



BANKING CONSUMER PROTECTION PRINCIPLES



SAUDI ARABIAN MONETARY AGENCY
CONSUMER PROTECTION DEPARTMENT

JUNE 2013

Contents

PART 1:	INTRODUCTION	PAGE
1	Financial Consumer Protection in The Kingdom of Saudi Arabia	3
2	Financial Consumer Protection Implementation Model	4
3	Definitions	4
PART 2:	BANKING CONSUMER PROTECTION PRINCIPLES	
4	Introduction	6
5	General Principles	6
6	Consumer Responsibilities	8
PART 3:	MAIN COMMITMENTS	
7	Terms and Conditions	9
8	Fees, Charges and Pricing	9
9	Data Protection and Confidentiality	10
10	Advertising and Marketing Communications	11
11	Account Opening and Closing	12
12	Account Transferring	12
13	Banking Cards	12
14	Internet and ATM Banking Services	13
15	Consumer Finance	14
16	Letter of 'No Liability'	14
17	Employees	15
18	Foreign Exchange Services	15
19	General	16
PART 4:	ERRORS AND COMPLAINTS	
20	Errors	17
21	Complaints	17
PART 5:	RELEVANT INSTRUCTIONS ISSUED FROM SAMA	
22	Circulars	18

PART 1: INTRODUCTION

1. Financial Consumer Protection in The Kingdom of Saudi Arabia

The Saudi Arabian Monetary Agency (SAMA) is the regulator and supervisor of licensed financial institutions including banks, finance companies, leasing and real estate companies, insurance companies, money exchanger companies and credit information companies in the Kingdom of Saudi Arabia.

SAMA has been a strong advocate of the protection of consumer interests since obtaining its charter in 1952 and the issuance of the Banking Control Law in 1966. Consequently, over this period, SAMA has played an important role ensuring that consumers are dealt with fairly and honestly by the financial institutions under its supervision.

In 2005, SAMA was designated as the regulator for the insurance sector under the Cooperative Insurance Law thus further extending SAMA's role in the licensing and supervision of financial institutions. More recently, SAMA has published the 'Implementing Regulations of the Financial Lease Law' and the 'Implementing Regulations of the Law on Supervision of Finance Companies'.

The global financial situation has brought a lot of attention on how the financial services industry develops new products and services, how these are then sold to consumers and how consumers are offered consultation and redress when they have an issue or complaint. International bodies including 'G20', 'Financial Stability Board (FSB)' and the 'Organisation for Economic Co-operation and Development (OECD)' are discussing new or revised standards and principles in the area of consumer protection.

As the Saudi Arabian financial sector evolves and grows, SAMA will continue to review these developments and decide on appropriate legislative, regulatory and organisational changes to provide the level of consumer protection expected from a country that is a member of the world's main economic and financial organisations. SAMA is now setting an objective that those consumers who have dealings with licensed financial institutions in the Kingdom of Saudi Arabia will receive the expected level of fair treatment, honesty and ease of access to financial products and services.

2. Financial Consumer Protection Implementation Model

Figure 1



Figure 1 is the financial consumer protection model that describes how SAMA is taking a leading role in promoting transparency, fairness and ease of access to financial products and services for consumers, especially in the resolution of consumer complaints.

SAMA sets out the conduct expected from financial institutions through various regulations, policies and issued instructions and by making sure of the commitment of the institutions to apply these requirements.

3. Definitions

Establishment: Saudi Arabian Monetary Agency.

Advertising: Commercial messaging in any medium that directly or indirectly promotes financial products or financial services.

Advice: A personal recommendation from a qualified individual given after due consideration of a consumer's personal circumstances and objectives.

Awareness: Understanding of the principles of consumer protection and basic financial terminology used in organisations and the ability to differentiate between various products and services.



Best interests: Something which does not harm consumers.

Complaint resolution: Achieving an outcome to a consumer complaint.

Conflict of interest: When the duty of the bank to act in the best interests of any consumer in relation to a matter conflicts, or there is a significant risk that it may conflict, with the own interests of the bank, in relation to that or a related matter.

Consumer: A natural person who is acting outside of the scope of his business and who is enjoying the products and services offered by a bank.

Cooling off period: The period of time (10 business days), during which a consumer can cancel their contract without penalty.

