

Banking: Conduct of Business sourcebook

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Chapter 1

Application

1.1 General application

The general application rule

- 1.1.1 **R** This sourcebook applies to a *firm* with respect to the activity of *accepting deposits* from *banking customers* carried on from an establishment maintained by it in the *United Kingdom* and activities connected with that activity.

Limitations on the general application rule

- 1.1.2 **R** The general application *rule* is modified:
- (1) in the chapters of this sourcebook for particular purposes; and
 - (2) in ■ BCOBS 1 Annex 1 for certain types of *firm* in relation to the sale of *structured deposits*.
- 1.1.3 **R** Except as provided for in ■ BCOBS 1.1.4R, this sourcebook does not apply to:
- (1) *payment services* where Parts 6 and 7 of the *Payment Services Regulations* apply; or
 - (2) a *person* or *firm* which has permission for *accepting deposits* but only for the purposes of, or in the course of, an activity other than *accepting deposits*.
- 1.1.4 **R**
- (1) Chapters 2, 2A, 5 and 6 of *BCOBS* (except for ■ BCOBS 5.1.10AR to ■ BCOBS 5.1.19 R) and ■ BCOBS 4.3 apply to *payment services* where Parts 6 and 7 of the *Payment Services Regulations* apply.
 - (2) Chapter 3 of *BCOBS* applies to *payment services* where Parts 6 and 7 of the *Payment Services Regulations* apply with the modifications set out in ■ BCOBS 3.1.2 R(2).
 - (3) A *firm* will not be subject to *BCOBS* to the extent that it would be contrary to the *United Kingdom's* obligations under an *EU* instrument.
- 1.1.4A **G** Guidance on the application of the *Payment Services Regulations* can be found in ■ PERG 15.

- 1.1.5 **R** ■ BCOBS 2.2A, ■ BCOBS 4.1.2G(2A) to (2E), (3A), (6A) and (6B), ■ BCOBS 4.1.4AG(2)(a), ■ BCOBS 5.1.3AG, ■ BCOBS 5.1.3BG, ■ BCOBS 5.1.5AR, ■ BCOBS 5.1.5BG, ■ BCOBS 5.1.13R and ■ BCOBS 7 (except as applied by ■ BCOBS 7.1.4R) do not apply to a *credit union*.

Exclusion of liability

- 1.1.6 **R** A *firm* must not seek to exclude or restrict, or rely on any exclusion or restriction of, any duty or liability it may have to a *banking customer* unless it is reasonable for it to do so and the duty or liability arises other than under the *regulatory system*.

- 1.1.7 **G** The general law, including the *Unfair Terms Regulations* (for contracts entered into before 1 October 2015) and the *CRA*, also limits the scope for a *firm* to exclude or restrict any duty or liability to a *consumer*.

Structured deposits

- 1.1.8 **G** A *firm* that carries on the activity of *accepting deposits* which are *structured deposits* should refer to ■ BCOBS 1 Annex 1.

Structured deposit business

Application of BCOBS to firms selling structured deposits

- 1.1 R The *BCOBS* provisions shown below do not apply to a *MiFID investment firm*, a *third country investment firm* or a *MiFID optional exemption firm* in relation to the sale of *structured deposits* subject to the rules specified in [COBS 1.1.1AR\(2\)](#).
- | BCOBS provision | Description |
|---|--|
| BCOBS 2 | Communications with banking customers and financial promotions |
| BCOBS 4 (other than BCOBS 4.1.4AG and BCOBS 4.3) | Information to be communicated to banking customers |
- 1.2 G A *firm* to which [BCOBS 1 Annex 1](#) paragraph 1.1R applies should read and understand the reference to the appropriate information *rule* in [BCOBS 4.1.4AG](#) as referring to [COBS 2.2A.2R](#).
- 1.3 G A *MiFID investment firm*, a *third country investment firm* or a *MiFID optional exemption firm* that sells *structured deposits* should consider [COBS 1.1.1AR](#) to [COBS 1.1.1ABR](#). These rules specify how certain provisions in *COBS* apply to a *firm* in relation to the sale of *structured deposits*.

Financial promotions relating to structured deposits

- 1.4 G (1) [BCOBS 2](#) contains rules which apply to a *firm* when it communicates a *financial promotion* that is not an *excluded communication* or when the *firm* approves a *financial promotion*.
- (2) If a *financial promotion* relates to a *structured deposit*, rules relating to past, simulated past and future performance in [COBS 4.5A](#) or [COBS 4.6](#) will also apply.

Structured deposits as PRIIPs

- 1.5 G *Firms* are reminded that *structured deposits* are *PRIIPs* and that the provisions of the *PRIIPs Regulation* are also relevant to such products. The *PRIIPs Regulation* requires a *person* who advises on, or sells, a *PRIIP* to provide a retail investor (as defined in the *PRIIPs Regulation*) with the *key information document* for that *PRIIP*.
- 1.6 G Where a *firm* is required to provide information in a *key information document*, it will not be required to provide the same information under [BCOBS 4.1](#).

[Note: [BCOBS 1.1.4R\(3\)](#) and article 13 of the *PRIIPs Regulation*]

Chapter 2

Communications with banking customers and financial promotions

2.1 Purpose and Application: Who and what?

2.1.1 **G** *Principle 6* requires a *firm* to pay due regard to the interests of its *customers* and treat them fairly. *Principle 7* requires a *firm* to pay due regard to the information needs of its *clients* and communicate information to them in a way which is clear, fair and not misleading. This chapter reinforces these requirements by requiring a *firm* to pay regard to the information needs of *banking customers* when communicating with, or making a *financial promotion* to, them and to communicate information in a way that is clear, fair and not misleading.

2.1.2 **R** In addition to the general application rule (■BCOBS 1.1.1 R), this chapter applies to the *communication*, or *approval for communication*, to a *person* in the *United Kingdom* of a *financial promotion* of a *retail banking service* unless it can lawfully be *communicated* by an *unauthorised person* without *approval*.

2.1.3 **R** This chapter applies to a *firm*:

- (1) communicating with a *banking customer* in relation to *accepting deposits*;
- (2) *communicating a financial promotion* that is not an *excluded communication*; or
- (3) *approving a financial promotion*.

2.1.4 **G** In accordance with ■BCOBS 1 Annex 1 paragraph 1.1R, ■BCOBS 2 does not apply to a *MiFID investment firm*, a *third country investment firm* or a *MiFID optional exemption firm* in relation to the sale of *structured deposits*. A *MiFID investment firm*, a *third country investment firm* or a *MiFID optional exemption firm* is subject to the *rules* specified in ■COBS 1.1.1AR(2) in relation to the sale of *structured deposits*.



2.2 The fair, clear and not misleading rule

- 2.2.1** **R** A *firm* must take reasonable steps to ensure that a communication or a *financial promotion* is fair, clear and not misleading.
- 2.2.2** **G** The fair, clear and not misleading *rule* applies in a way that is appropriate and proportionate taking into account the means of communication and the information that it is intended to convey. So a communication addressed to a *banking customer* who is not a *consumer* may not need to include the same information, or be presented in the same way, as a communication addressed to a *consumer*.
- 2.2.3** **G** The *rules* in ■ SYSC 3 (Systems and Controls) and ■ SYSC 4 (General organisational requirements) require a *firm* to put in place systems and controls or policies and procedures in order to comply with the *rules* in ■ COBS 4.6 (Past, simulated past and future performance), ■ COBS 4.7.1 R (Direct offer financial promotions), ■ COBS 4.10 (Systems and controls and approving and communicating financial promotions) and this chapter of *BCOBS*.
- 2.2.4** **G** Part 7 (Offences relating to Financial Services) of the Financial Services Act 2012 create criminal offences relating to certain misleading statements and practices.
- 2.2.5** **G** A communication or a *financial promotion* should not describe a feature of a product or service as "guaranteed", "protected" or "secure", or use a similar term unless:
- (1) that term is capable of being a fair, clear and not misleading description of it; and
 - (2) the *firm* communicates all of the information necessary, and presents that information with sufficient clarity and prominence, to make the use of that term fair, clear and not misleading.

2.2A Summary box for savings accounts

2.2A.1

R

- (1) A *firm* must ensure that a *direct offer financial promotion* in relation to a *savings account* includes a summary box in the form set out in ■ BCOBS 2 Annex 1R.
- (2) In the case only of a *direct offer financial promotion* on paper, it is sufficient for the purposes of (1) if the *direct offer financial promotion* is accompanied by a summary box on a separate sheet.
- (3) The summary box must contain, in the sequence of rows set out in the table in ■ BCOBS 2 Annex 1R:
 - (a) the headings prescribed in the first column in the table in ■ BCOBS 2 Annex 1R; and
 - (b) the corresponding information described in the second column in the table in ■ BCOBS 2 Annex 1R.
- (4) In the case of a *direct offer financial promotion* communicated by voice telephony:
 - (a) this *rule* (except for this paragraph) does not apply; and
 - (b) the *firm* must provide each of the items of information described in the second column in the table in ■ BCOBS 2 Annex 1R (except for the information in the row that includes the heading “What would the estimated balance be after [x] months based on a £[x] deposit?”) orally in clear, easily understandable language during the telephone communication.
- (5) The *firm* must present the summary box in clear, easily understandable language and in a prominent way.
- (6) In the case of a *direct offer financial promotion* communicated in an electronic medium which is constrained by space, a *firm* may amend the form of the summary box where to do so would make the presentation of the information clearer in that particular electronic medium.
- (7) Where more than one rate of interest may apply to a *savings account*, the summary box must show each rate of interest with equal prominence. In particular, the lowest rate of interest that may apply to the *savings account* must not be given any less prominence in the summary box than the other rate or rates of interest shown in the summary box.
- (8) The summary box must not include any information other than the information described in the table in ■ BCOBS 2 Annex 1R.

2.2A.2

G

- (9) The summary box may relate to more than one *savings account* provided that the information in relation to each respective account is presented in a separate column in the summary box and is clearly distinguishable from information in relation to other accounts.
- (1) The summary box should be completed in accordance with the *guidance* set out in the notes to the summary box in ■ BCOBS 2 Annex 1R.
- (2) The requirement under ■ BCOBS 2.2A.1R is to include the rate or rates of interest that apply to the *savings account* in the summary box itself. It is not, therefore, permissible to simply refer in the summary box to a separate webpage or document where the rate or rates of interest can be found.
- (3) Where the rate of interest that applies to a *savings account* may change depending on the period that has elapsed since it was opened or on whether certain conditions are met, a *firm* should incorporate the table set out in ■ BCOBS 2 Annex 2G in the row of the summary box that includes the heading "What is the interest rate?" unless it would be misleading to do so.
- (4) The effect of ■ BCOBS 2.2A.1R(1) is that the summary box must be incorporated in the *direct offer financial promotion* itself. It is not sufficient, for example, to include in a *direct offer financial promotion* that appears on a website a link to a separate page containing the summary box. ■ BCOBS 2.2A.1R(2) provides a limited exception to this where a *direct offer financial promotion* is on paper, in which case the summary box may accompany the *direct offer financial promotion* as a separate document.
- (5) The effect of ■ BCOBS 2.2A.1R(8) is that any additional information in relation to a *savings account* that a *firm* chooses to provide must appear outside the summary box.
- (6) A *firm* may wish to include a statement in close proximity to the summary box that the information provided in it is a summary of the key features of the *savings account* and is not intended to be a substitute for reading the terms and conditions that apply to the account.

