please remember to:

- i. inform your bank immediately if your passbook, card or cheque book is lost or has been stolen by calling its 24-hour phone service;**
- ii. change your PIN, password and any other security information and inform the bank as soon as possible, once you suspect someone else knows this information.**

19. Complaints - Dispute Resolution Process

Your bank is committed to providing you with a high level of service. However there may be occasions when complaints and disputes arise. In this instance, the Code specifies a structured process for your complaint to be dealt with.

a. Principles

The underlying principles for dealing with your complaints are:

- Sincerity** - your complaint is important feedback and the bank will treat it seriously
- Transparency** - the procedures for handling complaints are documented and apply to all customers
- Effectiveness** - the procedures will provide for a speedy resolution

b. Raising A Complaint - with your bank

If you have an issue to raise or are dissatisfied with a particular service with your bank, there are 4 steps you can take:

Step One

You should contact your bank. You can do this by:

- Calling the bank's hotline
- E-mailing the bank
- Writing to the bank
- Speaking directly to the bank staff serving you

You need to provide your bank with the details of your specific complaint and supporting documents to help expedite matters.

On its part, your bank will ensure that:

- i. all staff who deal directly with customers are familiar with the complaint procedures and are able to help you by giving correct information about these procedures;

- ii. it acknowledges your complaint within 2 business days of receipt of it;
- iii. it investigates your complaint and informs you of the status of its investigation within 14 business days of receipt of your complaint (For complaints requiring investigations conducted by a third party, this may take more than 14 days);
- iv. an independent officer in the bank is empowered to handle the complaint.

Step Two

If you are dissatisfied with the outcome, you can contact the Quality Service Department of your bank. It is staffed with officers empowered to objectively handle your complaint. It will:

- i. give you a written response within 14 business days of the appeal;
- ii. inform you of any further action you can take which will include going to a third party.

c. Consumer Mediation Unit - Alternative Dispute Resolution Raising A Dispute - beyond your bank

Step Three

If you are still dissatisfied with your bank's response, after dealing with the Quality Service department at the bank, you can approach the **Consumer Mediation Unit** in ABS. Where possible, the Unit will give you an assessment of your case and mediate to resolve your dispute. If necessary, you will need to authorise your bank to disclose your account information to the parties who are involved in the investigation. The Unit will respond to you within 14 business days. The **Consumer Mediation Unit** will refer your case to your bank if it has not yet have a chance to look into your complaint.

Step Four

If you are still dissatisfied, you may ask the **Consumer Mediation Unit** to refer your case to the **Panel of Mediators** on payment of a nominal fee. The Panel of Mediators will comprise a current banker, a solicitor and a non-bank professional who will consider your dispute and give an objective and independent assessment. Where necessary, the Panel of Mediators will interview you and/or your bank to gather all information to investigate. The Unit will inform you of the outcome within 14 business days. The decision of the Panel of Mediators is final and your case will be closed even if you do not accept the decision.

d. Scope of the Consumer Mediation Unit

The Consumer Mediation Unit does not cover the following:

- i. cases involving corporate/SME, sole proprietorship and partnership accounts;
- ii. cases already facing or pending court action;
- iii. cases where the amount of the claim is more than \$50,000.00 (regardless of the size of the facility or transaction);
- iv. cases with "final response" replies from the bank that are dated more than three months back;
- v. complaints about banks' pricing policy and other policies, such as increase in interest rates, introduction of fees etc;
- vi. commercial decisions of banks, e.g. facility denied, cessation of service or product;
- vii. cases which involve a question of law;
- viii. claims which are deemed frivolous or inappropriate by the Unit.

e. **Supervision of the Consumer Mediation Unit**

A **Board of Advisors** will oversee the operations of the Consumer Mediation Unit.

Its role is to:

- Ensure independence and effectiveness of the Unit and the Panel of Mediators
- Review the activities of the Unit on a periodic basis
- Monitor the key performance indicators of the Unit
- Provide an annual report of the Unit's performance in the ABS Annual Report

It will comprise at least 5 members, chaired by a retired Judge or a retired senior civil servant. The other members of the Board could include representatives from the incumbent Chairman bank, a Qualified Full-licensed Bank, a grassroots leader and a non-bank professional

20. **Customer Enquiries**

You can make enquiries on your bank's products and services or give feedback through its:

- website
- telephone hotline
- bank branches

QUESTIONS TO RAISE TO YOUR BANK WHEN CONSIDERING THEIR PRODUCTS & SERVICES

1. FIXED DEPOSITS

a. Premature Withdrawals

If I need to prematurely withdraw my fixed deposit, will the bank pay the interest for the period the deposit was placed with it? If so, how will the interest be computed?

b. Charges

What are the penalty or charges I have to pay, if any, for pre-maturely withdrawing my fixed deposit with the bank?

c. Rollover of Fixed Deposits

If my fixed deposit matures and I leave it in the bank, will the bank pay me interest on the fixed deposit for the period until I withdraw it?

d. Withdrawals

What identification do I need to present when I withdraw my fixed deposit?

e. Loss of Fixed Deposit Receipt

What if I lose the original fixed deposit receipt?

f. Public Holidays

What if the maturity date falls on a public holiday?

