

Banker's Code of Conduct

Introduction

This is a voluntary Code followed by banks in their relations with their customers in Botswana. It sets standards of good banking practice that are followed as a minimum by the banks subscribing to it. As a voluntary Code, it allows competition and market forces to operate to encourage higher standards for the benefit of customers.

The standards of the Code are encompassed in the nine key commitments below. These commitments apply to the conduct of business for all products and services provided to customers.

The Code provides valuable safeguards for customers. It will help them to understand how banks are expected to deal with them. Customers should establish who subscribes to the Code by either consulting the list on the last page or by contacting the Bankers' Association of Botswana.

Copies of the Code are available from banks and the Bankers' Association of Botswana.

In the context of the Code, "you" and "your" means the customer and "we" and "our" refers to the bank with whom the customer deals.

The Code became effective on 1 July 2002.

Key Commitment

We, the subscribers to this Code, will endeavour to:

- act fairly and reasonably in all our dealings with you;
- ensure that all services and products comply with this Code and relevant laws and regulations of Botswana, including the Bank of Botswana Policy on Disclosure of Bank Charges;
- give you information on your services and products in plain language, and offer our help if there is any aspect that you do not understand;
- help you to choose a service or product to fit your needs;
- help you to understand the financial implications of:
 - mortgage bonds,
 - other borrowing products, and
 - savings and investment products;
 - card products;
- help you to understand how your accounts work;
- have safe, secure and reliable banking and payment systems;
- ensure that the procedures our staff follow reflect the commitments set out in this Code;
- correct errors and handle complaints speedily.

Authorities

We will comply with all relevant laws and regulations of Botswana.

We will observe the Bank of Botswana Policy on Disclosure of Bank Charges.

Customers

Fundamental principles

Customers should:

1. communicate any changes in their circumstances, and all relevant information, to their bank in a timely and accurate manner;
2. respect confidentiality (e.g. protect at all times, and never disclose, their personal identification number - PIN).
3. avoid conflicts of interest;
4. offer their services irrespective of race, religion or gender;
5. educate and help you to choose services or products to fit your needs;
6. safeguard your deposits;
7. correct errors and handle your complaints speedily;
8. act fairly and reasonably in all their dealings with you;
9. recognise the need to ensure the reliability of their systems and technology;
10. respect confidentiality.

Opening and closing of accounts

To assist in protecting their clients, employees, members of the public and themselves against fraud and other misuse of the banking system, banks, when opening accounts, will reasonably satisfy themselves as to the identity of the applicants in terms of section 44 (l) of the Banking Act of 1995.

If and when called upon to do so by the applicant, banks will disclose to the applicant their reason(s) for declining to open an account.

Subject to contractual and other legal obligations:

- banks may close accounts or discontinue services at any time, although
- clients may close accounts at any time subject to settlement of any obligations to the bank.

Terms and conditions

All written terms and conditions of your dealings with the bank will set out your rights and responsibilities clearly and in plain language, with legal and technical language used only where necessary. Banks will, as far as possible, publish and give you reasonable notice of changes in terms and conditions before such changes take effect, as required by the Bank of Botswana Policy on Disclosure of Bank Charges.

Banks will encourage their customers to acquaint themselves with, and abide by, the terms, conditions and obligations relating to their financial dealings with their banks.

Interest and charges

Banks are required to provide customers with details of charges, if any, payable in connection with the operation of their accounts. These will be in the form of published tariffs covering services which will be made available at branches or sent to customers:

- when accounts are opened;
- at any time on request;
- before changes are made.

Banks will endeavour to distinctly identify charges, and avoid the imposition of hidden charges.

Banks will provide customers, or any enquirer, with a detailed explanation of its bank charges, commissions, service fees and the computation thereof.

Banks will, as far as possible, endeavour to reach and observe commonality in terminology regarding the description of bank charges, services and products, and to use such terminology when publishing or displaying details of such charges.

Statements

- Banks will provide customers with, or customers may obtain, periodic printed statements that will contain:
- the dates, amounts and nature of transactions and charges;
- interest debited or credited and, where possible, the interest rates applied;
- any other information as may be legally required or in compliance with the Bank of Botswana Policy on Disclosure of Bank Charges.

Current account

- To assist in protecting their customers, members of the public and themselves against fraud and other misuse of the banking system, banks will take reasonable precautions in issuing cheque books and will expect customers to:
- exercise care in the safe keeping of their chequebooks and in the issuing of cheques;
- familiarise themselves with the guidelines printed in cheque books regarding the drawing and the crossing of cheques.