2.3 Other general requirements for communications and financial promotions

- 2.3.1** **R** A *firm* must ensure that each communication made to a *banking customer* and each *financial promotion communicated or approved by the firm*:
- (1) includes the name of the *firm*;
 - (2) is accurate and, in particular, does not emphasise any potential benefits of a *retail banking service* without also giving a fair and prominent indication of any relevant risks;
 - (3) is sufficient for, and presented in a way that is likely to be understood by, the average member of the group to whom it is directed, or by whom it is likely to be received; and
 - (4) does not disguise, diminish or obscure important information, statements or warnings.
- 2.3.2** **G** The name of the *firm* may be a trading name or shortened version of the legal name of the *firm*, provided the *banking customer* can identify the *firm* communicating the information.
- 2.3.3** **G** In deciding whether, and how, to *communicate* information to a particular target audience, a *firm* should take into account the nature of the *retail banking service*, the *banking customer's* likely or actual commitment, the likely information needs of a reasonable recipient, and the role of the communication or *financial promotion* in the sales process.
- 2.3.4** **G** If a communication or a *financial promotion* names the *FCA*, *PRA* or both as the regulator of a *firm* and refers to matters not regulated by the *FCA*, *PRA* or both, the *firm* should ensure that the communication or *financial*

promotion makes clear that those matters are not regulated by the *FCA*, *PRA* or both.

2.3.5 **G** When *communicating* information, a *firm* should consider whether omission of any relevant fact will result in information given to the *banking customer* being insufficient, unclear, unfair or misleading.

2.3.6 **G** The Depositor Protection Part of the *PRA Rulebook* may apply in relation to communications with a *banking customer*.

2.3.7 **R** If a communication or a *financial promotion* compares a *retail banking service* with one or more other *retail banking service* (whether or not provided by the *firm*), the *firm* must ensure that the comparison is meaningful and presented in a fair and balanced way.

2.3.8 **R** If a communication or a *financial promotion* in relation to a *retail banking service* refers to a particular tax treatment or rate of interest payable, a *firm* must ensure that a prominent statement that the tax treatment or the rate of interest payable:

(1) depends on the individual circumstances of each *banking customer*;
and

(2) may be subject to change in the future;

is either included in that communication or *financial promotion*, or provided to the *banking customer* on paper or in another *durable medium* in good time before the *banking customer* is bound by the contract for that *retail banking service*.

2.3.9 **G** When designing a *financial promotion*, a *firm* may find it helpful to take account of the British Bankers' Association/Building Societies Association Code of Conduct for the Advertising of Interest Bearing Accounts.



2.4 Cash deposit ISAs and cash deposit CTFs

2.4.1 G [deleted]

2.4.2 G If a *financial promotion* relates to a *cash deposit ISA*, *cash-only lifetime ISA* or *cash deposit CTF*, ■ COBS 4.7.1 R (Direct offer financial promotions) also applies.

Form of Summary Box for Savings Accounts

This annex is referred to in ■ BCOBS 2.2A.1R

Summary Box	
Account name	Name of <i>savings account</i>
What is the interest rate?	<p>The rate or rates of interest that apply to the <i>savings account</i> (see note 1).</p> <p>Where different rates of interest apply to the <i>savings account</i> in different circumstances, an explanation of the circumstances in which each of the different rates applies (see note 2).</p> <p>Where an interest rate automatically tracks a reference interest rate (see note 3):</p> <ul style="list-style-type: none"> -a statement that this is the case, identifying the reference interest rate; -an explanation of how the applicable interest rate is calculated on the basis of the reference interest rate; -an explanation of how the customer can access and monitor the level of the reference interest rate from time to time, including a website link to where the latest level of the reference interest rate can be found, where practicable. <p>The times at which interest payments are calculated and credited to the <i>savings account</i>.</p>
Can [name of <i>firm</i>] change the interest rate?	<p>Whether or not the <i>firm</i> has the right to change the rate or rates of interest.</p> <p>Where the <i>firm</i> has the right to change the rate of interest, brief details of the circumstances in which that right may be exercised and how and when notice of the change will be given (see note 4).</p>
What would the estimated balance be after [x] months based on a £[x] deposit?	<p>One or more projections of the future balance of the <i>savings account</i>, which provide a representative illustration of the cash returns that the account will generate (see notes 5 to 9).</p> <p>A statement of the assumptions on which the projection is based.</p>
How do I open and manage my account?	<p>Details of any eligibility criteria that apply to the <i>savings account</i> (see note 10).</p> <p>A brief description of how to open the <i>savings account</i>, including a reference to any service available that enables a <i>banking customer</i> to switch to the <i>savings account</i>.</p> <p>Whether a minimum amount must be deposited to open the <i>savings account</i> and, if so, that amount.</p> <p>Whether a minimum amount must be deposited in the <i>savings account</i> on a regular basis and, if so, that amount, the frequency with which it must be paid, and any consequences of not doing so.</p>

Summary Box

Whether a maximum amount may be deposited in the *savings account* in any specified period of time and, if so, the amount and the period.

Whether there is a maximum amount that may be held in the *savings account* and, if so, that amount (see note 11).

A reference to the channels through which the *banking customer* can communicate with the *firm* and give instructions in relation to the *savings account* (see note 12).

Can I withdraw money?

An explanation of how money may be withdrawn from the *savings account*, including any conditions or consequences for making withdrawals (see note 13).

For *fixed-term savings accounts*, an explanation of what happens at the end of the fixed term.

Additional information

Any other information, the inclusion of which is necessary to make the summary box fair, clear and not misleading including, where applicable, information regarding tax deductions or treatment (see note 14).

Notes:

Note 1: A *firm* may wish to use the annual equivalent rate of interest and, where it does so, it should take account of the British Bankers' Association/Building Societies Association Code of Conduct for the Advertising of Interest Bearing Accounts.

Note 2: If, for example:

-an introductory, promotional, or preferential rate of interest applies to the account until a specified future date or the end of a fixed period; or

-there are ascending or descending tiers of interest rates that apply to certain increments of the balance of the account, or that are determined by reference to the total balance of the account; or

-there are graduated rates of interest, the application of which depends on certain conditions being met or on the *banking customer* taking or refraining from taking certain action;

the summary box should include details of this.

Note 3: 'Reference interest rate' has the same meaning as in the *Payment Services Regulations*.

Note 4: A *firm* may wish to direct the *banking customer's* attention to the relevant clause in the terms and conditions that sets out the reasons for which the *firm* may change the interest rate and the procedure for doing so.

Note 5:

-In the case of a *fixed-term savings account*, the *firm* should include a projection of the balance of the *savings account* on the date on which the fixed term expires.

-Where there is to be a reduction in the rate of interest that applies to the *savings account* on a specified future date, or at the end of a fixed period, as the result of the expiry of an introductory, promotional or preferential rate of interest, the *firm* should include a projection of the balance of the *savings account* on the date of the expiry of that introductory, promotional or preferential rate of interest and a second projection of the balance of the *savings account* on the first anniversary of that date.

-In any other case, the *firm* should include a projection of the balance of the *savings account* on the first anniversary of the opening of the account.

Note 6: In making the projection, a *firm* should assume that £1000 is deposited in the account at the time it is opened and that no further deposits or withdrawals are made, unless this would make the projection misleading. This may be the case, for example, where a *banking customer* is required to make a minimum deposit in excess of £1000 at the time the account is opened or is not permitted to deposit that sum at that time. Where a *banking customer* is required to make periodic deposits at specified intervals, the projection should be based on a pattern of deposits that is representative of the terms and conditions that apply to the account.

Summary Box

Note 7: If different rates of interest apply to the *savings account* in different circumstances, a *firm* should include a number of projections to illustrate the cash returns that the account will generate in those different circumstances. If, for example, there is an uplift in the rate of interest on the condition that the *banking customer* does not make a withdrawal from the *savings account*, a *firm* should include in the summary box both a projection that assumes that the condition is met and a lower projection that assumes that the condition is not met. If different bands of deposit in the *savings account* attract different tiers of interest, a *firm* should include in the summary box several projections that illustrate the cash returns that deposits up to each balance band will generate.

Note 8: The *firm* may wish to include in the summary box that the projection is provided for illustrative purposes only and does not take into account the individual circumstances of the *banking customer*.

Note 9: Where the rate of interest automatically tracks a reference interest rate, the projection may be based on the level of the reference interest rate as it stands at the time the projection is made. Where this is the case, the summary box should indicate that the projection is based on the reference interest rate as it stood on the relevant date and that it does not take into account that the level of the reference interest rate may fluctuate over the period that the projection covers.

Note 10: The summary should, for example, indicate if it is a requirement to open the *savings account* that the *banking customer* holds another account or product with the *firm*.

Note 11: If the *banking customer* is not required to deposit a minimum amount to open the *savings account*, the summary box should include a statement to this effect. Similarly, if there is no limit on the amount that may be held in the *savings account*, the *firm* should state this in the summary box.

Note 12: The summary box should, for example, indicate if the *banking customer* can give instructions to the *firm* about the *savings account* in branch, over the telephone, by electronic mail or through a website.

Note 13: The summary box should indicate if the *banking customer* is required to provide a certain period of notice of an intention to withdraw money from the *savings account*. If interest to which the *banking customer* is entitled is reduced or extinguished, or if a charge is imposed, as a result of withdrawing money from the *savings account*, details of this should be included in the summary box.

Note 14: Where appropriate, a *firm* may wish to include information on the tax implications for the *banking customer*, such as a brief explanation of the tax implications of an *individual savings account*.

Guidance on presentation of interest-rate information in savings account summary box

This annex is referred to in ■ BCOBS 2.2A.2G(3).

What is the interest rate?	Interest rate without bonus	X%
	Interest rate with bonus (includes a bonus of X%)	X%
What is the interest rate?	Interest rate where all conditions are met	X%
	Interest rate where one or more conditions are not met	X%

Chapter 2A

Optional additional products

2A.1 Restriction on marketing or providing an optional product for which a fee is payable

2A.1.1

R

- (1) A *firm* must not enter into an agreement with a *banking customer* under which a charge is, or may become, payable for an optional additional product unless the *banking customer* has actively elected to obtain that specific product.
- (2) A *firm* must not impose a charge on a *banking customer* for an optional additional product under an agreement entered into on or after 1 April 2016 unless the *banking customer* actively elected to obtain that specific product before becoming bound to pay the charge.
- (3) A *firm* must not invite or induce a *banking customer* to obtain an optional additional product for which a charge will be, or may become, payable if the *firm* knows or has reasonable cause to suspect that:
 - (a) a contravention of (1) or (2) will take place with respect to the product; or
 - (b) the *person* supplying the optional additional product will act in a way that would contravene (1) or (2) if that *person* were a *firm*.
- (4) An omission by a *customer* is not to be regarded as an active election for the purposes of this *rule*.
- (5) It is immaterial for the purposes of (3) whether or not the *firm* would or might be a party to the agreement for the optional additional product.
- (6) A charge includes a financial consideration of any kind whether payable to the *firm* or any other *person*.
- (7) An optional additional product is a good, service or right of any description (whether or not financial in nature) that a *banking customer* may obtain (or not, as the case may be) at his or her election in connection with or alongside a *retail banking service*.
- (8) (a) Where a *banking customer* is required to obtain a specific additional product in order to receive the *retail banking service*, the product is not an optional additional product.