2. LOANS

Request your bank to give you the **Customer Information Sheet** with the relevant information when considering taking up a loan with your bank.

CUSTOMER INFORMATION SHEET

This sheet is for information purposes only. It sets out the current main costs and charges for the facility required and these are subject to change at the Bank's discretion. Please note that this does not constitute an offer of any facility by the bank.

Bank Name/Logo _____ Name of Enquirer: _____
1. Branch: _____ Type of Facility : _____

LOAN AMOUNT AND BANK INTEREST/CHARGES

- | | | |
|---|--------------|----------|
| 2. Amount applied for (Principal sum) | \$ _____ | |
| 3. (Less: 1st instalment/interest paid upfront) | (\$ _____) | |
| 4. Net amount received by customer | | \$ _____ |
| 5. Applied Rate | _____ % p.a. | |
| 6. Effective Interest Rate | _____ % p.a. | |
| 7. Payment Per Month | \$ _____ | |
| 8. Number of Repayments | _____ | |
| 9. Total Interest | \$ _____ | |
| 10. Processing Fees | \$ _____ | |
| 11. Other Bank Fees/Charges (please specify, if any) | _____ | \$ _____ |
| | | \$ _____ |
| 12. Total Fees/Charges (line 10 + line 11) | \$ _____ | |
| 13. Total Interest plus Total Fees/Charges (line 9 + line 12) | | \$ _____ |
| 14. Total Amount Payable (line 2 + (3) or line 4 + line 13) | | \$ _____ |
| 15. Date of Commencement of Repayment | _____ | |

ADDITIONAL CHARGES

The bank will impose charges for : -

(a) Early Repayment of Loans:

- | | Partial repayment | Full repayment |
|-------------------------------------|-------------------|----------------|
| 16. If repaid within | _____ year(s) | _____ year(s) |
| 17. The minimum repayment amount is | \$ _____ | |
| 18. Prepayment Fees | \$ _____ | \$ _____ |
| 19. Processing Fees | \$ _____ | \$ _____ |
| 20. Notice period required | _____ | _____ |

(b) Late Payment of Instalments

- | | |
|----------------------------------|---------------------------------------|
| 21. The interest charged will be | _____ % p.a. (for the overdue amount) |
| 22. Processing Fees | \$ _____ |
| 23. (c) Default Charges | _____ |

THIRD PARTY CHARGES

24. The above information **DOES NOT** include third party charges – such as stamp duties, legal fees, valuation fees, insurance premiums etc. Please check with the relevant parties for the charges.

INSURANCE POLICY REQUIRED

Officer-in-attendance : _____

Signature : _____

Date : _____

3. CREDIT CARDS

- a. Request your bank to give you the **Highlights of Terms and Conditions** governing the Credit Card that you are applying for to provide you the following information:
 - Repayment grace period
 - Interest rate charges for outstanding balances
 - Minimum monthly payments
 - Late payment charges
 - Annual membership fees
 - Cash advance charges
 - Lost/Stolen card liability
- b. At the same time, **ask yourself** the following 15 questions when applying for a credit card
 - i. Why am I applying for this card?
 - ii. Can I pay for the purchases in full each month? Or do I intend to pay the minimum sum required and rollover my payment?
 - iii. If I do rollover my payments, do I have the capacity to pay the accompanying charges?
 - iv. Do I understand the terms and conditions for the use of the card? For example, do I know what the various fees, interest, finance charges and penalties that accompany the use of the credit card?
 - v. What action can the bank take if I fail to settle my overdue payments?

Membership Fees

- vi. When will the promotional free membership period, if any, expire? What is the fee I will have to pay after the expiry period?

Payment

- vii. What is the minimum amount I have to pay each month?
- viii. How much interest do I have to pay on the outstanding amount?

- ix. If I do not make the minimum payment for one month, what are all the interest and other charges that I will have to pay?
- x. What are the charges I will incur if my payment, either by cheque or GIRO, is returned for whatever reasons?

Cash Advances

- xi. If I take a cash advance from my credit card line, what are the charges that I will have to pay?

Loss of Credit Card

- xii. If I lose my credit card, what must I do?
- xiii. If I lose my card what are my liabilities for unauthorised purchases?

Credit Limit

- xiv. What is my credit limit?

Changes in Terms and Conditions

- xv. If there are any changes in the terms and conditions for the use of the card, will I be informed of these changes? If so, when will I be informed of these changes?

4. UNIT TRUSTS

- a. What is the profile and background of the asset management company that I am going to invest my money with?
- b. Can I invest with cash, CPF and/or SRS savings?
- c. What are the risks for investing in this unit trust fund? Are the risks acceptable to me?
- d. What is the upfront sales charge that I have to pay when I invest in this unit trust?
- e. What are the other charges that I have to pay, e.g. management fee, switching fee, redemption fees (if any)?

