

Banking Consumer Protection Principles

SAMA, Head Office

Banking Consumer Protection Department

Ref. No. 341000095960

Dated: 03/08/1434H

Circular

Dear Sirs,

Subject: **Banking Consumer Protection Principles**

Reference to Para (d) of Article (3) of SAMA Regulations issued under Royal Decree No. 23 dated 23/05/1377H and Para (3) of Article (16) of the Banking Control Law issued under Royal Decree No. M/5 dated 22/02/1386 and based on the powers vested in SAMA regarding the application of the provisions of the Banking Control Law Pursuant to the decision of the Ministry of Finance No. 3/2149 dated 14/10/1406H, &

Further to SAMA circular No. 34100038852 dated 25/03/1434H enclosing draft of the proposed banking consumer protection principles which was forwarded to banks in order to add their comments thereof, Please find enclosed herewith a copy of the final "Banking Consumer Protection Principles" including the appropriate comments received. Please review and implement all the principles by 01/09/2013 maximum and furnish us with a copy of the bank's compliance plan in this regard within one month as of to date.

Fahad Bin A. Al Mubarak
Governor

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Section (1): Introduction:

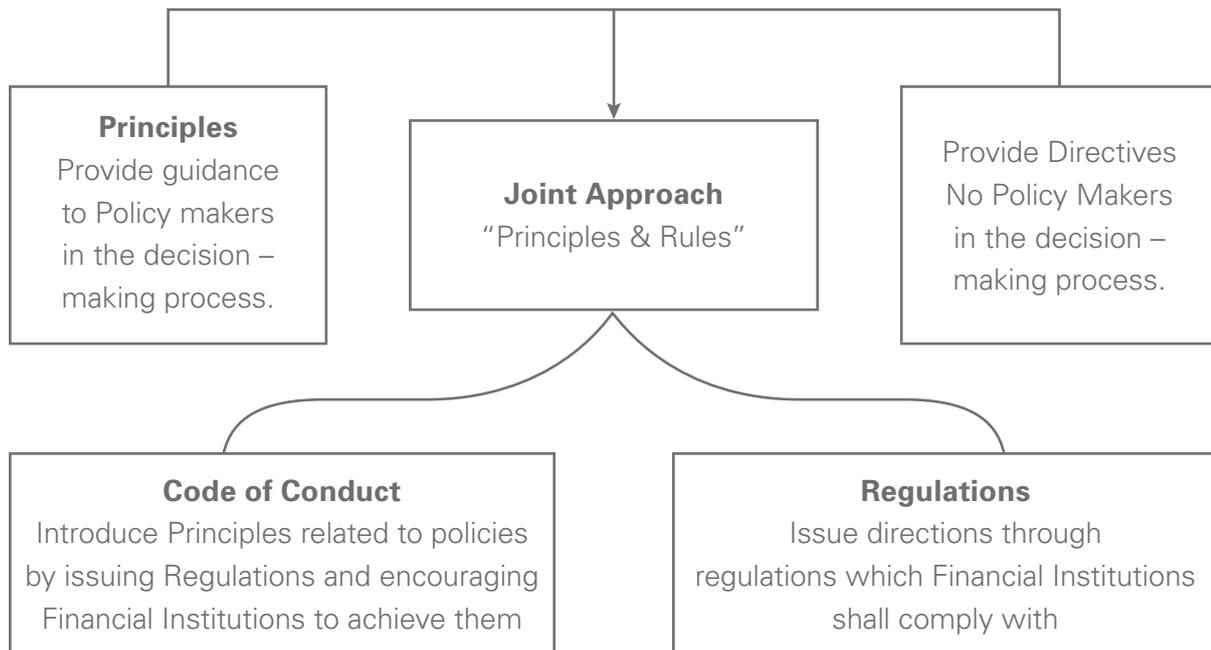
1. Financial protection of the consumer in the Kingdom of Saudi Arabia