- (b) Where a *banking customer* is required to obtain a particular category of additional product (for example, a particular type of insurance) in order to receive the *retail banking service*, and the *banking customer* is given a choice as to the seller or supplier from whom to obtain the product or which specific product to obtain, the product is an optional additional product.
- (9) It is immaterial for the purposes of (7) and (8) whether the optional additional product is obtained from the *firm* or from another *person*.
- (10) A *borrower-lender agreement* enabling a *borrower* to overdraw on a current account, or arising where the holder of a current account overdraws on the account without a pre-arranged overdraft or exceeds a pre-arranged overdraft limit, is not an optional additional product.
- (11) (a) If, under the terms and conditions of an optional additional product, there is to be an automatic renewal of the agreement on substantially the same terms, it suffices for the purposes of (1) to (3) if the *banking customer* actively elected before entering into the initial agreement or a preceding renewal to obtain the product.
- (b) An automatic renewal of the agreement is not to be regarded as being on substantially the same terms if, following the renewal, a charge will or may become payable for the optional additional product for the first time (in which case, (1) to (3) apply at the time of the renewal).
- (c) Except as set out in (b), changes in the level of charges for an optional additional product are to be disregarded in determining whether an automatic renewal of an agreement is on substantially the same terms.
- (12) A *banking customer* may make an active election for the purposes of this *rule* through an intermediary in the sales process, or through a *person* acting on behalf of the *firm*.

2A.1.2 **G** An example of an omission by a *banking customer* which is not to be regarded as an active election is the failure by the *banking customer* to change a default option such as a pre-ticked box on a website.

2A.1.3 **G** *Firms* are reminded that a similar prohibition on opt-out selling of add-on products is imposed by The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 in relation to optional additional agreements where the main sale is not a financial service or product.

Chapter 3

Distance communications

3.1 Distance marketing

Application

- 3.1.1 **R** This section applies to a *firm* that carries on any distance marketing activity from an establishment in the *United Kingdom*, with or for a *consumer* in the *United Kingdom* or another *EEA State*.

The distance marketing disclosure rules

- 3.1.2 **R**
- (1) Subject to (2), a *firm* must provide a *consumer* with the distance marketing information (■ BCOBS 3 Annex 1 R) in good time before the *consumer* is bound by a *distance contract* or offer.
 - (2) Where a *distance contract* is also a contract for *payment services* to which the *Payment Services Regulations* apply, a *firm* is required to provide to the *consumer* only the information specified in rows 7 to 12, 15, 16 and 20 of ■ BCOBS 3 Annex 1 R.

[Note: articles 3(1) and 4(5) of the *Distance Marketing Directive*]

- 3.1.3 **R** A *firm* must ensure that the distance marketing information, the commercial purpose of which must be made clear, is provided in a clear and comprehensible manner in a way appropriate to the means of distance communication used with due regard, in particular, to the principles of good faith in commercial transactions and the legal principles governing the protection of those who are unable to give their consent, such as minors.

[Note: article 3(2) of the *Distance Marketing Directive*]

- 3.1.4 **R** When a *firm* makes a voice telephony communication to a *consumer*, it must make its identity and the purposes of its call explicitly clear at the beginning of the conversation.

[Note: article 3(3)(a) of the *Distance Marketing Directive*]

- 3.1.5 **R** A *firm* must ensure that information on contractual obligations to be communicated to a *consumer* during the pre-contractual phase is in conformity with the contractual obligations which would result from the law presumed to be applicable to the *distance contract* if that contract is concluded.

[Note: article 3(4) of the *Distance Marketing Directive*]

Terms and conditions, and form

- 3.1.6** **R** A *firm* must communicate to the *consumer* all the contractual terms and conditions and the information referred to in the distance marketing disclosure *rules* (■ BCOBS 3.1.2R to ■ 3.1.5R) in a *durable medium* available and accessible to the *consumer* in good time before the *consumer* is bound by any *distance contract* or offer.

[**Note:** articles 4(5) and 5 (1) of the *Distance Marketing Directive*]

- 3.1.7** **G** A *firm* will provide information, or communicate contractual terms and conditions, to a *consumer* if another *person* provides the information, or communicates the terms and conditions, to the *consumer* on its behalf.

Commencing performance of the distance contract

- 3.1.8** **R** The performance of the *distance contract* may only begin after the *consumer* has given his approval.

[**Note:** article 7 (1) of the *Distance Marketing Directive*]

Exception: successive operations

- 3.1.9** **R** In the case of a *distance contract* comprising an initial service agreement, followed by successive operations or a series of separate operations of the same nature performed over time, the *rules* in this chapter only apply to the initial agreement.

[**Note:** article 1(2) of the *Distance Marketing Directive*]

- 3.1.10** **R**
- (1) If there is no initial service agreement but the successive operations or separate operations of the same nature performed over time are performed between the same contractual parties, the distance marketing disclosure *rules* (■ BCOBS 3.1.2R to ■ 3.1.5R) will only apply:
 - (a) when the first operation is performed; and
 - (b) if no operation of the same nature is performed for more than a year, when the next operation is performed (the next operation being deemed the first in a new series of operations).

[**Note:** recital 16 and article 1(2) of the *Distance Marketing Directive*]

- (2) In this section:
 - (a) “initial service agreement” includes the opening of a bank account;
 - (b) “operations” includes the deposit or withdrawal of funds to or from a bank account; and
 - (c) adding new elements to an initial service agreement, such as the ability to use an electronic payment instrument together with an existing *retail banking service*, does not constitute an “operation” but an additional contract to which the rules in this chapter apply.

[**Note:** recital 17 of the *Distance Marketing Directive*]

Exception: voice telephony communications

- 3.1.11 **R** In the case of voice telephony communication, and subject to the explicit consent of the *consumer*, only the abbreviated distance marketing information (■ BCOBS 3 Annex 2 R) needs to be provided during that communication. However, a *firm* must still provide the distance marketing information (■ BCOBS 3 Annex 1 R) in a *durable medium* available and accessible to the *consumer* in good time before the *consumer* is bound by any *distance contract* or offer, unless another exception applies.

[Note: articles 3(3)(b) and 5(1) of the *Distance Marketing Directive*]

Exception: means of distance communication not enabling disclosure

- 3.1.12 **R** A *firm* may provide the distance marketing information (■ BCOBS 3 Annex 1 R) and the contractual terms and conditions in a *durable medium* immediately after the conclusion of a *distance contract*, if the contract has been concluded at a *consumer's* request using a means of distance communication that does not enable the provision of that information in that form in good time before the *consumer* is bound by any *distance contract* or offer.

[Note: article 5(2) of the *Distance Marketing Directive*]

Exception: contracts for payment services

- 3.1.13 **G** Where a *distance contract* covers both *payment services* and *non-payment services*, the exception in ■ BCOBS 3.1.2R (2) applies only to the *payment services* aspects of the contract. A *firm* taking advantage of this exception will need to comply with the information requirements in Part 6 of the *Payment Services Regulations*.

Consumer's right to request paper copies and change the means of communication

- 3.1.14 **R** At any time during the contractual relationship, the *consumer* is entitled, at his request, to receive the contractual terms and conditions on paper. The *consumer* is also entitled to change the means of distance communication used unless this is incompatible with the contract concluded or the nature of the service provided.

[Note: article 5(3) of the *Distance Marketing Directive*]

Unsolicited services

- 3.1.15 **R**
- (1) A *firm* must not enforce, or seek to enforce, any obligations under a *distance contract* against a *consumer*, in the event of an unsolicited supply of services, the absence of a reply not constituting consent.
 - (2) This *rule* does not apply to the tacit renewal of a *distance contract*.

[Note: article 9 of the *Distance Marketing Directive*]

Mandatory nature of a consumer’s rights.....

3.1.16 **R** If a *consumer* purports to waive any of the *consumer's* rights created or implied by the *rules* in this section, a *firm* must not accept that waiver, nor seek to rely on or enforce it against the *consumer*.

[**Note:** article 12 of the *Distance Marketing Directive*]

Contracts governed by law of a third party state.....

3.1.17 **R** If a *firm* proposes to enter into a *distance contract* with a *consumer* that will be governed by the law of a country outside the *EEA*, the *firm* must ensure that the *consumer* will not lose the protection created by the *rules* in this chapter if the *distance contract* has a close link with the territory of one or more *EEA States*.

[**Note:** articles 12 and 16 of the *Distance Marketing Directive*]

3.2 E Commerce

Application

- 3.2.1 **R** This section applies to a *firm* carrying on an *electronic commerce activity* from an *establishment* in the *United Kingdom* with or for a *person* in the *United Kingdom* or another *EEA State*.

Information about the firm and its products or services

- 3.2.2 **R** A *firm* must make at least the following information easily, directly and permanently accessible to the recipients of the *information society services* it provides:
- (1) its name;
 - (2) the geographic address at which it is established;
 - (3) the details of the *firm* including its e-mail address, which allow it to be contacted rapidly and communicated with in a direct and effective manner;
 - (4) an appropriate statutory status disclosure statement (■ GEN 4 Annex 1 R), together with a statement which explains that it is on the *Financial Services Register* and includes its Firm Reference Number;
 - (5) if it is a *professional firm*, or a person regulated by the equivalent of a *designated professional body* in another *EEA State*:
 - (a) the name of the professional body (including any *designated professional body*) or similar institution with which it is registered;
 - (b) the professional title and the *EEA State* where it was granted;
 - (c) a reference to the applicable professional rules in the *EEA State* of establishment and the means to access them; and
 - (d) where the *firm* undertakes an activity that is subject to VAT, its VAT number.

[Note: article 5(1) of the *E-Commerce Directive*]

- 3.2.3 **R** If a *firm* refers to price, it must do so clearly and unambiguously, indicating whether the price is inclusive of tax and delivery costs.

[Note: article 5(2) of the *E-Commerce Directive*]

- 3.2.4 **R** A *firm* must ensure that commercial communications which are part of, or constitute, an *information society service*, comply with the following conditions:
- (1) the commercial communication must be clearly identifiable as such;
 - (2) the *person* on whose behalf the commercial communication is made must be clearly identifiable;
 - (3) promotional offers must be clearly identifiable as such, and the conditions that must be met to qualify for them must be easily accessible and presented clearly and unambiguously; and
 - (4) promotional competitions or games must be clearly identifiable as such, and the conditions for participation must be easily accessible and presented clearly and unambiguously.

[Note: article 6 of the *E-Commerce Directive*]

- 3.2.5 **R** An unsolicited commercial communication sent by e-mail by a *firm* established in the *United Kingdom* must be identifiable clearly and unambiguously as an unsolicited commercial communication as soon as it is received by the recipient.