- f. How and when will these charges be levied?
- g. What is the price of each unit of this fund?
- h. How soon can the bank inform me of the number of units I have invested?
- i. When and where can I redeem my units?
- j. How long does it take for me to receive my sales proceeds?
- k. How often do I receive updates on my holdings and performance of the unit trust?

5. Bancassurance

- a. Which of the following risks am I likely to face:
 - i. loss of income
 - ii. unemployment
 - iii. disability
 - iv. death
 - v. divorce
 - vi. catastrophic losses
- b. What does the policy insure me against?
- c. What are the features and benefits?
- d. What are the premiums payable and frequency of payment?
- e. Can I cancel the insurance plan prior to expiry/maturity?
- f. What is the cash value if I cancel the policy?
- g. What is the guaranteed value on maturity?
- h. Does the policy provide for a policy loan? If so, what is the interest rate payable?

Questions you should raise with the bank when considering to be a guarantor

- a. What is my liability as a guarantor?
- b. What is the amount of the liability that I am committing myself to the bank?
- c. Under what circumstances will the bank call on me to pay up my liability?
- d. Does the bank have recourse to my other monies in the bank if I fail to pay up as a guarantor?
- e. Are my liabilities as a guarantor limited to a specific quantum or are they unlimited?
- f. When will my liabilities as a guarantor be discharged and how will I be notified?

Useful Definitions of Banking Terms

Banker's References:	<p>A banker's reference is an opinion about a particular customer's ability to enter into or repay a financial commitment. It is given by an institution, to an enquirer, with the prescribed consent of the customer concerned. Typically, the reference will cover information confirming that an account is held and how long for. It indicates the customer's financial position but is not intended to be conclusive proof of the customer's position.</p>
Business Day:	<p>A day on which business may be conducted, excludes Saturday and Sunday.</p>
Basic Banking Accounts:	<p>An account which offers a limited number of free transactions for a low and affordable monthly account fee.</p>
Cards:	<p>A general term for any plastic card which may be used to pay for goods and services or to withdraw cash.</p> <p>Common examples are:</p> <p>Credit card - A card which allows cardholders to buy on credit and to obtain cash advances. Cardholders receive regular statements and may pay the balance in full, or in part usually subject to a certain minimum.</p>

Interest is chargeable on outstanding amounts not paid in full.

Debit card (EPS card) - A card, operating as a substitute for a cheque, that can be used to obtain cash or make a payment at a point of sale. The cardholder's account is subsequently debited for such a transaction without deferment of payment.

Cash card (ATM card) - A card used to obtain cash and other services from an ATM. It can also be used to pay for purchases made at departmental stores, petrol kiosks, etc.

Consumer Credit Bureau: A consumer credit bureau is a repository of factual information on the credit application and repayment records of consumers. The bureau provides this specific information to its members (credit providers), under authorised conditions, to carry out a creditworthiness check on a consumer. In doing this, the bureau helps lenders to make accurate and responsible lending decisions, and to guard against fraud.

Commission: Money paid to an agent as fees for his services.

Electronic Banking
(e-banking) Services:

Banking services delivered over the internet, wireless network, Automatic Teller Machines (ATMs), fixed telephone network or other electronic terminals or devices.

Electronic Funds Transfer
At The Point Of Sale:

An electronic payment and purchase technique whereby a shopper's Debit Card or Cash Card (ATM Card) is used to query his bank account and obtain information on whether there is enough money in his account to afford the purchase. If sufficient funds exist his account will immediately be debited and the shop's account credited.

Guarantee:

An undertaking given by a person called the guarantor promising to pay the debts of another person if that other person fails to do so.

Overseas Agent Bank:

Overseas bank which facilitates transactions abroad for you on behalf of your bank in Singapore.

Paying Agent:

The institution, usually one major bank in each relevant financial centre, which is charged with collecting, verifying and paying the coupons from bearer securities.

Personal Identification
Numbers (PINs):

Confidential numbers provided on a strictly confidential basis by card issuers to cardholders. Use of this number by the customer will allow the card to be used either to withdraw cash from an ATM or to authorise payment for goods or services in retail or other outlets, by means of a special terminal device.

Post-dated Cheque:

A cheque that is dated some time in the future and not payable at point of issuance.

Promotional Material:

Any literature or information which is designed to help sell a product or service to a customer. This does not include information relating to service enhancements and changes to customer's existing accounts which need to be sent to the customers to meet legislative requirements or which may be sent where it is in the interest of customers.

Retail Individual Customer:

A private individual who maintains an account (including a joint account with another private individual or an account held as an executor or trustee, but excluding the accounts of sole traders, partnerships, companies, clubs and societies) or who receives other services from an institution.

Security:

A word used to describe the pledging of assets, such as properties and shares to institutions as support for loans granted to customers. If the loans are not repaid, the institution's position is "secured" which means that it can sell the assets to meet the amount outstanding on the loan.

Third Party Security:

Security provided by a person who is not the borrower.

Yield:

The annualised return on an investment, expressed as a percentage.