Saudi Arabian Monetary Agency (SAMA) is the supervisory and regulatory authority of the financial institutions licensed by it to operate in the Kingdom of Saudi Arabia (Banks and Finance Companies including leasing finance, property finance, insurance, money exchangers and credit information companies). Since issue of the charter of the Saudi Arabian Monetary Agency in the year 1952 and the Banking Control Law in 1966, SAMA works to protect customer's interests, ensure that financial institution deal fairly and professionally with the consumers. The role of SAMA developed gradually with the expansion of the financial sector. In 2005 SAMA was entrusted with the responsibility of the insurance sector in accordance with cooperative insurance companies regulations. In 2012 SAMA assumed also the responsibility of control and supervision of the finance companies, a function which enhanced SAMA role in the protection of consumers. Best practices in financial services indicates that there is a trend in a number of countries to follow up the mechanism of development of the new products and services by the financial institutions and the mechanism for selling of the same to consumers and to provide counsels and compensation in case of any problem or in case the customer wish to submit a complaint. Many studies have been conducted on these issues. The results indicate that fair treatment of consumers leads to profit increase and contribute to raising consumers satisfaction level. Many countries and International organizations such as G20, Financial Stability Board and OECD consider revising and issuing new standards for consumer protection. In view of the growth and development of the financial sector in the KSA, SAMA continue reviewing such developments and issuing proper control instructions to enhance consumer protection principles. Among SAMA strategic objectives, customers dealing with financial institutions should receive equitable, fair, transparent, honest treatment and obtain products and services easily and conveniently at suitable cost and with high quality.

2. Application Model

Consumer protection

Assuming a leading role to enhance integrity, transparency and fairness principles through the application of the protection principles and with the assistance of consumers to solve the difficulties encountering them in dealing with banks.



Model No. (1) Indicate the mechanism applied by SAMA for protecting consumers of the financial institutions in the Kingdom and SAMA leading role in encouraging practices of transparency, fairness and consumers easy access to financial products and services. The expected performance of the financial institution is determined by the present and previous business regulations, future instructions and also to ensure compliance of these institutions by the regulations.

3. Definitions

The Agency: The Saudi Arabian Monetary Agency (SAMA).

Advertisement: A Commercial message through any tool which directly or indirectly promote a financial product or service.

Advice: Receiving advice or recommendation from a qualified individual taking into consideration the consumer personal circumstances and objectives.

Awareness: Spreading financial guidance principles and ability to understand key financial terms used by institutions, and accordingly differentiate between various products and services provided by these institutions.

Best Interest: Anything that does not cause damages to the consumer.

Processing of the Compliant: To reach a conclusion on the compliant.

Conflict of Interest: In the event that the action taken by the bank in respect of a matter which concern the consumer or in case of existence of high risks that conflict with the banks' interests linked with the subject.

The Customer: A natural individual involved in the transactions, provided for in the regulations, with the licensed banks for purposes beyond the framework of his work or profession.

Waiting Time: It is the time during which a consumer can terminate the agreement for obtaining the service or a product without being charged with any fine (10day).

Culture: A set of believes, values and rules that represent the individual character of the bank and provide context of its business.

Disclosure: Revealing and clarifying the information related to the customer transparently by the bank.

Staff: The person appointed to provide services of the bank on an on-going basis against a financial reward. This include all staff members under direct employment contract or outsourced staff.

Error: To reach a result contrary to the authenticated policy and the work procedures that leads to financial consequences and / or violating the statutory rights for one consumer or more.

Free: Without deducting any direct or indirect fees, commissions or costs.

Group of Twenty: Ministers of Finance and Governors of the Central banks from the Group of Twenty countries. (known also as G-20, G 20 and Group of Twenty) . They are ministers of Finance and Governors of the Central banks from 19 major economies countries plus European union's representative.

IBAN: The International Bank Account Number (IBAN), is a specific numbering system for identifying bank accounts of each bank at world level.

Incentive: To provide financial incentives to the staff members for selling financial services and products.

Financial Inclusion: The delivery of Financial Services and products at the various society category such as disadvantaged, low income groups, small, medium and very small business owners at affordable cost transparently and equitably.

Brokers: Legal entities that arranges transaction between two parties of a financial deal.

Licensed Entities: Include all entities licensed by SAMA to carryout business in the Kingdom of Saudi Arabia.

Binding Information: Is information required to be provided by the customer as per SAMA instructions and the bank's internal regulations.

Potential Customer: An individual working for objectives not linked to his job, business or profession but he inquired or participate for the first time in a financial business agreement with a bank.

Third Party: Agent authorized to act on behalf of the bank.