[Note: article 7(1) of the *E-Commerce Directive*]

Requirements relating to the placing and receipt of orders

- 3.2.6 **R** A *firm* must (except when otherwise agreed by parties who are not consumers):
- (1) give an *ECA recipient* at least the following information, clearly, comprehensibly and unambiguously, and prior to the order being placed by the recipient of the service:
 - (a) the different technical steps to follow to conclude the contract;
 - (b) whether or not the concluded contract will be filed by the *firm* and whether it will be accessible;
 - (c) the technical means for identifying and correcting input errors prior to the placing of the order; and
 - (d) the languages offered for the conclusion of the contract;
 - (2) indicate any relevant codes of conduct to which it subscribes and information on how those codes can be consulted electronically;
 - (3) (when an *ECA recipient* places an order through technological means) acknowledge the receipt of the recipient's order without undue delay and by electronic means; and
 - (4) make available to the *ECA recipient* appropriate, effective and accessible technical means allowing the recipient to identify and correct input errors prior to the placing of an order.

[Note: articles 10(1) and 11(1) and (2) of the *E-Commerce Directive*]

3.2.7 **R** For the purposes of ■ BCOBS 3.2.6R (3), an order and an acknowledgement of receipt are deemed to be received when the parties to whom they are addressed are able to access them.

3.2.8 **R** Contractual terms and conditions provided by a *firm* to an *ECA recipient* must be made available in a way that allows the recipient to store and reproduce them.

[Note: article 10(3) of the *E-Commerce Directive*]

Exception: contract concluded by e mail

3.2.9 **R** The requirements relating to the placing and receipt of orders (■ BCOBS 3.2.6R (3)) do not apply to contracts concluded exclusively by exchange of e-mail or by equivalent individual communications.

[Note: articles 10(4) and 11(3) of the *E-Commerce Directive*]

Distance marketing information

This Annex belongs to ■ BCOBS 3.1.2 R (The distance marketing disclosure rules)

Information about the firm

- (1) The name and the main business of the *firm*, the geographical address at which it is established and any other geographical address relevant for the *consumer's* relations with the *firm*.
- (2) Where the *firm* has a representative established in the *consumer's* EEA State of residence, the name of that representative and the geographical address relevant for the *consumer's* relations with that representative.
- (3) Where the *consumer's* dealings are with any professional other than the *firm*, the identity of that professional, the capacity in which he is acting with respect to the *consumer*, and the geographical address relevant to the *consumer's* relations with that professional.
- (4) The particulars of the public register in which the *firm* is entered, its registration number in that register and the particulars of the relevant supervisory authority, including an appropriate statutory status disclosure statement (GEN 4), a statement that the *firm* is on the *Financial Services Register* and its Firm Reference Number.

Information about the financial service

- (5) A description of the main characteristics of the service the *firm* will provide.
- (6) The total price to be paid by the *consumer* to the *firm* for the financial service, including all related fees, charges and expenses, and all taxes paid through the *firm* or, where an exact price cannot be indicated, the basis for the calculation of the price enabling the *consumer* to verify it.
- (7) Where relevant, notice indicating that the service is related to instruments involving special risks related to their specific features or the operations to be executed, or whose price depends on fluctuations in the financial markets outside the *firm's* control and that past performance is no indicator of future performance.
- (8) Notice of the possibility that other taxes or costs may exist that are not paid via the *firm* or imposed by it.
- (9) Any limitations on the period for which the information provided is valid, including a clear explanation as to how long a *firm's* offer applies as it stands.
- (10) The arrangements for payment and performance.
- (11) Details of any specific additional cost to the *consumer* for using a means of distance communication.

Information about the contract

- (12) The existence or absence of a right to cancel under the cancellation rules (BCOBS 6) and, where there is such a right, its duration and the conditions for exercising it, including information on the amount which the *consumer* may be required to pay (or which may not be returned to the *consumer*) in accordance with those *rules*, as well as the consequences of not exercising the right to cancel.
- (13) The minimum duration of the contract, in the case of services to be performed permanently or recurrently.
- (14) Information on any rights the parties may have to terminate the contract early or unilaterally under its terms, including any penalties imposed by the contract in such cases.
- (15) Practical instructions for exercising any right to cancel, including the address to which any cancellation notice should be sent.

- (16) The *EEA State* or States whose laws are taken by the *firm* as a basis for the establishment of relations with the *consumer* prior to the conclusion of the contract.
- (17) Any contractual clause on the law applicable to the contract or on the competent court, or both.
- (18) In which language, or languages, the contractual terms and conditions and the other information in this Annex will be supplied, and in which language, or languages, the *firm*, with the agreement of the *consumer*, undertakes to communicate during the duration of the contract.

Information about redress

- (19) How to complain to the *firm*, whether complaints may subsequently be referred to the *Financial Ombudsman Service* and, if so, the methods for having access to that body, together with equivalent information about any other applicable named complaints scheme.
- (20) Whether compensation may be available from the *compensation scheme*, or any other named compensation scheme, if the *firm* is unable to meet its liabilities.

[Note: Recitals 21 and 23 to, and article 3(1) of, the *Distance Marketing Directive*]

Abbreviated distance marketing information

This Annex belongs to ■ BCOBS 3.1.11 R

- (1) The identity of the *person* in contact with the *consumer* and his link with the *firm*.
- (2) A description of the main characteristics of the financial service.
- (3) The total price to be paid by the *consumer* to the *firm* for the financial service including all taxes paid via the *firm* or, when an exact price cannot be indicated, the basis for the calculation of the price enabling the *consumer* to verify it.
- (4) Notice of the possibility that other taxes and/or costs may exist that are not paid via the *firm* or imposed by him.
- (5) The existence or absence of a right to cancel in accordance with the cancellation rules (BCOBS 6) and, where the right to cancel exists, its duration and the conditions for exercising it, including information on the amount the *consumer* may be required to pay on the basis of the cancellation rules.
- (6) That other information is available on request and what the nature of that information is.

[Note: article 3(3)(b) of the *Distance Marketing Directive*]

Chapter 4

Information to be communicated to banking customers

4.1 Enabling banking customers to make informed decisions

The appropriate information rule

4.1.1

R

A *firm* must provide or make available to a *banking customer* appropriate information about a *retail banking service* and any *deposit* made in relation to that *retail banking service*:

- (1) in good time;
- (2) in an appropriate medium; and
- (3) in easily understandable language and in a clear and comprehensible form;

so that the *banking customer* can make decisions on an informed basis.

4.1.2

G

- (1) In determining:
 - (a) what is "in good time";
 - (b) the appropriate medium for communicating information; and
 - (c) whether it is appropriate to provide information (that is, send or give it directly to the *banking customer*) or make it available (that is, make it available to obtain at the *banking customer's* option);

a *firm* should consider the importance of the information to the decision-making process of the *banking customer* and the time at which the information may be most useful. Distance communications requirements are also relevant.

- (2) For example, (unless ■ BCOBS 3 applies) a *firm* should provide the terms and conditions of the contract for a *retail banking service* on paper or in another *durable medium* in good time before a *banking customer* is bound by them.
 - (2A) (a) A *firm* should provide a summary box in the form set out in ■ BCOBS 2 Annex 1R on paper or in another durable medium in good time before a *banking customer* is bound by the terms and conditions of a *savings account*, except where the *firm* has already provided the summary box to a *banking customer* on a previous occasion.
 - (b) If the contract for the *savings account* has been concluded at a *banking customer's* request using a means of distance

communication that does not enable the provision of the summary box in that form in good time before the *banking customer* is bound, the *firm* should provide the summary box on paper or in another durable medium immediately after the conclusion of the contract.

- (c) In the case of a *savings account* that is a *cash deposit ISA*, *cash-only lifetime ISA* or a *cash deposit CTF*, the *firm* may include the summary box in a *key features document* provided to the *banking customer* in line with the *rules and guidance* in ■ COBS 13 and ■ COBS 14.
 - (d) In preparing the summary box, a *firm* should have regard to the provisions of ■ BCOBS 2.2A.1R as if they were *guidance*.
- (2B) A *firm* should ensure that the rate of interest that applies to a *savings account* is prominently shown alongside, or in close proximity to (or, in the case of (b), on a page accessed directly through a link that appears prominently alongside or in close proximity to) any account balance information included in:
- (a) any paper or online statement of account provided or made available by the *firm*;
 - (b) where the *firm* provides an online banking service to the *banking customer*, the first personalised page of the *firm's* website that the *banking customer* accesses when using this service;
 - (c) any notification of a material change to a rate of interest provided in accordance with (3)(c);
 - (d) any notification of the expiry of an introductory, promotional or preferential rate of interest provided in accordance with (5); and
 - (e) any notification of the expiry of a fixed term of a *fixed term savings account* provided in accordance with (6A).
- (2C) For the purposes of (2B):
- (a) (i) unless (ii) applies, the *firm* should show the rate of interest that applies to the *savings account* as a numerical figure (and not merely the method for determining the current figure under the terms and conditions);
 - (ii) where the rate of interest that applies to the *savings account* automatically tracks a reference interest rate (within the meaning of the *Payment Services Regulations*), the *firm* should indicate how the rate of interest is calculated and direct the *banking customer* to where the level of the reference interest rate may be accessed from time to time; and
 - (b) in the case of account balance information made available online, the *firm* should show the rate of interest that applies to the account at the time the *banking customer* accesses the information; or
 - (ii) in the case of account balance information provided in a *durable medium*, the *firm* should show the rate of interest that applies to the account at the time the information is sent.

- (2D) A *firm* should inform a *banking customer* of the current rate of interest that applies to a *savings account* on the telephone or in a branch of the *firm* at the request of the *banking customer*.
- (2E) A *firm* should publish the current rate of interest that applies to each *savings account* it provides on its website (whether or not the *savings account* is available to new customers) and ensure that this is kept continuously up to date and is easily accessible by a *banking customer*.
- (3) Where a *firm* proposes to exercise a power to make:
- (a) a change to any term or condition of the agreement; or
 - (b) a change to any charge; or
 - (c) a material change to any rate of interest;
- that applies to the *retail banking service* and that will be to the disadvantage of a *banking customer*, the *firm* should provide reasonable notice to the *banking customer* on paper or in another durable medium before the change takes effect, taking into account the period of notice required by the *banking customer* to terminate the contract for the *retail banking service*. A change to a rate of interest should always be considered 'material' except where the balance of the account is less than £100 at the time when the *firm* would provide the notice.
- (3A) When providing a notice under (3)(c), (5) or (6A), a *firm* should ensure that the heading of the notice clearly indicates the main substance of the change to which the notification relates. When providing a notice under (3)(c) relating to a decrease in the rate of interest, for example, a *firm* should ensure that the heading of the notice clearly indicates that the rate of interest is decreasing.
- (4) Where a *firm* notifies a *banking customer* of a material change to a rate of interest that applies to a *retail banking service* and that will be to the disadvantage of a *banking customer*, this notification should, where applicable:
- (a) refer to the fact that the *firm* offers a comparable *retail banking service* for which the *banking customer* is eligible;
 - (b) indicate that the *banking customer* may move to that *retail banking service* or a *retail banking service* provided by another *firm*; and
 - (c) indicate that the *firm* will assist the *banking customer* to move to another *retail banking service* if he wishes to do so.
- (5) Subject to (5A), where, under a contract for a *retail banking service*, an introductory, promotional or preferential rate of interest applies to the *retail banking service* until a specified future date or the end of a fixed period, a *firm* should provide notice of the expiry of the application of that rate of interest to the *banking customer* on paper or in another durable medium within a reasonable period before that rate of interest ceases to apply.
- (5A) Paragraph (5) does not apply where the balance of the account is less than £100 at the time when the *firm* would otherwise provide the notice.