Culture: The set of beliefs, values, and norms that represents the unique character of an organisation and provides the context for action in it and by it.

Disclosure: Transparently providing all related information to consumers.

Employee: A person who is hired to provide services to a company on a regular basis in exchange for financial return. Includes personnel hired and under contract, including insourced and/or outsourced arrangements.

Error: An outcome contrary to the documented policy or operational and control procedures, which has a financial effect on and/or which breaches the statutory and regulatory rights of one or more consumers.

Free of charge: Without deduction or payment of any direct or indirect fees, commissions or charges.

G20: A group of finance ministers and central bank governors from 19 of the world's largest economies, and the European Union.

IBAN: International Bank Account Number - a standard numbering system developed to identify bank accounts from around the world.

Incentives: Financially rewarding employees for sale of financial products or services.

Financial inclusion: Involves the availability, usage and quality of financial services and products to all citizens in the Kingdom of Saudi Arabia.

Intermediary: An entity that acts as the middleman between two parties in a financial transaction.

Licensed institutions: Institutions that are licensed by SAMA and conduct their business in the Kingdom of Saudi Arabia.

Mandatory information: Information required from consumers by instructions from SAMA and by bank policy.

Prospect consumer: A natural person who is acting outside of the scope of his business and who is enquiring about availing of the products and services offered by a bank for the first time.

Third party: An authorised agent acting on behalf of the bank.

PART 2: BANKING CONSUMER PROTECTION PRINCIPLES

4. Introduction

4.1 The 'Banking Consumer Protection Principles' is the guiding document that will enable the licensed banking institutions (banks) to deliver the required level of fair treatment, honesty and financial inclusiveness and meet SAMA's strategic objective for financial consumer protection in the Kingdom of Saudi Arabia. The 'Banking Consumer Protection Principles' applies to the activities of banks operating by way of a license and under the supervision of SAMA, and who are dealing with persons who are, or may become consumers. It also applies to the activities of any third party engaged by the banks for outsourced activity.

4.2 These principles are binding for banks and complementary to the instructions and regulations issued by the institution. It should apply to all transactions that are made with individual consumers after 2013/09/01.

4.3 A Bank should provide a free copy of these principles through all of its branches to consumers at the beginning of their relationship or when existing consumers are accessing a new product or service. A copy should also be available at all times on the bank's website.

4.4 Upon being required to do so, a bank should provide all records, documents and information relating to the 'Banking Consumer Protection Principles' requested by SAMA.

4.5 The 'Banking Consumer Protection Principles' are issued pursuant to powers granted to SAMA under the following legislation and regulation:

(a) Charter of the Saudi Arabian Monetary Agency – Article (3d), issued by Royal Decree No. 23.
Dated 1377/05/23H (1957/12/15G).

(b) Banking Control Law issued by Royal Decree No. M/5.
Dated 1386/02/22H (1966/6/12G).

(c) Ministerial Decree No.2149/3.
Dated 1406/10/14 H (1986/6/22G).

5. General Principles

5.1 The 'G20 High-Level Principles on Financial Consumer Protection' were developed in 2011 by a special task force of the OECD. These high-level principles are now used worldwide by financial regulators to complement their existing financial regulations, especially those regulations relevant to the protection of consumers.

The 'G20 High-Level Principles on Financial Consumer Protection' provide the background for the 'General Principles for Financial Consumer protection' now being adopted as part of the 'Banking Consumer Protection Principles' and which help to contextualise the key commitments in the following sections.

General Principles for Financial Consumer Protection

PRINCIPLE 1

Equitable and fair treatment: Banks should deal fairly and honestly with consumers at all stages of their relationship, so that it is an integral part of the culture of a bank. Care should also be made and special attention given to the needs of vulnerable persons and groups.

PRINCIPLE 2

Disclosure and transparency: Banks should provide up to date information about products and services to consumers. This information should be easily accessible, clear, simple to understand, accurate, not misleading and include any potential risks for the consumer. It should include the rights and responsibilities of each party, including the mechanism for either party to end the banking relationship, as well as details of fees, pricing and any potential penalties that the consumer may incur.

PRINCIPLE 3

Financial education and awareness: Banks should develop programmes and appropriate mechanisms to help existing and future consumers develop the knowledge, skills and confidence to appropriately understand risks, including financial risks and opportunities, make informed choices, know where to go for assistance when they need it.