Section (2): Banking Consumer Protection Principles

4. Introduction

- 4.1 Protecting banking customers in the Kingdom is a desirable strategic objective which SAMA constantly seek to achieve by urging banks to provide the required standard of fair, faithful and financial inclusive treatment. The principles of banking consumer protection will assist in achieving the desired objectives because it will be applicable to all banking activities licensed by SAMA. Also these are applicable to any third party (external) hired by the banks to accomplish some functions. The principles cover individual banking and customers (current and future), but for the other customers such as small and medium establishments, commercial companies and other legal entities, a specific instructions will be issued for them.
- 4.2 These principles are binding for banks and complementary to the instructions and guidelines issued by SAMA and must be implemented for dealings conducted with individual customers maximum by 01/09/2013.
- 4.3 Banks shall provide a free (free of charges) paper copy of these principles at all its branches and handover a copy thereof on commencement of a dealing or when the customer get a new product or service, and must also be displayed at the bank's website.
- 4.4 The bank shall provide all records, documents required by SAMA in this regard.
- 4.5 These principles were issued based on the powers vested in SAMA under the following laws and regulations:
- i) Charter of the Saudi Arabian Monetary Agency issued by Royal Decree No. 23 dated 23/5/1377H (15/12/1957).
 - ii) Banking Control Law issued by Royal Decree No. M/5 dated 22.2.1386 (12/6/1966).
 - iii) Ministerial Resolution No. 3/2149 dated 14/10/1406H (22/06/1986).

5. General Principles

5.1 In the year 2011, G 20 developed consumer financial principles so as to be of a high level standard. Financial institutions all over the world make use of these principles to develop their own financial regulations particularly those related to consumers.

Principle 1: Fair and equitable dealing

Banks should deal fairly, honestly and equitably with consumers at all stages of their relationship, so that it is an integral part of the culture of the bank. Care should also be made and special attention given to low income, little education, older people and those with special needs of both sexes.

Principle 2: Disclosure and Transparency

Banks should update information about products and services provided to consumers, so that they are clear and concise, easy to understand, accurate, not misleading and can easily access this information without unnecessary inconvenience, especially the key terms and features. This should also include the rights and responsibilities of each party, details of prices and commissions charged by the bank, fines, risks and the mechanism for termination of the relationships and the consequences thereof. In addition to provide information on the alternative products and services provided by the bank.

Principle 3: Financial education and awareness

Banks should develop programs and appropriate mechanism to help existing and future consumers develop their knowledge, skills and awareness to appropriately understand basic risks, and assist them to take informed choices and effective decision and direct them to obtain the assistance when they need it.

Principle 4: Behavior and work ethic

Bank should work in a professional manner for the benefit of customers during their relationship, where a bank is primarily responsible for the protection of the financial interests of the customer.

Principle 5: Protection against fraud

Banks should protect and monitor consumer deposits and savings and other similar financial assets through the development of control systems with high level of efficiency and effectiveness to reduce fraud, embezzlement or misuse.

Principle 6: Protection of privacy of information

Consumer's financial and personnel information should be protected through development of high level control systems which include appropriate mechanisms. These mechanisms should define the purposes for which the data may be collected and processed, and to comply with the contents of SAMA Circulars Nos. MAT/1150 dated 29/6/1422H, MAT/97 dated 13/3/1424H, MASH/207 dated 05/03/1430H, MAT/15969 dated 03/07/1431H, and MAT/6442 dated 19/3/1432H.

Principle 7: Complaints Handling

Consumers should have access to adequate complaints handling mechanism that is accessible, fair and efficient through which complaints are handled and followed up without delay and based on SAMA rules.

Principle 8: Competition

Consumers should be able the search, compare and where appropriate, switch between products, and services and providers easily and clearly at a reasonable cost.

Principle 9: Third Parties

Banks should ensure that external parties under outsource arrangements shall comply with these principles and that they work in the best interest of their consumers and bear the responsibility of consumer protection. Providers of financial services shall assume the responsibility of the procedures taken on behalf of banks or consumers in accordance with SAMA outsourcing regulations.

Principle 10: Conflict of Interest

Banks must have a written policy on conflict of interests, and ensure that this policy will help to detect potential conflict of interest, when the possibility of a conflict of interest arises between the bank and the third party, this should be disclosed to the consumer.

6. Consumer Responsibilities:

Banks shall enhance consumer responsibility by on-going consumer education and awareness program to be provided by all banks jointly as well as initiatives by each bank individually for its clients.

Consumer responsibilities include the following:

6.1 Be honest with the information you provide:

Always give full and accurate information when you are filling in any bank documents. Do not give false details or leave out important information.

6.2 Carefully read all information provided by your bank:

You will receive full details on your subsequent obligations when you obtain a service or a product. Make sure you have reviewed and understand the details of your obligations and that you can comply with them.

6.3 Ask Questions:

It is important to ask questions to bank employees about anything that is unclear or a condition that you are unsure about. The staff will answer any questions in a professional manner to help you in your decision making.

6.4 Know how to make a complaint:

Your bank will provide you with details on how to complain and the timeframe for their response. You can be proactive in using this service and knowing how to escalate your issue to higher levels, if appropriate.

6.5 Use the product or service in line with the terms and conditions:

Do not use the product or service, except in accordance with the terms and conditions associated with them, and after making sure of your complete understanding.