(6) [deleted]

(6A) In relation to a *fixed-term savings account*, a *firm* should provide notice of the expiry of the fixed term to the *banking customer* on paper or in another durable medium in good time before the end of the fixed term. This notice should explain, in easily understandable language and in a clear and comprehensible form:

(a) the consequences of the expiry of the fixed term, including whether the *firm* proposes to transfer the balance of the account to another *fixed-term savings account* if the *banking customer* does not provide further instructions to the *firm* while the customer has an opportunity to do so; and

(b) the options available to the *banking customer* for dealing with the balance in the *fixed term savings account*, including when and how these options may be exercised.

(6B) Where a notice under (3)(c), (5) or (6A) is provided by the *firm* more than 14 days before the change to which the notice relates takes effect, a *firm* should also provide a reminder to the *banking customer* within a period beginning 14 days before the relevant change takes effect and ending on the day before it does so. The *firm* may choose the medium in which the reminder is provided. In doing so, the *firm* should take account of any preferences expressed by the *banking customer* about the medium of communication between the *firm* and the *banking customer*, for example, if the *banking customer* has indicated a preference to receive information by mobile telephone text message.

(7) The general law, including the *Unfair Terms Regulations* (for contracts entered into before 1 October 2015) and the *CRA*, also limits the scope for a *firm* to use or rely on a variation clause in a contract with a *consumer*.

4.1.3

R

Where a *rule* in this chapter requires information to be provided on paper or in another *durable medium* before a *banking customer* is bound by the terms and conditions of the contract, a *firm* may instead provide that information in accordance with the distance communication timing requirements (see ■ BCOBS 3.1.11 R and ■ BCOBS 3.1.12 R).

4.1.4

G

The appropriate information *rule* applies before a *banking customer* is bound by the terms of the contract. It also applies after a *banking customer* has become bound by them. In order to meet the requirements of the appropriate information *rule*, information provided or made available by a *firm* to a *banking customer* should include information relating to:

(1) the *firm*;

(2) the different *retail banking services* offered by the *firm* which share the main features of the *retail banking service* the *banking customer* has enquired about, or which have the product features the *banking customer* has expressed an interest in, unless the *banking customer* has expressly indicated that he does not wish to receive that information;

- (3) the terms and conditions of the contract for a *retail banking service* and any changes to them;
- (4) the rate or rates of interest payable on any deposit, how and when such interest is calculated and applied and any changes to that rate or those rates;
- (5) any charges at any time payable by or on behalf of a *banking customer* in relation to each *retail banking service* and any changes to those charges;
- (5A) the time at which any funds placed with or transferred to the *firm* for credit to the *banking customer's* account will be made available to the *banking customer*;
- (6) a *banking customer's* rights to cancel a contract for a *retail banking service*;
- (7) how a *banking customer* may make a complaint (at the time and in the manner required by ■ DISP 1.2);
- (8) [deleted]
- (9) basic bank accounts but only if the *firm* offers a basic bank account and the *banking customer* meets the *firm's* eligibility criteria for such an account; and
- (10) the timescales for each stage of the cheque clearing process.

4.1.4A

G

- (1) This *guidance* applies to a *firm* only with respect to its *communications* and dealings with *consumers* where a *firm* has a *right of set-off*.
- (2) To ensure compliance with the appropriate *information rule*, the *firm* should:
 - (a) (i) provide an explanation of the nature and extent of the *firm's right of set-off*; and
 - (ii) if the *firm* considers that it is entitled to exercise a right to set off or combine a debt due solely from a *consumer*, or a debit balance on an account held in the sole name of a *consumer*, against or with a credit balance on an account held in the joint names of that *consumer* and another *consumer*, also provide an explanation of that right to the *consumers* in whose names the joint account is held;

in good time before the *consumer* is bound by the contract for the *retail banking service*. This information may be incorporated in the terms and conditions that apply to the contract for the *retail banking service*;
 - (b) (i) on the first occasion that the *firm* proposes to exercise a *right of set-off* in its dealings with the *consumer*; and

(ii) where appropriate, on any subsequent occasion that the *firm* proposes to exercise a *right of set-off* in its dealings with the *consumer*;

provide general information in relation to the nature of the *firm's right of set-off* and the generic circumstances in which the *firm* may rely on that right within a reasonable period before the *firm* seeks to exercise its *right of set-off*. The *FCA* considers that this information should be provided at least 14 days before the *firm* seeks to exercise its *right of set-off*. It may be incorporated in another communication sent by the *firm* to the *consumer*; and

(c) where it has exercised a *right of set-off*, provide prompt notification of this to the *consumer*. This notification should clearly identify the date that the *firm* exercised its *right of set-off* and the amount debited from the *consumer's* account in reliance on that right.

(3) The information referred to in (2) should be provided in plain and intelligible language on paper or in another *durable medium*.

(4) In determining whether it is appropriate to provide general information under (2)(b)(ii), the *firm* should consider the period of time that has elapsed since the *firm* last provided that information under (2)(b)(i) or (ii).

(5) Nothing in (2)(a)(ii) should be considered as expressing a view on the validity, enforceability or fairness of any *right of set-off* in relation to a joint account that a *firm* considers it is entitled to exercise.

4.1.5

G The information required by the appropriate information *rule* may vary according to matters such as:

- (1) the *banking customer's* likely or actual commitment;
- (2) the information needs of a reasonable recipient having regard to the type of *retail banking service* that is proposed or provided and its overall complexity, main benefits, risks, limitations, conditions and duration;
- (3) distance communication information requirements (for example, under the distance communication *rules* less information can be given during certain telephone sales than in a sale made purely by written correspondence (see ■ BCOBS 3.1)); and
- (4) whether the same information has been provided to the *banking customer* previously and, if so, when that was.

4.1.6

G The existence of cancellation rights does not affect what information it is appropriate to give a *banking customer* in order to enable him to make an informed purchasing decision.

4.1.7

G If the *retail banking service* is a *cash deposit ISA*, *cash-only lifetime ISA* or a *cash deposit CTF*, the rules in ■ COBS 13.1 (Preparing product information) and ■ COBS 14.2 (Providing product information to clients) also apply.

4.2 Statements of account

4.2.1

R

- (1) A *firm* must provide or make available to a *banking customer* on paper or in another *durable medium* such regular statements of account as are appropriate to the type of *retail banking service* provided, but need not do so where:
 - (a) the *firm* has provided a *banking customer* with a pass book or other document in a *durable medium* that records transactions in relation to the *retail banking service*;
 - (b) the *retail banking service* is provided at a distance by means of electronic equipment where the *banking customer* can access his account balance, view transactions and give instructions in relation to the *retail banking service* at a distance by such means;
 - (c) a *banking customer* has elected not to receive periodic statements of account, and for so long as such election is in force; or
 - (d) it has reasonable grounds to believe that the *banking customer* is not resident at the address last known to it as the address of the *banking customer* and it is not practicable after reasonable inquiry to ascertain the *banking customer's* address.
- (2) A *firm* must not charge for providing information which is required to be provided by (1).
- (3) A *firm* must provide a *banking customer* with a true copy of any statement of account provided to him under (1) on paper or in another *durable medium* within a reasonable period of time following a request to that effect made by or on his behalf.
- (4) A *firm* and a *banking customer* may agree on a charge for:
 - (a) providing a copy of a statement of account under (3); or
 - (b) providing statements of account more frequently than required by (1);at the request of the *banking customer*. Any such charge must reasonably correspond to the *firm's* actual costs.

4.2.2

G

A *firm* should indicate the rate or rates of interest that apply to a *retail banking service* in each statement of account provided or made available to a *banking customer* in respect of that *retail banking service* in accordance with ■ BCOBS 4.2.1R (1). *Firms* are also reminded of the provisions of ■ BCOBS 4.1.2G(2B) and (2C).



4.3 Information to be provided by a non ring-fenced body to individual account holders

Application and purpose

4.3.1 **G** Article 14 of the Financial Services and Markets Act 2000 (Ring-fenced Bodies and Core Activities) Order 2014 "the Ring-fenced Bodies and Core Activities Order 2014" places a duty on the *FCA* to make *rules* specifying the information that a *non ring-fenced body* must provide to certain classes of individuals. The purpose of this section is to set out those *rules*.

4.3.2 **R** This section applies to a *firm* that is a *non ring-fenced body* or is to become a *non ring-fenced body*.

4.3.3 **G** A *non ring-fenced body* is a *firm* which has a *Part 4A permission* to carry on the *regulated activity* of *accepting deposits* and which is neither a *ring-fenced body* nor an institution which is exempt from the definition of a ring-fenced body. Section 142A(1) of the *Act* defines a ring-fenced body as a UK institution which carries out one or more core activities under section 142B of the *Act* for which it has a *Part 4A permission*. Section 142A(2) of the *Act* and the Ring-fenced Bodies and Core Activities Order 2014 provide that a *building society* and certain other classes of UK institution are exempt from this definition. Further, *firms* do not fall within the definition unless they hold *deposits* in *EEA accounts*.

To whom must information be provided?

- 4.3.4** **R**
- (1) A *firm* that is to become a *non ring-fenced body* must provide the information specified in ■ **BCOBS 4.3.6R** to any individual from whom the *firm* proposes to accept, or contemplates it is likely to receive, a declaration of eligibility under article 9(1)(a) of the Ring-fenced Bodies and Core Activities Order 2014 (whether accompanied by a *confirming statement* or not).
 - (2) A *firm* that is a *non ring-fenced body* must provide the information specified in ■ **BCOBS 4.3.6R** to:
 - (a) any individual who has applied to open an *EEA account* for the purpose of making one or more *deposits* (including a joint account) with that *firm*; and
 - (b) any individual who holds an *EEA account* for that purpose (including a joint account) with that *firm*,

except where the *firm* has already provided that information to the individual on a previous occasion.

- 4.3.5** G A request made by an individual to switch to an *EEA account* with a *firm* is to be regarded as an application to open an *EEA account* with that *firm* (it is immaterial if the switch is from an account held with a *ring-fenced body* in the same group as the *firm* or whether the existing account will be closed when the switch is complete).

What information must be provided?

- 4.3.6** R The information required to be provided by ■ BCOBS 4.3.4R is:

- (1) a summary of the purpose of the provisions of Part 9B of the Act (Ring-fencing) and of the key risks to which a *non ring-fenced body* may be exposed which distinguish it from a *ring-fenced body*;
- (2) a description of any *excluded activity* which the *firm* is carrying on or (for information provided before the date on which Part 9B of the Act comes fully into force) a description of any activity the *firm* is carrying on which would, if carried on after that date, be an *excluded activity*; and
- (3) a description of any *prohibited action* which the *firm* has taken or (for information provided before the date on which Part 9B of the Act comes fully into force) a description of any action the *firm* has taken which would, if taken after that date, be a *prohibited action*.

- 4.3.7** G (1) The summary described in ■ BCOBS 4.3.6R(1) should include a brief explanation that the purpose of ring-fencing is to separate the retail banking activities, on which households and small businesses depend, from wholesale or investment banking activities which may involve a greater degree of risk and expose an entity undertaking those activities to financial problems arising elsewhere in the global financial system.

