

ASSOCIATION OF GUERNSEY BANKS CODE OF CONDUCT FOR MEMBER BANKS

THIS CODE, WHICH IS ADOPTED BY ALL MEMBER BANKS, SETS OUT STANDARDS WHICH THEY EXPECT TO FOLLOW IN THEIR DEALINGS WITH CUSTOMERS.

INTRODUCTION

The objects of this Code are as follows:

- (a) To set out the minimum standards which member banks are expected to follow in their dealings with private customers.*
- (b) To have available for the public details of those standards, so that customers may judge whether or not they are being met in their relationships with member banks.

PROCEDURES AND SCOPE

Members will conduct their business at all times and in all circumstances in such a manner that at no time will their activities bring any disrepute to the Bailiwick of Guernsey. They are expected to adopt the highest standards in handling all aspects of customers' affairs but, as the range of activities undertaken by banks operating in the Bailiwick is so wide, it is clearly impractical for this Code to set out to meet every eventuality.

As a result, the Association has decided to publish standards of practice in key areas, but on the understanding that the underlying principles should be applied universally to all services which are provided.

The key areas are as follows:-

- (1) **Opening accounts**
- (2) **Terms and conditions**
- (3) **Bank charges**
- (4) **Debit interest (payable by customer)**
- (5) **Credit interest (payable to customer)**
- (6) **Handling customer complaints**
- (7) **Confidentiality of customer information**

1 OPENING ACCOUNTS

- a) Banks operating in the Bailiwick are required to have procedures in place which enable them to be satisfied as to the bona fides of potential customers before entering into a business relationship with them.

This serves to protect customers, members of the public and the banks against fraud and other misuse of the banking system.

- b) Upon request, members will provide prospective customers with details of the identification which is required and of any other references which may be needed.
- c) Members will observe the requirements of the Guidance Notes on the Prevention of Money Laundering issued from time to time by the Joint Money Laundering Steering Group.

2 TERMS AND CONDITIONS

- a) Written terms and conditions for banking services will be expressed in clear language and describe accurately the relationship between the customer and the bank.
- b) Members will state what notice is required before any variations of the terms and conditions are made and how customers will be notified of such changes.
- c) Members will not close customers' accounts, other than in exceptional circumstances, without first giving reasonable notice.
- d) To help customers manage their accounts and check entries, members will provide them with regular statements of account, unless specific instructions to the contrary have been given.

*The term "customers" in this Code includes customers and their advisers. "Advisers" are a customer's intermediary, lawyer, investment adviser/consultant, accountant or similar person whom the bank is satisfied is the bona fide representative of a customer and who has authority to operate an account on the customer's behalf.

3 BANK CHARGES

- a) Upon entering into a business relationship with a customer, members will provide details of bank charges, if any, payable in connection with any service which is supplied.
- b) A tariff of current charges in connection with a service shall be available for the customer upon request.

**4 DEBIT INTEREST
(PAYABLE BY CUSTOMER)**

- a) Upon the opening of an account, members will notify customers of the interest rates applicable to their accounts, the basis on which interest is calculated and when it will be debited from their accounts. This will include the rates applicable when accounts are overdrawn without prior agreement or exceed an agreed borrowing limit. Members will also explain the basis on which they may vary interest rates.
- b) Details of current debit interest rates will be made freely available by members.

**5 CREDIT INTEREST
(PAYABLE TO CUSTOMER)**

- a) Upon entering into a business relationship with a customer, members will notify the interest rates applicable to their accounts, the basis on which interest is calculated and when it will be credited to their accounts. Members will also explain the basis on which they may vary interest rates.
- b) Details of current credit interest rates will be made freely available by members.

6 HANDLING CUSTOMER COMPLAINTS

- a) Each member will have its own internal procedure for handling customers' complaints fairly and expeditiously.
- b) Customers who wish to make a complaint will be told how to do so and what further steps are available to them if they believe that the complaint has not been dealt with satisfactorily in the first instance.
- c) Members will ensure that all their staff who deal directly with customers are made aware of their internal complaints procedure and are able to help customers by giving correct information about it upon request.

**7 CONFIDENTIALITY OF
CUSTOMER INFORMATION**

- a) Members will observe a strict duty of confidentiality about their customers' (and former customers') affairs. The duty of confidentiality is, however, not absolute and members will co-operate with the Guernsey law enforcement agencies when required to do so by the laws of Guernsey.
- b) Members will, at all times, comply with the Data Protection (Bailiwick of Guernsey) Law, 1986 when dealing with customers' information. Members will explain to their customers upon request the rights they have, under the Data Protection Law, to have copies of information relating to their personal records which are held on computer files.