PRINCIPLE 4

Behaviour and work ethic: Banks should work in a professional manner for the benefit of clients during their relationship, where a bank is primarily responsible for the protection of the financial interests of the client.

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 a high level of efficiency and effectiveness to reduce fraud, embezzlement or misuse.

PRINCIPLE 6

Protection of privacy: Consumers' financial and personal information should be protected through appropriate control and protection mechanisms. These mechanisms should define the purposes for which the data may be collected, processed, held, used and disclosed (especially to third parties).

PRINCIPLE 7

Complaints handling: Consumers should have access to adequate complaints handling mechanisms that are accessible, affordable, independent, fair, accountable, timely and efficient and based on SAMA rules.

PRINCIPLE 8

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

PRINCIPLE 9

Third parties: Banks and their authorised agents should have as an objective, to work in the best interest of their consumers and be responsible for upholding financial consumer protection. Banks should also be responsible and accountable for the actions of their authorised agents.

PRINCIPLE 10

Conflict of interest: Banks should have a written policy on conflict of interest, and ensure that this policy will help to detect potential conflicts 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

The responsibilities of consumers will be supported by on-going consumer education and awareness programmes from SAMA as well as initiatives by the various banks for their own consumers.

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.

When you submit your application, you should receive full details on the obligations for your service or product. Make sure you have access to the details of your obligations that you understand them 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.

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

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.

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

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 should 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 unauthorised transactions to your bank.

If you have discovered unauthorised 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.

By talking to your bank, you can discuss possible alternative repayment arrangements that will enable you to fully discharge your responsibilities.

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) when giving contact details to your bank. Do not use other friends' or relatives' mail addresses, which can expose your financial information to others.

6.13 Power of Attorney.

Be careful when dealing with 'Power of Attorney'. 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 or initialling. Do not sign empty or partially completed forms.

6.15 Review all of your documents.

Review all of your documents before you sign them to ensure no errors are made in the account number or amount. Your signature is an approval and agreement of the document content.

6.16 Keep copies of your documents.

Keep all documents in a safe place that are provided to you by the bank. They should provide you with a copy of signed contracts and other relevant documents and papers.

PART 3: KEY COMMITMENTS

This part details the rules and principles that support the 'Banking Consumer Protection Principles'.

7. Terms and Conditions

7.1 Up to date terms and conditions for products and services should be provided to new consumers or at the request of existing consumers, through the channels available from the bank and in accordance with the consumer's preference, and detailed either by way of a general terms and conditions booklet or by individual brochures. Consumers should be encouraged to read these terms and conditions before committing to a product or service.

7.2 A bank should communicate any changes in terms and conditions at least 30 business days in advance of any such changes being implemented.

7.3 All terms and conditions should be written in clear and understandable language, in a manner that is not misleading and provided to the consumer in Arabic, with a translation available in English if requested.

7.4 A bank should include specific warning statements in all terms and conditions, application forms and advertisements, stating clearly the potential consequences for the consumer in not meeting the product or service conditions as agreed in the application form.

8. Fees, Charges and Pricing

8.1 A bank will only deduct the approved fees, charges and commissions that are detailed in the SAMA schedule of fees and charges and commissions. All new fees, charges and commissions should be approved by SAMA. The fully approved SAMA schedule of fees and charges, including third party fees, charges and commissions, should be clearly on display in all bank branches and on the bank website.

8.2 A bank should provide consumers with a copy of the schedule of fees, charges and commissions when they provide a product or service, when signing a contract or as requested by a consumer at any time.

8.3 A bank should inform the affected consumers of any changes in fees and charges, including any fees and charges imposed by a third party, 30 business days in advance of any such changes being implemented.

8.4 A bank should clarify to consumers the methodology for calculating fees and commissions and the amount of profit earned by the bank for the products and services held by those consumers.

8.5 A full breakdown of any accumulated fees and charges deducted from the final closing balance should be communicated to the consumer within five business days of closing the consumer's account or transferring to another bank.

8.6 Consumers should be advised in contracts and application forms that any fees or charges (greater than SR500), which are required from the consumer in order to avail of a bank product or service, will be evenly distributed without amortisation over the projected lifetime of the product or service and will not be deducted in one full payment, unless the consumer confirms by signed agreement that they wish to do so.