It should also indicate that certain *ring-fenced bodies* carrying on retail banking activities will have to comply with restrictions on the other activities they can undertake, and with rules made by the *appropriate regulator* intended to ensure that they are capable of carrying on the business of providing the core services related to the acceptance of *deposits* independently of other members in their group. They will, for example, not be able to carry on activities called 'excluded activities' which make them vulnerable to problems arising in the financial system or which may make it more difficult for banks to be wound down in an orderly fashion. The summary should explain that, as a *non ring-fenced body*, the *firm* is not subject to these restrictions.

- (2) It is not necessary for the information provided under ■ BCOBS 4.3.6R(2) and (3) to contain an exhaustive list of each specific activity or action that constitutes an *excluded activity* or *prohibited action*, so long as the information about the nature of the activities and actions is sufficient to enable the individual to make an informed decision as to whether to open or continue to hold an

account with the *firm* in the light of its status as a *non ring-fenced body*.

When must the information be provided?

- 4.3.8** **R**
- (1) The information required to be provided under **BCOBS 4.3.4R(1)** must be provided in good time before the individual becomes an *eligible individual* in relation to the *firm*.
 - (2) The information required to be provided under **BCOBS 4.3.4R(2)(a)** must be provided in good time before the individual opens an account with the *firm*.
 - (3) The information required to be provided under **BCOBS 4.3.4R(2)(b)** must be provided as soon as practicable after the *firm* has become a *non ring-fenced body*.

4.3.9 **G** In determining what is "in good time" under **BCOBS 4.3.8R**, the *firm* should consider the time at which the information may be most useful to the individual in making a decision as to whether to continue to hold or to open an account with the *firm*.

How must the information be provided?

- 4.3.10** **R** The information required under **BCOBS 4.3.4R** must be provided:
- (1) in writing;
 - (2) in a prominent manner and in a medium that is calculated to bring the information to the attention of the individual to whom it is addressed; and
 - (3) in easily understandable language and in a clear and comprehensible form,

so that the individual can make a decision as to whether to continue to hold or to open an account with the *firm* on an informed basis.

4.3.11 **R** A *firm* must not charge for providing the information required to be provided by **BCOBS 4.3.4R**.

Requirement to publish the information on a website

4.3.12 **R** A *firm* must, on or before the first date it is required to provide information under **BCOBS 4.3.4R**, make the information in **BCOBS 4.3.6R** accessible continuously on its website and keep such information up to date.

Chapter 5

Post sale

5.1 Post sale requirements

Service

- 5.1.1 **R** A *firm* must provide a service in relation to a *retail banking service* which is prompt, efficient and fair to a *banking customer* and which has regard to any communications or *financial promotion* made by the *firm* to the *banking customer* from time to time.
- 5.1.2 **G** In determining the order in which to process payment instructions in relation to the *retail banking service*, a *firm* must have regard to its obligation to treat *banking customers* fairly.
- 5.1.3 **G** [deleted]

Set-off

- 5.1.3A **G** To ensure compliance with its obligations under **BCOBS 5.1.1 R** and *Principle 6*, on any occasion where it proposes to exercise a *right of set-off*, a *firm* (other than a *credit union*) should, with respect to its dealings with *consumers*:
- (1) review the information available and accessible to the *firm* relating to the *consumer's* account, on an individual basis, and estimate the amount of any *subsistence balance*;
 - (2) refrain from seeking to set off or combine:
 - (a) any debt due from, or a debit balance on an account held by, a *consumer* against or with that *subsistence balance*;
 - (b) any debt due from, or a debit balance on an account held by, a *consumer* in a personal capacity against or with any sum of money payable by the *firm* to the *consumer* or standing to the credit of the *consumer* in an account held with the *firm*, where the *firm* knows or reasonably ought to know that:
 - (i) a third party is beneficially entitled to that money or that the *consumer* is a fiduciary in respect of that money; or
 - (ii) the *consumer* has received that money from a government department, local authority or NHS direct payment body for a specific purpose or is under a legal obligation to a third party to retain and deal with that money in a particular way.

- 5.1.3B **G**
- (1) If it becomes apparent to a *firm* after it has exercised a *right of set-off* that it has set off or combined a debt due from, or a debit balance on an account held by, a *consumer* against or with:
- (a) the *consumer's subsistence balance*; or
- (b) money payable by the *firm* to the *consumer*, or standing to the credit of the *consumer* in an account held with the *firm*, that falls within ■ BCOBS 5.1.3AG (2)(b)(i) or ■ (ii);
- the *firm* should refund to the *consumer* the sum debited from the account of the *consumer* in exercise of the *right of set-off* unless it is fair not to do so.
- (2) If, in the circumstances referred to in (1), the *firm* does not provide a refund of the sum debited from the account in exercise of the *right of set-off*, the *firm* should be able to justify that it is fair not to do so and should consider taking other remedial action having regard to its obligations under ■ BCOBS 5.1.1 R and *Principle 6*.

Dealings with customers in financial difficulty

- 5.1.4 **G** *Principle 6* requires a *firm* to pay due regard to the interests of its customers and to treat them fairly. In particular, a *firm* should deal fairly with a *banking customer* whom it has reason to believe is in financial difficulty.

Moving a retail banking service

- 5.1.5 **R** A *firm* must provide a prompt and efficient service to enable a *banking customer* to move to a *retail banking service* (including a *payment service*) provided by another *firm*.
- 5.1.5A **R** A *firm* must provide a prompt and efficient service to enable a *banking customer* to move to another *retail banking service* (including a *payment service*) provided by that *firm*.
- 5.1.5B **G**
- (1) In taking steps to ensure a service is prompt and efficient, in line with ■ BCOBS 5.1.5AR, a *firm* should make appropriate use of the information and documents it already holds in relation to a *banking customer*.
- (2) Where, for example, an existing customer wishes to move to another account with the same *firm* and the *firm* already holds data and documents in relation to customer due diligence measures, including data and documents to verify the identity of that customer that are suitable for the purposes of anti-money laundering requirements, the *firm* should consider whether it would be unnecessarily duplicative to apply the same account opening procedures in that case as would apply to a new customer (although a *firm* should ensure its policies and procedures are consistent with the requirements of the *Money Laundering Regulations* and other legislation in relation to financial crime).
- (3) Where a *firm* provides an online or mobile telephone banking facility to a *banking customer*, the *firm* may wish to consider how the

electronic process for moving to another account provided by that *firm* can be made most simple.

5.1.6 **G** Where a *banking customer* wishes to move a *retail banking service* and there are no arrangements between the *firm* the *banking customer* wishes to move from and the *firm* that the *banking customer* wishes to move to, the service provided by the former *firm* will extend only to providing a prompt and efficient service in respect of termination of the *retail banking service*, for example by closing an account and returning any *deposit* (with interest as appropriate) to the *banking customer*.

5.1.7 **G** Where a *banking customer* wishes to move a *retail banking service* and there are arrangements between the *firm* the *banking customer* wishes to move from and the *firm* that the *banking customer* wishes to move to, the service provided by the former *firm* will include providing a prompt and efficient service in respect of termination of the *retail banking service*, for example by closing an account, transferring any account balance and making arrangements in respect of any direct debits or standing orders.

5.1.7A **G** ■ BCOBS 5.1.6G and ■ 5.1.7G do not apply to a *firm* with respect to a switching service that the *firm* is required to offer under Part 3 of the *Payment Account Regulations*.

5.1.8 **G** A *firm* may find it helpful to take account of the Cash ISA to Cash ISA Transfer Industry Guidelines.

Lost and dormant accounts

5.1.9 **R** A *firm* must make appropriate arrangements to enable a *banking customer*, so far as is possible, to trace and, if appropriate, to have access to a *deposit* held (or formerly held) in a *retail banking service* provided by the *firm*. This applies even if:

- (1) the *banking customer* may not be able to provide the *firm* with information which is sufficient to identify the *retail banking service* concerned; or
- (2) the *banking customer* may not have carried out any transactions in relation to that *retail banking service* for an extended period of time.

5.1.10 **R** If a *firm* participates in the scheme under the Dormant Bank and Building Society Accounts Act 2008, it must inform a *banking customer* of this fact and provide appropriate information regarding the terms of the scheme on entering into communications with a *banking customer* regarding a *dormant account*.

Security of electronic payments

5.1.10A **R** A *firm* that allows a *banking customer* to make electronic payments must consider the risk of fraud and put in place appropriate procedures and technical safeguards to ensure that such payments can be carried out in a safe and secure manner.

- 5.1.10B **G** Such procedures should include authentication procedures for the verification of the identity of the *banking customer* or the validity of the use of a particular *payment instrument*, proportionate to the risks involved. Where appropriate, *firms* may wish to consider the adoption of 'strong customer authentication', as defined in the *Payment Services Regulations*, and specified in regulatory technical standards adopted by the European Commission under article 98 of the *Payment Services Directive*.

Firm's liability for unauthorised payments

- 5.1.11 **R**
- (1) Where a *banking customer* denies having authorised a payment, it is for the *firm* to prove that the payment was authorised.
 - (2) Where a payment from a *banking customer's* account was not authorised by the *banking customer*, a *firm* must, within a reasonable period, refund the amount of the unauthorised payment to the *banking customer* and, where applicable, restore the *banking customer's* account to the state it would have been in had the unauthorised payment not taken place.

Banking customer's liability for unauthorised payments

- 5.1.12 **R**
- (1) Subject to (2) and (3), a *firm* may, in an agreement for a *retail banking service*, provide for a *banking customer* to be liable for an amount up to a maximum of £35 for losses in respect of unauthorised payments arising:
 - (a) from the use of a lost or stolen *payment instrument*; or
 - (b) from the misappropriation of the *payment instrument*.
 - (1A) Paragraph (1) does not apply where:
 - (a) the loss, theft or misappropriation of the *payment instrument* was not detectable by the *banking customer* prior to the payment; or
 - (b) the loss was caused by acts or omissions of an *employee* or *branch* of the *firm* or of an entity which carried out activities on behalf of the *firm*.
 - (2) A *firm* may, in an agreement for a *retail banking service*, provide for a *banking customer* to be liable for all losses in respect of unauthorised payments:
 - (a) where a *banking customer* has acted fraudulently; or
 - (b) (subject to (3)) where a *banking customer* has intentionally, or with gross negligence, failed to comply with his or her obligations under the agreement for the *retail banking service* in relation to the issue or use of the *payment instrument* or to take all reasonable steps to keep its personalised security features safe.
 - (3) Except where a *banking customer* has acted fraudulently, a *firm* must not, in an agreement for a *retail banking service*, seek to make a *banking customer* liable for any losses in respect of unauthorised payments where:

- (a) the unauthorised payment arises after the *banking customer* has notified the *firm* of the loss, theft, misappropriation or unauthorised use of the *payment instrument*;
 - (b) the *firm* has failed to ensure that appropriate means are available at all times to enable the *banking customer* to notify it of the loss, theft, misappropriation or unauthorised use of a *payment instrument*; or
 - (c) the *payment instrument* has been used in connection with
 - (i) a *distance contract*; or
 - (ii) a *distance selling contract* other than an *excepted contract*.
- (4) Except as provided in (1) to (3), a *firm* must not, in an agreement for a *retail banking service*, seek to make a *banking customer* liable for any consequential loss in respect of an unauthorised payment.

