**THE CODE OF BANKING**

The Code of Banking Practice seeks to foster good relations between Banks and their Customers and to promote good banking practice by formalizing standards of disclosure and conduct which Banks that adopt the Code agree to observe when dealing with their Customers.

**OBJECTIVES**

The Code is intended to:

(i) Describe standards of good practice and service;

(ii) Promote disclosure of information relevant and useful to Customers;

(iii) Promote informed and effective relationships between Banks and Customers; and

(iv) Require Banks to have procedures for resolution of disputes between Banks and Customers.

This Code of banking will vary from country to country but usually is in three parts:

1. Part A - Disclosures.

This part describes the information which a Bank will provide to a Customer in respect of the Banking Services which the Bank offers to the Customer. This will cover, among others the nature of all Standard Fees and Charges that then apply; the method by which interest, if any, is calculated and the frequency with which it will be credited or debited; the manner in which the Customer will be notified of changes to the Terms and Conditions and changes to interest rates, fees and charges; any minimum balance requirement or restriction on depositing money in, or withdrawing money from, an Account; and in the case of a loan to a customer, the repayment details e.t.c.

1. Part B- Principles of Conduct.

This part describes certain principles of conduct which a Bank will follow in dealing with its Customers. Among others, this part spells out that, for example,

* A bank shall have readily available any terms and conditions of each banking service it offers to customer, and notify customers any changes to the terms and conditions once they have taken up the service.
* Maintain its general duty of confidentiality towards the customer where the law compels disclosure.

1. Part C - Resolution of Disputes.

This part requires Banks to have dispute-handling procedures.

A Bank shall have an internal process for handling a dispute between the Bank and a Customer and this process will be readily accessible by Customers without charge upon them by the Bank. A dispute arises where a Customer has a complaint and completes the Bank’s formal complaint form and delivers it to the Bank.

Where a request for resolution of the dispute is made, the Bank shall inform the Customer in writing of the outcome within a reasonable time from the receipt of the complaint form. If the dispute is not resolved in a manner acceptable to the Customer, the reasons for the outcome shall be given.

THIS IS A VERY SUMMARISED HIGHLIGHT OF THE CODE. REFER TO RELEVANT TEXTS AND INTERNET RESOURCES FOR MORE INFORMATION ON THE CODE.