6.6 Avoiding Risk:

Some financial products or services carry varying risks and your bank should clearly explain these to you. Do not purchase a product or service where you feel the risks do not suit your financial situation.

6.7 Apply for products and/or services that meet your needs:

When making a request for a product or service, you should make sure that it suits your needs. You must disclose all financial obligations with all parties to ensure the decision is based on your ability to meet your additional obligations after contracting for the product or service.

6.8 Report Unauthorized transactions to your bank:

If you have discovered unauthorized transactions on your account, you should report this to your bank immediately.

6.9 Do not disclose your banking information:

Under no circumstances should you provide any bank account details or other sensitive personal or financial information to any other party.

6.10. Talk to your bank if you are encountering financial difficulties:

Talk to your bank and seek advice if you face financial difficulties and you are unable to pay the minimum required installments (such as personal finance and credit cards) .When talking to your bank, you can discuss available alternatives for rescheduling that will enable you to fully discharge your obligations.

6.11 Updating Information:

You should update your personal information, including contact information, so that it is updated continuously and also when so requested by the bank. You are responsible for failing to provide all relevant information to the bank.

6.12 Your mail address:

Use your own mail address (regular mail and e-mail) and contact numbers when giving these information to your bank. Do not use other addresses that are not belong to you such as friends or relatives mail addresses which can expose your financial information to others.

6.13 Power of Attorney:

Be careful when you give Power of Attorney for completing your financial dealings. Know what information that you are giving access to and to whom you are giving power over your financial matters.

6.14 Do not sign uncompleted forms:

Make sure all of the required fields and numbers are completed in a form that is presented to you for signing. Do not sign empty or partially completed forms.

6.15 Review all of your information:

Review all the information recorded by you in the operation forms to ensure that no errors are made in the account number, amount, or the beneficiary details. Your signature is an approval and agreement of the document content.

6.16 You have right to Keep copies of your documents:

The bank should provide you with a copy of signed contracts and other relevant documents and papers. Keep all documents in a safe place.

Section (3): Main Obligations:

This section include details of the obligations and banking service regulations which support the general principles for protecting consumers.

7. Terms and Conditions:

- 7.1 Updated Terms and Conditions shall be available to consumers through the bank's channels preferred by them – such terms and conditions may be included in a booklet or a brochure and to encourage consumers to peruse it before obtaining a product or services.
- 7.2 The Bank shall advise consumers of any changes in the terms and conditions at least within 30 business days before implementing any changes.
- 7.3 All terms and conditions must be included in the application form of the product or service. The consumer shall fill in the form in Arabic Language and the form must be clear and not misleading. An English copy may be provided to the consumer upon request.
- 7.4 Terms and conditions and the application form must include cautionary statements indicating clearly the possible consequences on the consumer if the product or service is used in violation of the terms agreed upon in the application form.

8. Changes and Commissions and Fixing of Rates:

- 8.1 The bank shall abide by the applicable charges and commissions as stipulated in the bank's tariff of charges issued by SAMA, and obtain approval of SAMA on any additional charges or commission to be applied against providing banking services and products. A List of Charges and Commission including charges imposed by outsourced companies against some bank's business at a prominent location inside the bank's premises and branches as well as at the bank's website.
- 8.2 The Bank shall provide consumers with a copy of the list of charges and commission upon providing the service or product or at the time of signing a contract with a consumer or if the consumer requested so.
- 8.3 The bank shall advise the consumer of any changes in charges and commission 30 business days, before effective date including charges and commission imposed by outsourced companies against some business.
- 8.4 The bank shall clarify the detail of calculation of the charges and commission and the profit amount for the products and services offered by the bank.
- 8.5 The consumer must be advised of the full details of any accumulated charges or commission debited from this final account balance within 5 business days from the date of closing or transferring the account to another bank.
- 8.6 Finance products and services agreements must indicate that the amount of charges and commission (of more than SAR 500) payable against receiving products or services will be distributed over the settlement period and not a lump sum debit unless the consumer wishes otherwise.
- 8.7 Should the consumer decides that he is not interested to obtain a requested service or product and did utilize the same (within 10 days), the bank shall refund the fees and commission charged to the consumer.
- 8.8 The bank shall not be entitled to charge any fees on transfers between the customers' accounts within the bank including Credit Cards accounts issued by the bank.
- 8.9 The bank shall clarify to the consumer the reasons for applying any charges or commissions against services and products provided.
- 8.10 The bank shall advise the consumer of any cash withdrawal transactions executed outside the Kingdom by using ATM Cards which will attract withdrawal charges in accordance with the banking tariff of charges issued by SAMA.