8.7 If the consumer decides not to proceed with the banking product or service within 10 days of signing the contract, a bank should refund an appropriate portion of any fee or charge which has been deducted.

8.8 A bank cannot impose a transaction or payment fee or charge on any transfers or payments between a consumer's accounts with a bank, including credit cards issued from that bank.

8.9 A bank is required to provide written justification to consumers for fees, charges and commissions deducted for the products and services held.

8.10 A bank should notify their consumers that any ATM card withdrawals outside of KSA could result in additional withdrawal fees as per SAMA schedule of fees and charges.

9. Data Protection and Confidentiality

9.1 A bank has responsibility to protect consumer data and maintain the confidentiality of the data, including when it is held by a third party.

9.2 A bank will provide a safe and confidential environment in all of its delivery channels to ensure the confidentiality and privacy of consumer data.

9.3 A bank has a general duty of confidentiality towards a consumer except:

- When the disclosure is imposed by the relevant authority (such as the Ministry of Interior, Courts etc.).
- When disclosure is made with the written consent of the consumer.

9.4 A bank should have sufficient procedures, system controls and checks and employee awareness to protect consumer information and to identify and resolve any causes of information security breaches, where they may occur in the future.

9.5 A bank should ensure that the personal information of consumers could be accessed and used by authorised employees only. This is to ensure that access to consumer's financial and/or personal information is for authorised employees only, whether on the job or after they have ceased working with the bank.

10. Advertising and Marketing Communications

10.1 A bank can use its main channels (branches, website, automated teller machines, telephone banking, account statements) as well as use public media channels (audio, visual and print, etc.) for the marketing of products for financing and credit cards using promotional methods and marketing as it deems appropriate for the target segment. These methods should be in line with the instructions and regulations issued by SAMA.

10.2 Advertising issued by banks will not be deceptive or misleading and will not exaggerate the advantages of a product or service. All text and numbers will be clearly visible and understandable with a legible font size, including footnotes.

10.3 Where a bank advertises or promotes any product or service that requires a consumer to pay a fee, it should include the following disclosures:

- the name and logo of the bank and the bank contact details.
- the advertisement should state the name of the product and the annual percentage rate of the product should be clear for the consumer. A bank cannot advertise a percentage rate for a term other than annual.
- indicate the amount of all fees and commissions relating to the use of the service or product.
- banks cannot do the following:
 - a) provide an offer or false data or information or to be evasive about the terms that would lead directly or indirectly to deceive or mislead a consumer.
 - b) use an advertisement or poster without the right to use a counterfeit mark or logo.

SAMA will compel a bank that does not comply with the conditions set forth in this Article to withdraw the advertisement within one business day of notifying the bank to do so.

10.4 A bank should ensure that an advertisement or promotional material is designed and presented so that any consumer can reasonably be expected to know that it is an advertisement and availability of the product or service may require the consumer to meet certain criteria.

10.5 A bank should ensure that an advertisement or promotional material that offers introductory low cost fees, charges or pricing, clearly states the expiry date of such an offer.

10.6 A bank should ensure that an advertisement or promotional material which contains any acronyms (for example APR) states clearly what the letters actually stand for.

10.7 A bank should ensure that an advertisement or promotional material only describes a product or service as 'free' where the product or service in its entirety is available free of charge to all consumers.

10.8 A bank should provide a designated area in each branch for consumers to review and complete opening of accounts and to display brochures and forms for consumers.

10.9 Consumers have the right to receive short messages (SMS) or promotional material for services and products provided by a bank, and the bank should obtain the prior approval of the consumer, whether in writing or electronically, according to the preferences of the consumer.

10.10 A bank should never send promotional material to consumers under the age of 18 years that promote products or services that carry an unsuitable risk for such age group.

11. Account Opening and Closing

11.1 A bank should accept and fulfil all requests to open new accounts, where the consumer has completed all of the required documents and meets the conditions required to complete the account opening process, with the exception of the cases provided for in the rules of opening and operating accounts issued by SAMA.

11.2 A bank should not unreasonably delay the opening of a bank account for a consumer by engaging in delaying tactics.

11.3 A bank should inform consumers of decision by the bank to close a consumer's account 60 days in advance of the account being closed and the reasons for this. In cases of fraud or embezzlement by a consumer, a bank can immediately close or block an account without communicating with the consumer.