Value date

5.1.13

R

- (1) The reference date used by a *firm* for the purpose of calculating interest on funds credited to an account of a *banking customer* held with it must be no later than:
- (a) the *business day* on which the funds are credited to the account of the *firm*; or
 - (b) in the case of cash placed with a *firm* for credit to a *banking customer's* account in the same currency as that account, immediately after the *firm* receives the funds.
- (2) Paragraph (1) does not apply to funds credited to a *banking customer's* account by means of a paper cheque.

Non-execution or defective execution of payments

5.1.14

R

- (1) Where a *banking customer* claims that a payment has not been correctly executed, it is for the *firm* to prove that the payment was authenticated, accurately recorded, entered in the *firm's* accounts and not affected by a technical breakdown or some other deficiency.
- (2) In paragraph (1) "authenticated" means the use of any procedure by which a *firm* is able to verify the use of a specific *payment instrument*, including its personalised security features.

5.1.15

R

- (1) Where a payment from an account of a *banking customer* is executed in accordance with the *payment routing information* provided in respect of that payment, it shall be treated as correctly executed by each *firm* involved in executing the payment.
- (2) Where incorrect *payment routing information* has been provided to a *firm* in respect of a payment:
- (a) ■ BCOBS 5.1.16R and ■ BCOBS 5.1.17R do not apply in relation to that payment;
 - (b) the *firm* must make reasonable efforts to recover the funds involved in the transaction; and

(c) if the *firm* is unable to recover the funds it must, on receipt of a written request, provide to the *banking customer* all available relevant information in order for the *banking customer* to claim repayment of the funds.

(2A) A *firm* that is in receipt of funds as the result of the provision of incorrect *payment routing information* by a *banking customer* must co-operate with the *firm* that is seeking to recover the funds, in particular by providing all relevant information for the collection of the funds.

(3) A *firm* and a *banking customer* may agree on a charge for taking the steps referred to in (2)(b). Any such charge must reasonably correspond to the *firm's* actual costs.

5.1.15A **G** For the purposes of ■ BCOBS 5.1.15R 'relevant information' will include the name of the account holder into whose account the funds have been paid, and an address at which documents can be effectively serviced on that *person*.

5.1.15B **G** ■ BCOBS 5.1.15R (2) (c) and ■ BCOBS 5.1.15R (2A) may require a *firm* to disclose personal data about a customer to whom it provides a bank account where funds have been transferred to that account as a result of incorrect *payment routing information*. When providing information to the customer to ensure the fair and transparent processing of personal data as required by applicable data protection legislation a *firm* should take account of its potential obligations under ■ BCOBS 5.1.15R(2)(c) and ■ BCOBS 5.1.15R(2A).

5.1.16 **R**

(1) Where a *banking customer* instructs or requests a *firm* to make a payment from his or her account and the payment is not correctly executed, the *firm* must, without undue delay:

(a) refund to the *banking customer* the amount of the non-executed or defective payment; and

(b) where applicable, restore the *banking customer's* account to the state in which it would have been had the defective payment not taken place;

unless:

(c) the *firm* can prove that the amount of the payment was received by another *firm* (referred to in this *rule* as "firm B") with which the relevant account of the intended recipient is held.

(2) Where (1)(c) applies, firm B must:

(a) immediately make available the amount of the payment to the intended recipient; and

(b) where applicable, credit the corresponding amount to the intended recipient's account.

- 5.1.17** **R** Where:
- (1) an instruction or request for a payment to be made from a *banking customer's* account is given by the intended recipient of that payment to a *firm*;
 - (2) that *firm* can prove that it correctly transmitted the instruction or request to the *firm* with which the relevant account of the *banking customer* is held (in this rule referred to as "firm A"); and
 - (3) the payment is not correctly executed;
- firm A must, as appropriate and without undue delay:
- (4) refund to that *banking customer* the amount of the payment; and
 - (5) restore that *banking customer's* account to the state in which it would have been had the defective payment not taken place.
- 5.1.18** **R** Where a *firm* is required to give a refund or take other remedial action under ■ BCOBS 5.1.16R or ■ BCOBS 5.1.17R, it must also refund:
- (1) any charges for which a *banking customer* is responsible; and
 - (2) any interest which a *banking customer* must pay;
- as a consequence of the non-execution or defective execution of the payment.
- 5.1.19** **R** Where the non-execution or defective execution of a payment by a *firm* is due to abnormal and unforeseeable circumstances beyond the *firm's* control, the consequences of which would have been unavoidable despite all efforts to the contrary, ■ BCOBS 5.1.16R to ■ BCOBS 5.1.18R shall not apply with respect to that incorrectly executed payment.

Chapter 6

Cancellation

6.1 The right to cancel

Introduction

6.1.1 **R** Except as provided for in **BCOBS 6.1.2 R**, a *banking customer* has a right to cancel a contract for a *retail banking service* (including a *cash deposit ISA* but excluding a *cash-only lifetime ISA*) without penalty and without giving any reason, within 14 calendar days.

[**Note:** article 6(1) of the *Distance Marketing Directive* in relation to *distance contracts*]

6.1.2 **R** There is no right to cancel:

- (1) a contract (other than a *cash deposit ISA*) where the rate or rates of interest payable on the *deposit* are fixed for a period of time following conclusion of the contract;
- (2) a contract whose price depends on fluctuations in the financial market outside the *firm's* control that may occur during the cancellation period; or
- (3) a *cash deposit CTF* (other than a *distance contract*).

6.1.3 **G** A *firm* may provide longer or additional cancellation rights voluntarily but, if it does, these should be on terms at least as favourable to the *banking customer* as those in this chapter, unless the differences are clearly explained.

6.1.3A **G** *Firms* are reminded that the cancellation *rules* in **COBS 15** apply to the cancellation by a *banking customer* of a *cash-only lifetime ISA*.

Beginning of cancellation period

6.1.4 **R** The cancellation period begins:

- (1) either from the day of the conclusion of the contract for the *retail banking service*; or
- (2) from the day on which the *banking customer* receives the contractual terms and conditions of the *retail banking service* and any other pre-contractual information required under this sourcebook, if that is later than the date referred to in (1) above.

[**Note:** article 6(1) of the *Distance Marketing Directive* in relation to *distance contracts*]

Disclosing the right to cancel

6.1.5

R

- (1) The *firm* must disclose to a *banking customer* in good time or, if that is not possible, immediately after the *banking customer* is bound by a contract for a *retail banking service*, and in a *durable medium*, the existence of the right to cancel, its duration and the conditions for exercising it including information on the amount which the *banking customer* may be required to pay, the consequences of not exercising it and practical instructions for exercising it, indicating the address to which the notification of cancellation should be sent.
- (2) This *rule* applies only where a *banking customer* would not otherwise receive the information referred to in (1) under a *rule* in this sourcebook from the *firm* (such as under ■ BCOBS 3.1.2 R to ■ 3.1.5 R (the distance marketing disclosure rules)).



6.2 Exercising the right to cancel

6.2.1 **R** If a *banking customer* exercises his right to cancel he must, before the expiry of the cancellation period, notify this following the practical instructions given to him. The deadline shall be deemed to have been observed if the notification, if in a *durable medium* available and accessible to the recipient, is dispatched before the cancellation period expires.

[Note: article 6(6) of the *Distance Marketing Directive* for distance contracts]

6.2.2 **G** The *firm* should accept any indication that the *banking customer* wishes to cancel as long as it satisfies the conditions for notification. In the event of any dispute, unless there is clear written evidence to the contrary, the *firm* should treat the date cited by the *banking customer* as the date when the notification was dispatched.

Record keeping

6.2.3 **R** The *firm* must make adequate records concerning the exercise of a right to cancel and retain them for at least three years.

6.3 Effects of cancellation

- 6.3.1 **R** By exercising a right to cancel, a *banking customer* withdraws from the contract and the contract is terminated.

Payment for the service provided before cancellation

- 6.3.2 **R**
- (1) This *rule* applies in relation to a contract for a *retail banking service* that is not a *cash deposit ISA* or a *cash deposit CTF*.
 - (2) When a *banking customer* exercises the right to cancel he may only be required to pay, without any undue delay, for the service actually provided by the *firm* in accordance with the contract. The amount payable must not:
 - (a) exceed an amount which is in proportion to the extent of the service already provided in comparison with the full coverage of the contract;
 - (b) in any case be such that it could be construed as a penalty.

[Note: article 7(1), (2) and (3) of the *Distance Marketing Directive* in relation to *distance contracts*]
 - (3) The *firm* may not require a *banking customer* to pay any amount on the basis of this *rule* unless it can prove that the *banking customer* was duly informed about the amount payable and, in the case of a contract which is a *distance contract*, in conformity with the distance marketing disclosure rules. However, in no case may the *firm* require such payment if it has commenced the performance of the contract before expiry of the cancellation period without the *banking customer's* prior request.

[Note: article 7(1), (2) and (3) of the *Distance Marketing Directive* in relation to *distance contracts*]

6.4 Obligations on cancellation

Firm's obligation

- 6.4.1 **R** The *firm* must, without undue delay and within 30 calendar days, return to the *banking customer* any sums it has received from him except for any amount that the *banking customer* may be required to pay under ■ BCOBS 6.3.2 R. This period begins from the day on which the *firm* receives the notification of cancellation.

[Note: article 7(1), (2) and (3) of the *Distance Marketing Directive* in relation to *distance contracts*]

Banking customer's obligation

- 6.4.2 **R** The *firm* is entitled to receive from the *banking customer* any sums or property he has received from the *firm* without any undue delay and no later than within 30 calendar days. This period begins from the day on which the *banking customer* dispatches the notification of cancellation.

[Note: article 7(5) of the *Distance Marketing Directive* in relation to *distance contracts*]

- 6.4.3 **R** Any sums payable under this section on cancellation of a contract are owed as simple contract debts and may be set off against each other.



6.5 Other applicable legislation

6.5.1

R

This chapter applies as modified to the extent necessary for it to be compatible with any enactment, including legislation relating to child trust funds.

Chapter 7

Information about current account services

7.1 Application

What?

7.1.1

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- (1) This chapter requires a *firm* to publish information about its provision of personal current accounts and business current accounts.
- (2) In this chapter:
 - (a) a “personal current account” means an account, other than a current account mortgage or a premium service account, which is a payment account within the meaning of the *Payment Accounts Regulations* (see ■ BCOBS 7.1.3G(2));
 - (b) a “business current account” means an account which would be a personal current account if the *banking customer* were a *consumer* (with the definition of “personal current account” in (2)(a) applying for the purposes of this sub-paragraph as if the words “or a premium service account” were omitted) (see ■ BCOBS 7.1.3G(3));
 - (c) each of the following is a “premium service account”:
 - (i) an account of a type:
 - (A) in respect of which *banking customers* receive better or faster service, assessed by reference to any of the information which the *firm* must publish under this chapter, than that provided in respect of one or more other types of personal current account held with the *firm* under the relevant trading name;
 - (B) which requires the *banking customer* to do either or both of the following:
 - (B) maintain a credit balance in the account, exceeding an amount specified by the *firm*, and
 - (B) make deposits into the account each month, exceeding an amount specified by the *firm*; and
 - (C) which is held by fewer than 20% of the holders of personal current accounts held with the *firm* under the relevant trading name (with the definition of “personal current account” in (2)(a) applying for the purposes of this sub-paragraph as if the words “or a premium service account” were omitted); and
 - (ii) an account:
 - (A) held by a *banking customer* who receives better or faster service, assessed by reference to any of the information which the *firm* must publish under this chapter, than the

service provided to other *banking customers* holding the same type of personal current account with the *firm* under the relevant trading name (a “premium customer”);

- (B) where the *firm’s* treatment of the *banking customer* as a premium customer is dependent on the *banking customer* doing either or both of the following:
 - (B) maintaining a credit balance in the account, exceeding an amount determined by the *firm*, and
 - (B) making deposits into the account each month, exceeding an amount determined by the *firm*; and
 - (C) of a type of which the premium customers constitute fewer than 20% of the holders of personal current accounts of that type (with the definition of “personal current account” in (2)(a) applying, for the purposes of this sub-paragraph, as if the words “or a premium service account” were omitted); and
- (d) a “private bank” is a *deposit-taking firm* over half of whose *banking customers* are eligible individuals within the meaning of article 9 of the Financial Services and Markets Act 2000 (Ring-fenced Bodies and Core Activities) Order 2014 (SI 2014/1960) or meet the condition in paragraph (3) of that article (see ■ BCOBS 7.1.5G(2)).