9. Protecting data and information and maintaining Confidentiality.

- 9.1 The bank assume the responsibility of protecting consumers data and maintain the confidentiality of the data held with it or with a third party as indicated in principle (6) herein above.
- 9.2 The bank shall provide secured and confidential environment in respect of all its banking channels to ensure confidentiality of consumer's data upon conducting banking transactions.
- 9.3 The bank shall be responsible for maintaining consumer's data confidentiality except in the following events:
- a) When a disclosure is obliged by the concerned authorities (e.g. Ministry of interior, Court...etc)
 - b) When disclosure is made with the written consent of the consumer.
- 9.4 The bank shall have appropriate business procedures and effective control regulations to protect consumer's data, detect and modify any omissions occurred or expected to occur.
- 9.5 All bank staff, whether permanent or temporary staff or third party staff shall sign undertaking form regarding confidentiality of consumers' data, and ensure that consumers personal information are not disclosed and that access thereto shall be restricted to authorized personnel only whether during employment or after leaving the services.

10. Communication through Advertisement or Marketing

- 10.1 The bank may utilize its main channels (branches, website, ATMs, Telephone Banking and Statements of Account) as well as public media (audio, visual, print media, etc...) for marketing its products including consumer loans and Credit Cards as it deemed suitable for the targeted segment. This shall be in line with the instructions and guidelines issued, particularly the guidelines for finance and for Issue and operating Credit Cards, payment Cards and the other related instructions issued by SAMA.
- 10.2 The bank shall exercise caution regarding the contents of the advertisements and avoid using inducing and misleading ways for marketing products, and shall not amplify the benefit of the promoted product or service. All expressions and figures used in the advertisement must be easy to understand, clear and readable including margins.
- 10.3 The advertisement of any product or service linked with payment of fees must include the following:
- Banks name and logo and contact numbers
 - The advertisement should state the name of the advertised product and the annual percentage rate clearly and shall not include other rates related to cost of term
 - Advertisements and promotional materials must indicate all fees and commissions related to using the service or the product
 - Banks shall not:
 - a) Make false offer, statement or claim or misleading wording that may directly or indirectly deceive or mislead consumers.
 - b) Make advertisement which include a logo or a distinctive sign without having right to use it and shall not use imitated mark.
 - SAMA has a right to oblige the banks which do not comply with the requirements of this clause to withdraw the advertisement within one day from the date of advice to do so
- 10.4 The bank shall make sure of the suitability of the display and design of the advertisement so that the consumer can notice that it is a guiding advertisement and that specific conditions must be fulfilled by the consumer in order to avail the advertised product or service.
- 10.5 The bank shall ensure that the advertisement or promotional material which offer promotional price or starting fees shall indicate the expiry date of the validity of such fees and the offer end.

- 10.6 The bank must ensure that, the advertisements which contain abbreviated codes (eg APR) are clearly narrated.
- 10.7 The bank must ensure that, no reference is made to a product or service as free unless the whole product or service is offered free of charge to all customers.
- 10.8 The bank must provide to customers at all branches an area for filling up and checking the account opening forms as well as keeping booklets and forms that would enable customers to obtain the required copy.
- 10.9 Customers have right to express their interest in receiving SMS or marketing brochures of products and services provided by the bank. The bank must obtain customers consent of the contents thereof whether in writing or electronically as the customer may prefer.
- 10.10 The bank must not send marketing materials of credit products to individuals less than 18 years specially upon marketing products or services bearing risks unsuitable to this category of customers.

11. Opening and closing of accounts:

- 11.1 The bank should accept and process new account opening application if the documents and conditions of opening the account are complete except the cases indicated in the Account Opening Rules issued by SAMA.
- 11.2 The bank should not take unjustified procedures that delay the process of opening account.
- 11.3 The bank shall advise the customer of any decision taken by the bank in case of closing his account prior to 60 days of the decision with explanation of the reasons which lead to such decision. The bank may close or freeze an account immediately upon discovering embezzlement or fraud in the account.
- 11.4 The bank has no right to stipulate upon the customer to deposit an initial amount for opening bank account. The bank has right to close the account if the account balance remains (NIL) for 90 days from the date of opening it.
- 11.5 The bank shall inform the customer officially of the liabilities of opening and operating of bank account to ensure that, the customer is aware of the consequences of enabling third party to access the account.