11.4 A bank should not require a consumer to have a minimum deposit to open a personal bank account. However, a bank has the right to close an account if the account balance is zero for a period of 90 days from the date that the account is opened.

11.5 A bank should inform a consumer of the consequences of opening and operating a bank account. This should include a formal process of ensuring that consumers are fully aware of the consequences of granting access to their bank accounts to third parties.

12. Account Transferring (implementation date 1st January 2014)

12.1 A bank should have an account transfer pack available in each branch and on its website, containing the following information:

- A description of the account transfer process, including the procedures to be followed by the consumer to transfer their account to another bank.
- The process to open the account, including a list of the requirements, which the consumer should fulfil in order to open the account.
- An 'Account Transfer' form which includes the following:
 - o The date to transfer the account.
 - o Consent to close the account in the old bank and transfer any balances to the designated account at the new bank.
 - o Consumer's consent to transfer relevant information details from the old bank to the new bank.

12.2 A bank should formally acknowledge the transfer request to the consumer and complete the transfer within seven business days. The bank cannot exert undue pressure to cancel the transfer request unless the consumer has unfulfilled commitments with the existing bank.

12.3 A bank should provide a closing statement of account and letter of 'no liability' to a consumer who is transferring their account to another bank, within seven business days of closing the account.

13. Bank Cards, Credit Cards and Point of Sale (POS)

13.1 A bank will only provide a new ATM card on written request from the consumer or from an authorised person. A replacement card can be issued before expiry date or as requested by the consumer.

13.2 A bank will ensure that cards are issued and delivered to the consumer named on the card, or to an authorised person, in accordance with SAMA circulars.

13.3 A bank will provide appropriate electronic channels and free-phone to assist Consumers to easily report loss, theft or misuse of their cards.

13.4 A bank should fully investigate problems, complaints and claims from consumers, regarding incorrect transactions or any difficulties encountered when using any 'Automated Teller Machine' (ATM) or 'Point Of Sale' (POS) and take corrective action in accordance with SAMA circulars related to this.

13.5 A bank should not issue a credit card or increase a credit card limit except upon the written request of the consumer, according to the regulations and circulars issued by SAMA relating to credit cards and debit cards.

13.6 A bank should not discriminate regarding the issuance of credit cards to consumers and the approval or rejection of a request for a credit card should be based on the consumer's financial position and their ability to repay.

13.7 A bank should inform consumers of the importance of protecting ATM cards, credit cards, secret numbers and cheque books. The consumer should be informed of the procedures for reporting cases of theft, loss and fraud.

13.8 A consumer will be responsible for any transactions made on their credit card before they reported the loss of their card to the bank. The issuing bank is responsible for any fraudulent transactions (transfer of credit card information) without the knowledge of the cardholder, whether made before or after the cardholder informs the bank, except in cases which the bank proves the cardholder's responsibility for these transactions.

13.9 A bank should emphasise to merchant customers that they cannot pass on or impose any additional fees or charges (merchant service charge) on credit cardholders when consumers use a credit card for payment of goods or services in their stores. The bank responsible for accepting the merchant's deposits should ensure the amounts lodged are aligned with the merchants' business. The bank should facilitate training of merchants' staff on the use of POS devices and provide them with the required rules and regulations to be followed.

13.10 A bank should take special care to ensure that certain merchants, such as travel agencies, car rental, gold shops and jewelry shops do not impose additional fees on the amount of the transaction where a consumer uses their credit card (such as Visa, MasterCard, American Express) to complete the purchase.

13.11 A bank will advise consumers of the transaction limits that apply at POS and ATM at time of issue, reissue of cards, or when these limits change.

13.12 A bank should inform consumers to avoid choosing easy secret numbers for banking services or numbers associated with personal dates and encourage them to change these numbers periodically.

14. Internet and ATM Banking Services

14.1 A bank should take appropriate measures to ensure that all online banking channels are safe and secure. A consumer will be compensated for any direct losses incurred as a result of poor security controls for these channels.

14.2 A bank should provide a free phone line to help consumers to easily report suspicious or unusual transactions or unauthorised access to their data or accounts.

14.3 A bank should inform consumers of all transactions on their accounts as they happen, by sending a free SMS to mobile phone. They should apply more than one evidence of identity verification for electronic services and advise consumers regarding electronic fraud in accordance with SAMA circulars.