The granting of credit

All lending will be subject to the individual bank's assessment of your ability to repay

If and when called upon to do so by the applicant, banks will disclose to the applicant their reason(s) for declining to grant a facility

Cards and personal identification numbers (PINs)

To assist in protecting their customers, members of the public and themselves against fraud and other misuse thereof, banks will:

- take care in the issue, reissue and renewal of cards and PINs;
- inform cardholders of their responsibility and expect them to take care in the safe keeping and use of their cards and PINs.

The bank will issue you with a card or replace one that has already been issued. A replacement fee may be charged.

The card remains the property of the bank at all times and is issued to the account holder solely for his or her own use and not for use by third parties.

If it becomes clear to the bank that the card is being used improperly by the account holder or by third parties, the bank may exercise its right to withdraw the card or render it inoperative without notice to the account holder.

Your PIN (personal identification number) is strictly confidential. Where a bank supplies it, it will be advised only to you and will be issued separately from your card. You should never disclose your PIN to anyone, including any employee of the bank.

The bank will tell you if you can select your own PIN and, if so, you will be encouraged to do so carefully. This should make it easier for you to remember your PIN.

Debt collection practices

When dealing with customers in default, banks will ensure that normal rules of procedure are observed.

Confidentiality

Banks will comply fully with disclosure requirements as set out in Section 43 of the Banking Act, 1995.

With the following exceptions, banks will, at all times, observe a strict duty of confidentiality and exercise due care where:

- information is given within a banking group in order to maintain existing, and establish future, relationships with customers;
- the customer requests or consents to disclosure;
- the bank is legally compelled to disclose;
- the interest of the bank is to be protected;
- there is a duty to the public to provide information, for example, in response to enquiries from other banks;
- to a surety, guarantor or cessionary;
- when the legal process has been followed to recover debts.

Complaints by customers

Under normal circumstances, ATM and other billing errors will be resolved within 21 (twenty-one) days.

Where complications arise, for example, in the case of international transactions, we will keep you advised of progress in resolving the matter.

Banks have their own internal procedures for the handling of customer complaints. Details of these will be displayed in banking halls.

An independent adjudicator's office has been established. The Adjudicator is available at no cost to you to mediate on any complaint that you and your bank may not have been able to resolve, provided you have observed and carried out in entirety your bank's internal complaint resolution procedure.

All banks that are members of the Bankers' Association of Botswana are automatically subject to the jurisdiction of the Banking Adjudicator.

Your bank will, upon application, supply you with the Adjudicator's address, telephone and fax numbers.

Personal safety

Banks will take reasonable steps to protect their customers and others whilst on bank premises.

Competitors

Banks will compete for business based on merit and, in marketing their services, will act responsibly and prudently and ensure that advertisements are fair and responsible, do not contain misleading information and comply with relevant laws and regulations in Botswana.

Monitoring and Review

The Code is monitored by the Bankers' Association of Botswana and will be reviewed and updated from time to time.

Useful Definitions

These definitions, which are neither precise, legal nor technical, explain the meaning of words and terms used in the Code.

- **ATM (automated teller machine):** A cash machine or free standing device dispensing cash that may also provide other information or services to customers who have a card and a PIN, password or other personal identification.
- **Banks:** Financial institutions who subscribe to the Code.
- **Basic banking service:** The opening, maintenance and operation of accounts for money transmission by means of a cheque, other payment instruments or savings accounts.

- **Cards:** A general term for any plastic card that may be used to pay for goods and services and to withdraw cash. For the purposes of this Code, it excludes electronic purses.
- **Credit scoring:** A system that banks use to assist them in making decisions about granting consumer credit. Credit scoring uses statistical techniques to measure the likelihood that an application for credit (a loan) will be a good credit risk.
- **Crossing of cheques:** Protecting both the drawer and payee in the event of the loss of a cheque in any of the following ways: drawing two transverse parallel lines across the face of a cheque, with or without the words "A/c Payee Only", "Not Negotiable", "Not transferable", etc.
- **Customer:** Any private individual or legal entity who or which avails of financial services from the subscribers to the Code.
- **Drawing of a cheque:** Completion of the details required on a cheque form to facilitate the negotiation thereof.
- **Electronic purses:** Any card or function of a card that contains real value in the form of electronic money that someone has paid for in advance, some of which can be reloaded with further funds and that can be used for a range of purposes.
- **Relevant information:** Name, address, marital status, employment status, financial status.
- **Password:** A word or an access code that the customer has selected to permit him/her access telephone or home banking services and that is also used for identification.
- **Personal customer:** A person, whether carrying on business or not, who maintains an account or who receives other services from a bank.
- **PIN (personal identification number):** A number provided on a strictly confidential basis by a bank to a card holder. Use of this number by the customer will allow the card to be used to withdraw cash and access other services through an automated teller machine (ATM) or point-of-sale device.
- **Security:** A word used to describe items of value such as a mortgage bond registered over a house, share certificates, life policies, etc that 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.
- **Selected personal information:** A selection of memorable facts and information of a private and personal nature chosen by the customer (the sequence of which is known only to the customer) that can be used for identification and to verify identification when accessing accounts, usually telephonically.
- **Suretyship:** An undertaking given by a person, called the surety, promising to pay the debts of another if that other person fails to do so.
- **Stale cheque:** A cheque that has not been paid because its date is too old, normally more than six months.
- **Tariff:** A list of charges for services provided by a bank.
- **Unpaid cheque:** This is a term for a cheque that, after being deposited into the account of the person to whom it is payable, is subsequently returned "unpaid" ("bounced") by the bank whose customer issued the cheque. This leaves the person to whom the cheque is payable without the money in his/her account.