12. Transferring (shifting) of account (date of application 1/1/2014)

- 12.1 The bank shall provide application forms for transferring the account from one bank to another at all its branches and website, provided the form should include the following information:
- Description of account transfer transaction including the procedures to be followed by the customer to transfer his account to another bank
 - Procedures of opening the account including the requirements to be provided by the customer for opening of account
 - Account transfer form including the following:
 - Date specified for transferring (shifting) the account
 - Approval to close the existing account with the bank and transferring the balance to the new account at the other bank
 - Customer's acceptance to transfer his respective data from the present bank to the new bank
- 12.2 The bank must inform the customer of the receipt of the account transfer application and complete it within 7 business days. The bank shall not exercise unjustified pressure on the customer to cancel the transfer application unless there are outstanding obligations.
- 12.3 The bank shall provide final statement of account and clearance letter to the customer wishing to transfer his account from the bank to another bank within 7 business days from the date of closing the account.

13. ATM Cards, Credit Cards and POS Service:

- 13.1 The bank shall furnish the customer with a new ATM Card upon written request from the accountholder or upon the request of authorized person holding legal POA. The Card shall be renewed before expiry date unless the customer otherwise requested.
- 13.2 The bank must ensure that, the card, is issued and delivered to the respective customer or the authorized person holding legal POA according to SAMA instructions.
- 13.3 The bank shall provide suitable electronic channels and free telephone line to enable customer report the cases of card missing, theft or misuse.
- 13.4 The bank must investigate the complaints, problems and claims submitted by customers in respect of ATM/POS transactions and take the corrective measures thereof in accordance with SAMA instructions.
- 13.5 The bank shall not issue Credit Card or increase credit limit unless a written request is received from the customer with due consideration to the guidelines of issuance and operation of credit cards and payment cards, issued by SAMA.
- 13.6 The bank must not distinguish in issuance of credit card to customers. Approval or rejection of application should be based on customer's capital adequacy and after determination of their ability to settle dues. The bank has no right to distinguish in dealing and reject issuance of credit card for any category of mature customers based on other reasons.
- 13.7 The bank shall inform the customers of the importance of ATM Card, Credit Card, their respective PINs and cheques protection. Also customers should be informed of the procedures of reporting missing or stolen cards and fraud cases.
- 13.8 The customer must bear the amounts of transactions made by use of stolen or missing credit card in case of his failure to report the incident to the issuer bank with which he deals. The issuer bank shall bear the amounts of transactions performed fraudulently (card skimming) without the cardholder's knowledge whether such transactions are conducted before or after the cardholder reported the incident to the bank, with the exception of cases in which the bank prove the responsibility of the cardholder of such transactions.
- 13.9 The bank must stress upon its merchant customers not to pass/charge any additional fees on the credit card holders upon using the cards in their stores (Merchant Service Charge). The bank is liable to follow-up the merchant deposits to ensure suitability with nature of business and provide the merchant's employees training on the use of POS machines together with the operational guidelines that should be followed.

- 13.10 The merchant (such as travel agencies, car rent offices and gold/jewelry stores) shall not impose additional fees on the transaction amount if the customer uses his credit card (such as Visa, Maser Card, American Express) for performing the purchase transaction.
- 13.11 The bank must inform the customers of the daily withdrawal limit of POS/ATM transactions upon card issuance, renewal or changing withdrawal limit.
- 13.12 Customer must be urged to avoid selecting easy PINs or numbers related to personal occasions. Customers also must be encouraged to change their PIN periodically.

14. Banking Services Through Internet/ATMs:

- 14.1 The bank must take the appropriate action to ensure that, all automated banking channels through internet are secure. If the customers incurred any direct loss as result of weakness of security controls of such channels, the customer shall be compensated against any losses.
- 14.2 The bank shall provide free telephone line to enable customers report illegal suspicions transactions or unauthorized access to their account/data.
- 14.3 The bank shall inform customers of all transactions made on their accounts (whether debit or credit) immediately upon occurrence through free SMS to the mobile telephone and implement multi-factor authentication of ID for electronic services. The bank must exercise caution in respect of fraudulent e-transaction according to SAMA instructions.
- 14.4 Banks should ensure that, all ATMs and other e-services satisfy customer's needs and facilitate performance of banking transactions according to the latest technology.
- 14.5 The bank must rectify the claims related to the disputed transactions performed through ATMs according to SAMA instructions in this respect.
- 14.6 The bank must carry periodical maintenance to all its ATMs and ensure that, they are ready for continuous operation at all times. It is preferred that, ATMs aged more than 9 years service be replaced.
- 14.7 The bank shall circulate good paper notes, replace the damaged and withdraw it from circulation at all times specially upon replenishment of ATM.