14.4 A bank should verify that all ATMs and other electronic services meet the needs of consumers and lead to facilitating the completion of banking transactions according to the latest technologies available.

14.5 A bank should process the claims associated with the transactions executed through automated teller machines in accordance with instructions and circulars issued by SAMA in this regard.

14.6 A bank should conduct periodic maintenance of all ATMs , to include verification of operation and availability at all times, preferably replacing ATMs that have been serviced for more than nine years.

14.7 A bank should use modern and advanced techniques in monitoring the performance of ATMs remotely.

14.8 A bank should use undamaged notes and withdraw damaged notes from circulation, especially when replenishing automated teller machines.

15. Consumer Finance

15.1 Banks are committed to personal finance controls and other relevant regulations and circulars issued by SAMA.

15.2 Before agreeing to grant a loan or any other type of finance facilities for a consumer, a bank should assess the status of the consumer's credit rating and ensure their ability to repay the loan amount based on the consumer's current situation.

15.3 A bank will deduct the installment on the date agreed upon with the consumer and in line with the date of deposit of the consumer's salary account with the bank.

15.4 Each bank branch should have a designated credit counselor to assist consumers who report that they are encountering a difficulty with repayments to their consumer finance account.

16. Letter of 'No Liability'

16.1 A consumer is entitled to transfer their salary to the account of any other bank of their choice in the absence of financial commitments to an existing bank. A bank should issue a letter of 'no liability' to the consumer no later than seven business days from the date of receipt of transfer request, and within 30 business days in the case of a credit card, with the exception of cases involving the courts.

16.2 A bank should give clear written information to consumers regarding the consequences that non-payment of their liabilities will have for their credit record in the information held by credit information companies. In the event that a consumer partly pays their indebtedness , banks should not issue a letter of 'final clearance'. They should avoid using any such phrases or words in their communication with the consumer unless the consumer has fully paid off their liabilities or unless the bank is agreeable to accept a partial payment in full and final settlement of all amounts due.

16.3 When communicating with consumers to encourage them to settle their outstanding amounts, a bank should always adhere to SAMA circulars regarding this process, which includes the responsibilities of bank employees and employees of any outsourced company or third party who is acting on behalf of a bank.

17. Employees

17.1 A bank will ensure that employees who have direct interactions with consumers should do the following:

- a) competently, efficiently and professionally discharge their duties and provide the banking services they are entrusted to provide.
- b) display good behaviors and deal professionally when providing service to existing or prospect consumers at all times.
- c) have full knowledge of best banking practices so that they can help consumers.

17.2 A bank should ensure that its employees have access to training and achieve the required levels of competency by enrolment in specialised programmes for professional accreditation that qualifies them to deal with consumers.

18. Foreign Exchange Transfers

18.1 A bank has the right to impose fees on consumers for the transfer of funds outside the Kingdom. These fees should be a fixed amount and not a percentage of the amount being transferred. Any beneficiary bank fees should be included, as well as any fees imposed by the correspondent bank. The consumer should be informed of the amount of all fees before confirming the transfer of funds.

18.2 A bank will be responsible for validating the payment instructions, specifically the International Bank Account Number (IBAN), and Bank Identifier Code (BIC), before completing the transfer of the funds.

18.3 Before completing the transfer of funds, a bank should advise consumers of the expected arrival time that the funds will be with the beneficiary and the fees or charges deducted and the net amount that will be paid to the beneficiary.

18.4 A bank should advise a consumer within two business days of return of funds by a correspondent bank. The funds returned should be credited to the consumer's account as soon as received from the correspondent. Where the consumer is not an account holder, the returned funds should be available in cash or by cashier's cheque within two business days.

18.5 A bank should explain to the consumer that making an ATM cash withdrawal for international currency outside the Kingdom is subject to the required currency exchange rate as at the date of the withdrawal transaction.

18.6 A bank should ensure that where an advertised product or service is denominated or priced in a foreign currency, or where the value of an advertised product or service may be directly affected by changes in foreign exchange rates, the advertisement contains the following warning statement: "This product/service may be affected by changes in foreign currency exchange rates".