The Banking Adjudicator in Botswana

Purpose

To resolve customers' complaints against their commercial banks, but only after the customer has made full use of the complaints procedure of the bank concerned.

Impartiality and independence

The Banking Adjudicator is a neutral institution that examines complaints on their merits, and recommends fair solutions.

Charges

The services of the Banking Adjudicator are free to eligible bank customers.

What we can do

- Try to mediate the dispute between you and your bank.
- With your permission, request the bank to provide us with information.
- Make a recommendation to your bank how the matter should be settled, based on the Banker's Code of Conduct (available at your bank). The Code includes the principles of fairness and reasonableness.

Who can complain to us?

A bank customer who is:

- an individual;
- a small business (including a company, corporation, an association, a partnership or a trust) with a turnover for the last financial year of P2 million or less.

What we can help you with

Your complaint must:

- Be against a bank that is a member of the Bankers' Association of Botswana.
- Be against your own bank, regarding its products, services or fees.
- Relate to a claim of less than P250,000.
- Relate to maladministration on the part of the bank that has caused you some loss, distress or inconvenience that is not of a trivial nature.
- Relate to an incident that happened less than six months ago.
- Refer to misleading advertising.

What you can't complain to us about

- The exercise by a bank of its commercial judgement on lending policy or interest rates. You can't complain about a bank's failure to give you a loan, unless there was a failure to follow the correct procedure and this prejudiced you.
- Matters that should more appropriately be dealt with by a court of law or other process.
- Matters where legal action has been started or where the customer wishes to be accompanied by an attorney.
- Something that happened more than six months ago.

We cannot accept verbal complaints; nor can we answer general queries or offer advice regarding the banking industry, bank services or bank policy or procedures. Your bank probably has a customer care line to deal with these matters. Nor can we assist you in getting the bank to alter your terms of payment. We may not provide legal advice. We do not deal with general or systematic problems such as the length of queues.

How to make a complaint

Your Bank

You must follow your bank's internal complaints procedure to allow it to try to sort out the problem before you approach our office.

You are more likely to succeed if you remain calm

When you first state your complaint at your bank's complaint desk, make sure you ask for a complaint reference number from your bank.

The Banking Adjudicator

If you are not satisfied with the outcome of the bank's attempt to resolve your complaint, you may approach this office. You will be required to complete our Application for Assistance Form, available from our office. We can post, fax or email a copy to you.

Completing the form:

- The form must be filled in so that we have authority to act on your behalf and obtain confidential information from the bank.
- Your bank will provide you with a complaint reference number that must be quoted on our form. If the bank refuses to provide this, you should mention this fact.
- Please write neatly, print or type if possible.
- Copies of relevant documents may be attached, in date order. However, you must still briefly explain your complaint in the appropriate section of the form.
- Please indicate if you have already sent us correspondence.

Our procedures

We will decide whether your complaint is within our rules. We can only do this after carefully considering all the information provided by you. It is not possible to make such a decision 'over the phone'.

Your complaint will be referred back to your bank to give the bank a further opportunity to resolve the matter.

If the bank and you do not resolve the matter within the time period (not more than 15 working days) set down by this office, your complaint will be regarded as 'accepted' by this office.

Accepted complaints are investigated by obtaining information from the bank and, where necessary, yourself. Our aim is to complete most investigations within three weeks.

To protect confidentiality, we may not send each party copies of everything that we receive from the other.

Unlike a court, we will not call for evidence given under oath and no hearing will be held.

Where it is possible to arrive at a conclusion, we will make a recommendation ruling.

If it is in your favour and you accept it, your claim against the bank will fall away after you have received an apology or payment that is due to you from your bank. If the decision is in favour of your bank, you retain the right to take your complaint to court.

We will keep you informed of developments on an ongoing basis.

Contact Us

The Banking Adjudicator

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