15. Consumer Finance:

- 15.1 The bank must abide by the consumer finance regulations and other related guidelines issued by SAMA.
- 15.2 The bank shall , before approving to grant the loan or any other credit facilities, evaluate the credit position of customer and ensure his ability to repay the loan amount based on the customer's current position.
- 15.3 The bank must abide by deducting the installment amount on the date agreed upon with the borrower and as appropriate with date of depositing the customers salary in his account with the bank.
- 15.4 The bank must appoint a designated officer (Credit Consultant) in each branch to provide credit advice to customers wishing to obtain finance or credit card.

16. Issuance of Clearance Letters:

- 16.1 The customer has right to transfer his salary to any other bank he may select if there are no outstanding obligations in favor of the current bank. The bank must issue a clearance letter to the customer within a maximum period of 7 business days from the date of his request (or within a maximum period of 30 business days in case of credit card) except the cases in respect of which legal decisions were issued.
- 16.2 The bank must explain to the customer in writing the consequences on his credit record with the credit information companies in case of partial settlement of the indebtedness and issuance of clearance letters. The bank must ensure that, the phrase (final clearance) is not indicated in the letter unless the customer settled the full amount of the outstanding indebtedness or in case the bank has written off the remaining balance which was not settled by the customer from the total indebtedness.
- 16.3 The bank must abide by SAMA circulars issued in respect of organization of bank staff communication with customers to urge them settle the outstanding indebtedness and ensure staff compliance with the contents of the circular (whether the bank staff or the staff of collection company contracted with).

17. The Staff:

- 17.1 The bank shall ensure that, its respective employees satisfy the followings:
 - a) Perform their duty with efficiency, qualification, professionalism and are able to provide banking services assigned to them.
 - b) Reflect good conduct and dealing professionally upon providing banking services to the present or potential customers at all times.
 - c) Have full knowledge of the best banking practices that would enable them provide assistance to customers.
- 17.2 The bank must ensure that, its staff get the required professional qualification and satisfy the capability requirement by attaching them in specialized training programs to obtain professional certificates that would qualify them to deal with customers.

18. Transfer and Foreign Exchange:

- 18.1 The bank has right to impose fees on customers against transferring funds outside the Kingdom. The fee amount shall be fixed and not a percentage of transferred amount. The fees shall include the fee of the beneficiary bank in addition to any fee related to the transaction that may be charged by the correspondent bank. The customer should be informed of all fees amount before processing the transfer transaction.
- 18.2 The bank must verify the customer details indicated in the transfer form specially the IBAN number, and the bank identification number before transferring the amount.
- 18.3 The bank, before processing the transfer transaction, must inform the customer of the expected date of arrival of the transferred amount to the beneficiary, amount of fees/commissions and the net amount which will be received by the beneficiary after deduction of the fees/commissions.
- 18.4 The bank must inform the respective customers within 2 business days in case of failure to send any outward remittance for reason of being returned by the correspondent bank. The bank shall credit the amount of returned remittance to the customer's account immediately upon receiving the value and if the customer has no account with the bank, the amount shall be paid in cash or by certified cheque within 2 business days.
- 18.5 The bank shall explain to the customer that the amount of cash withdrawal in foreign currency through transactions performed outside the Kingdom by using ATM card, is subject to foreign exchange rate of the required currency prevailing at the date of processing the transaction.
- 18.6 The announcement shall include the following cautionary notice "The product/service price may be effected by changes in exchange rate of foreign currency" if the product or service announced is priced in foreign currencies or in case the value of product or services announced is effected by the rate of foreign exchange.

19. General Terms:

- 19.1 The bank must provide hard copy of customers protection principles and publish it on the website for new customers or when the existing customer obtains new service/product.
- 19.2 The bank shall, upon customers request provide the following documents within 7 business days or as may be agreed with the customer:
- Copy of the original document of any service/product
 - Copy of updated Terms and Conditions
 - Copy of credit contracts including the guarantees and securities documents
- 19.3 Banks should put into consideration the humanitarian cases upon dealing with customers who have emergent financial difficulties.
- 19.4 The bank shall provide advice to its customers having financial difficulties and try to assist them to recover such difficulties before proceeding on taking legal action against them.
- 19.5 The bank shall place notices displaying branch working hours at the main entrance of the branch and ATM location. The bank must open and close doors according to the announced hours.
- 19.6 The bank in all cases shall not practice any bias against customers upon dealing, sale or utilizing any service/product.