19. General Terms

19.1 A bank should provide a hard copy of the 'Banking Consumer Protection Principles' to new banking consumers, or to existing consumers who takes out a new product or service. An electronic copy should be also available on their website for all consumers.

19.2 A bank will provide a copy of the following documents within seven business days, or as otherwise formally agreed with the consumer, based on the consumer request:

- A copy of the original application for any product or service.
- A copy of the up to date terms and conditions.
- A copy of the credit contract, including security and guarantee documents.

19.3 Banks should take humanitarian reasons into consideration when dealing with consumers who have emergency financial difficulties.

19.4 A bank should advise its consumers who have financial difficulties and try to help them to overcome these difficulties before proceeding with legal action against them.

19.5 A bank will display the branch hours of business on a fixed notice at the main entrance to each branch and on their website and the branch should open and close in accordance with the advertised hours of business.

19.6 A bank will not discriminate against consumers in any way, in the sale or usage of any banking product or service.

PART 4: ERRORS AND COMPLAINTS

20. Errors

20.1 A bank is not entitled to benefit from any amounts due to an error, the sum should be returned to the affected consumer's account without delay and without waiting for the consumer to register a claim.

20.2 Where a bank discovers an error, or is informed of an error by a consumer making a complaint or a claim, then the bank should refund all other consumers who are proven to be affected by a similar error. This should be completed within 60 business days of the original error being identified. The bank should issue a communication to all affected consumers, advising them of the error and the steps being taken for corrective action, including the amount of the refund to the consumers' accounts.

20.3 A bank should ensure the continuity of banking systems to meet the consumers' needs at all times, and to provide alternatives when a defect or malfunction occurs.

20.4 On conclusion of a complaint or error investigation, or on receipt of an instruction from a higher authority, any refunds or monetary compensation due to a consumer should be credited to the consumer's money transmission account within five business days. In certain exceptional circumstances when a longer period of time may be required, the consumer should be advised of the expected time for crediting of the amount due.

21. Complaints

21.1 A bank should comply with the rules and regulations for complaint handling as issued by SAMA and should acknowledge receipt of the consumer's complaint and send them a complaint reference number to their mobile telephone for follow up.

21.2 A bank should clearly display their complaints procedures in all of their branches and on their websites and provide a hard copy to a consumer if requested.

21.3 A bank's complaints procedures should include the following:

- How to make a complaint and the documentation required, including the consumer's right to make a complaint directly to a branch, to the bank's callcentre, by fax, through the bank's website or using any other channel made available by the bank.
- That bank management takes responsibility for the investigating of complaints.
- The official name and phone number to be used by the consumer when they need to follow up a complaint.
- That the expected time period for the bank to respond to the consumer with a decision on the complaint that would not exceed 10 business days from the date of registration of the complaint.
- The bank should communicate with the consumer regarding the complaint within one week from the date of receipt in the absence of resolution during this period. If the complaint is not resolved in one week, the bank will communicate and update within 10 business days to advise how long (it is expected that resolution will take).
- a bank should document the channel used to communicate with the consumer and retain details.

21.4 A bank should provide the information required by a consumer who wishes to escalate their complaint within a bank or to a third party as a result of being dissatisfied with the result of their complaint and direct them to the appropriate third party relevant for their complaint.

PART 5 RELEVANT INSTRUCTIONS ISSUED BY SAMA

22. Circulars

CIRCULAR NUMBER	DATE ISSUED
40690/MAT/789	1430/08/15
51224/MAT/995	1430/10/20
27780/MAT/13135	1431/05/27
MAT/150	1423/06/29
5790/AT/97	1424/03/13
11374/MAS/207	1430/03/05
33703/MAT/15969	1431/07/03
14547/MAT/6442	1432/03/19
29209/MAT/552	1430/06/10
903/MD/MAT	1428/04/20
4225/MA/146	1415/04/05
32777/MAT/618	1428/08/07
3205/MAE/33	1425/02/02
19109/MAQ/S 166	1422/10/21
25150/MAT/272	1423/11/26
251/MAT/3	1428/01/02
043 33/MAT/644	1430/07/01
MAT/60	1423 /03/13
12974/MA/655	1415/10/26
32275/MAT/516	1427/09/04
9367/MAT/141	1427/03/12
736 34/MAT/15864	1432/07/10
734 34/MAT/15865	1432/07/10
17456/MAT/8211	1431/01/04