Section (4): Discrepancies and Complaints:

20. Discrepancies (Failure):

- 20.1 The bank has no right to benefit from any amount returned as a result of discrepancy (failure) and should credit it to the respective customer account without delay or waiting for claim.
- 20.2 If the bank discovered any discrepancy or being reported of any discrepancy through customer's complaint or claim, the bank shall compensate the respective customer and other customers suffering the same discrepancy. This procedure should be completed within 60 business days from the date of discovering the original discrepancy. The bank also shall communicate with all affected customers and inform them of the discrepancy and the correction measures taken including credit of the amounts to their accounts.
- 20.3 The bank must ensure continuity of its banking system operation and readiness to meet customers' needs at all time. The bank shall provide alternatives in case of defect or failure of the system.

21. Complaints:

- 21.1 The bank must abide by SAMA instructions in respect of complaint handling guidelines with emphasis to documentation of receiving the complaint and sending reference number to the complainant mobile phone to enable him follow-up his complaint.
- 21.2 The bank shall display in a prominent place at its head office and branches notices showing the mechanism of submitting complaints and publish the same on the banks website. Also a written copy should be provided to customers upon request.
- 21.3 The mechanism of submitting complaints should include the following:
- Procedure of submitting the complaint and supporting documents (The customer has right to submit his complaint directly to the branch, through the call center, fax, website or any other appropriate channel determined by the bank).
 - The department responsible of studying the complaint at the bank.
 - Name of officer in charge and his telephone number for follow-up by customer.
 - The expected period of time to advise the complainant provided it shall not exceed 10 business days from the date of complaint submission.
 - The bank must communicate with the complainant and inform him within one week from the date of submission. If the complaint is not handled during this period, then the customer shall be updated within a maximum period of 10 business days.
 - The bank shall document the channel used for communication with the complainant and maintain records thereof.
- 21.4 If the complainant is not satisfied with the results and wish to escalate it to higher level within the bank or outside authority, then the bank shall provide the complainant with the mechanism to be followed and direct him to the appropriate concerned authority.

Section Five : Related Guidelines Issued by SAMA

No. of Circular	Date of Circular	Synopsis
40690/MAT/789	15/8/1430	Application of multi-factors for authentication of user ID upon accessing electronic banking services including activation, addition or amendment of beneficiaries and implementation of instructions.
51224/MAT/995	20/10/1430	Take action to prevent placing of advertising posters about early settlement of indebtedness of borrowers on ATMs and alert staff/customers not to deal with parties practicing such activities.
27780/MAT/13135	27/5/1431	
MAT/150	29/6/1423	Emphasis on the confidentiality of customers' information and the necessity of compliance with not providing any party with information about customers' transactions and their personal data unless after obtaining SAMA's no objection.
5790/MAT/97	13/3/1424	
11374/MASH/207	5/3/1430	
33703/MAT/15969	3/7/1431	
14547/MAT/6442	19/3/1432	
29209/MAT/552	10/6/1430	Mechanism of monthly installments deduction from borrowing customers' salaries
903/MZ/MAT	20/4/1428	Guidelines for complaints handling
4225/MA/146	5/4/1415	Controls for issuance and delivery of bank cards (ATM & credit)and emphasis not to issue credit cards in advance.
32777/MAT/618	7/8/1428	
3205/MAI/33	2/2/1425	
19109/MAG/166	21/10/1422	Emphasis on compliance with some security aspects relating to ATM and monitoring of ATMs to prevent occurrence of fraudulent transactions by blocking the amount through closing cash slot or skimming of card /PIN data via installation of devices. Protection of ATM cards when used by customers.
25150/MAT/272	26/11/1423	
251/MAT/3	2/1/1428	
33043/MAT/644	1/7/1430	
MAT/60	13/3/1423	Stressing upon banks to alert their merchant customers of fraudulent transactions through POS by using credit cards and compliance with the procedures to eliminate such transactions.
12974/MA/655	26/10/1415	
32275/MAT/516	4/9/1427	Stressing upon banks not to provide services to customers unless after personal interview and ensuring correctness of their information.
9367/MAT/141	12/3/1427	Requests to preserve ATM TV recording tapes.
34736/MAT/15864	10/7/1432	Acceptance and replacement of small denomination paper notes and coins from the public and replacement of damaged notes.
34734/MAT/15865	10/7/1432	
17456/MAT/8211	1/4/1431	Organization of staff contact with customers for settlement of outstanding indebtedness.
Guidelines for issuance and operation of credit/debit cards		
Electronic banking rules		
Pre-payment rules in the Kingdom		
Consumer finance guidelines		
Account opening rules and general operational guidelines		
outsourcing of services to third parties guidelines		
Credit information implementing regulations		
Cooperative insurance companies law implementing regulations		
Implementing regulations of the insurance market behaviors		
Implementing regulations of finance companies control law		