Who?

7.1.2

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- (1) This chapter applies to a *firm* in relation to a current account measurement period (see ■ BCOBS 7.7.1R):
 - (a) in respect of personal current accounts held with the *firm* under a trading name of the *firm*, if:
 - (i) at the start of the current account measurement period, 70,000 or more personal current accounts are held with the *firm* under that trading name; and
 - (ii) 70,000 or more personal current accounts were held with the *firm* under that trading name throughout the previous two current account measurement periods; and
 - (b) in respect of business current accounts held with the *firm* under a trading name of the *firm*, if:
 - (i) at the start of the current account measurement period, 15,000 or more business current accounts are held with the *firm* under that trading name; and
 - (ii) 15,000 or more business current accounts were held with the *firm* under that trading name throughout the previous two current account measurement periods.
- (2) This chapter does not apply in relation to:
 - (a) an account held by a *banking customer* in respect of whom the main correspondence address held by the *firm* is outside the *United Kingdom*;

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- (b) an account held by a *banking customer* aged under 18 at the start of the relevant current account measurement period (see ■ BCOBS 7.7.1R(1)); or
 - (c) an account which may be used for a currency other than a currency of the *United Kingdom*.
- (3) This chapter does not apply to a *credit union*.
 - (4) This chapter does not apply to a private bank.
 - (5) But this *rule* is subject to ■ BCOBS 7.1.4.R.
- (1) This chapter applies to a *firm* separately in relation to personal current accounts and business current accounts, for each of its trading names as notified to the *FCA* in accordance with ■ SUP 16 Annex 16AR. For example, a *firm* which only has 50,000 personal current accounts and no business current accounts will not be subject to the requirements of this chapter (except where ■ BCOBS 7.1.4R applies). If a *firm* has two trading names, with 150,000 personal current accounts held with the *firm* under the first name and 50,000 personal current accounts under the second name, and only 10,000 business current accounts, the requirements of this chapter will apply to the *firm* only in respect of the first trading name and only in respect of personal current accounts (except where ■ BCOBS 7.1.4R applies). The numbers in ■ BCOBS 7.1.1R and ■ 7.1.2R apply to the number of accounts, rather than the number of account holders.
 - (2) The definitions of “personal current account” and “business current account” both refer to the definition of a “payment account” under the *Payment Accounts Regulations*, that is: “an account held in the name of one or more consumers through which consumers are able to place funds, withdraw cash and execute and receive payment transactions to and from third parties, including the execution of credit transfers, but does not include any of the following types of account provided that the account is not used for day-to-day payment transactions: savings accounts; credit card accounts where funds are usually paid in for the sole purpose of repaying a credit card debt; current account mortgages or e-money accounts”. The *FCA* has issued guidance on that definition: see FG16/6 – Payment Accounts Regulations 2015.
 - (3) A payment account under the *Payment Accounts Regulations* is one which is held by a consumer, namely a natural person acting for purposes which are outside that person’s trade, business, craft or profession. A business current account (defined in ■ BCOBS 7.1.1R(2)(b)) is not a payment account because it is not held by a consumer, but is one which would be a payment account if the account holder were a consumer. The exclusion of “premium service accounts” (see (7)) does not apply to business current accounts.
 - (4) Accounts held by *banking customers* whose main correspondence address is outside the *United Kingdom* are excluded both from the number of accounts and from the requirements of ■ BCOBS 7.3 to ■ 7.6. Accounts held by persons under the age of 18, or which can only be used for foreign currency, are also excluded; but a joint

account should be included if one of the account holders is aged 18 or older.

- (5) *BCOBS* applies only to the activity of accepting deposits from *banking customers* carried on from an establishment maintained by it in the *United Kingdom* (see ■ *BCOBS* 1.1.1R). Therefore, this chapter only applies to accounts operated and activities carried out from *United Kingdom branches* and not, where a *firm* also has *branches* outside the *United Kingdom*, from non-*United Kingdom branches*.
- (6) ■ *BCOBS* 7.1.2R also makes provision for *firms* whose current account businesses are growing or contracting. For example, a *firm* which passes the 70,000 threshold for the first time on 29 March, and then stays above it, will have to measure the time it takes do to those things which ■ *BCOBS* 7.3 to ■ 7.6 require to be measured starting from 1 October, and to publish its first statistics (relating to the period from 1 October to 31 December) on or before 15 February of the following year. It will also have to publish the other information required by ■ *BCOBS* 7.3 to ■ 7.6 from 1 October. (See ■ *BCOBS* 7.7.1R.)
- (7) Premium service accounts are excluded from ■ *BCOBS* 7.3 to ■ 7.6. Premium service accounts are those personal current accounts which have eligibility criteria relating to minimum balances or minimum monthly deposits (or both), and whose holders receive better service than non-premium service accounts, based on any of the information or data which this chapter requires a *firm* to publish. For example, an account which has staff available to respond to relevant queries through telephone banking for more hours of the *day* than other accounts, or whose account holders can replace a lost debit card more quickly than other accounts, would be a premium service account. An account may be premium on the basis either that it is of a type only made available to eligible *banking customers*, or because the *banking customer* is treated as premium compared to other holders of accounts of that type. But an account is not a premium service account for this purpose if accounts of that type of account are held by 20% or more of the *firm's* personal current account *banking customers*, or, where the type of account is held by both premium and non-premium *banking customers*, the premium *banking customers* constitute 20% or more of the holders of that type of account. All accounts are treated as non-premium for the purposes of the 20% calculation.

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- (1) This *rule* applies to a *firm* to which this chapter does not otherwise apply in respect of either or both of personal current accounts and business current accounts held under a particular trading name.
- (2) This *rule* applies to information which covers the same subject matter as that to which any of the following *rules* apply (“regulated information”):
 - (a) ■ *BCOBS* 7.3.5R(1) (information about the speed of the account opening process);
 - (b) ■ *BCOBS* 7.4.1.R(1) (information about the time taken to replace a lost, stolen or stopped debit card);
 - (c) ■ *BCOBS* 7.6.1R(1) (information about operational and security resilience); and

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- (d) ■ BCOBS 7.6.3R(1) (complaints).
 - (3) The *firm* must not publish any regulated information or include any regulated information in a communication or *financial promotion* addressed to a *banking customer* or a potential *banking customer*, unless the *firm* publishes information that:
 - (a) would meet the requirements of ■ BCOBS 7.3.5R, ■ BCOBS 7.4.1R, ■ BCOBS 7.6.1R or ■ BCOBS 7.6.3R as the case may be,
 - (b) has been calculated in accordance with the requirements of this chapter, and
 - (c) is published in the format and order required by this chapter as if the *firm* were a *firm* to which this chapter (apart from this *rule*) applied in respect of that information in relation to that trading name.
 - (4) The requirement in (3)(c) to publish information in the order required by this chapter does not require a *firm* to publish information which, but for this *rule*, the *firm* would not be required to publish.
- (1) If a *firm* does not have 70,000 personal current accounts, or 15,000 business current accounts, under a particular brand (i.e. trading name), this chapter does not require the *firm* to publish information about its personal current account service or its business current account service (as relevant) for that brand. However, if a *firm* chooses to publish information about that brand which is within the scope of any of the *rules* in his chapter, relating to speed of service, operational and security resilience or complaints ('regulated information'), the *firm* must comply with the relevant *rule* in full as if this chapter did apply to that brand. This means that the *firm* must measure and calculate the information to be published, and publish it, as required by this chapter.
- (2) The same applies to a *credit union* or private bank that publishes any regulated information. For the purposes of this chapter, a private bank is a *deposit-taking firm* over half of whose *banking customers* are "eligible individuals", such that their *deposits* are not treated as *core deposits* for *ring-fencing* purposes, or they meet the condition that would enable them to sign a declaration of eligibility for that purpose. The condition is that they held assets to the value of not less than £250,000 over a period of twelve months ending on a day which falls not more than three months before the date of the declaration of eligibility.
- (3) Where a *firm* is required to publish information under ■ BCOBS 7.1.4R, it should publish it in the order and format required by this chapter. But the requirement to follow a particular order of presenting information does not require the *firm* to publish information under a *rule* not specified in ■ BCOBS 7.1.4R(3) that it not would otherwise be required to publish.



7.2 What information is to be published and how is it to be measured?

Publication of information about personal current accounts and business current accounts

7.2.1

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- (1) A *firm* to which this chapter applies must publish the information and statements specified in ■ BCOBS 7.3 to ■ 7.6:
 - (a) separately, in relation to each trading name in respect of which the *firm* has 70,000 or more personal current accounts;
 - (b) separately, in relation to each trading name in respect of which the *firm* has 15,000 or more business current accounts; and
 - (c) subject to (2), separately for personal current accounts and business current accounts in relation to each of those trading names.
- (2) Where any of the information or statements which a *rule* in (3) requires a *firm* to publish is the same for both personal current accounts and business current accounts, the *firm* may publish a single set of information or a single statement for both personal current accounts and business current accounts.
- (3) The *rules* are:
 - (a) ■ BCOBS 7.3.1R (information needed to open a current account); and
 - (b) ■ BCOBS 7.3.3R (information about how an account may be opened).
- (4) But this *rule* does not oblige a *firm* to separate any data to which it provides a link under ■ BCOBS 7.6.3R (complaints) between personal current accounts and business current accounts.

7.2.2

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- (1) Where a *firm* is subject to this chapter in respect of more than one trading name, ■ BCOBS 7.2.1R requires the *firm* to publish separate information for each of its trading names. And where a *firm* is subject to this chapter in respect of both personal current accounts and business current accounts, ■ BCOBS 7.2.1R requires the *firm* to publish separate information for personal current accounts and business current accounts, for each trading name. (■ BCOBS 7.2.1R(3) provides for an exception, where standing information about personal current accounts and business current accounts is the same: in that case, the *firm* may publish a single set of information required by the *rules* listed in ■ BCOBS 7.2.1R(3) but should indicate that it applies to both personal current accounts and business current accounts.)

- (2) But the following *rules* apply to personal current accounts and business current accounts separately: *firms* should not publish a single set of information covering both categories. These *rules* apply to the category as a whole and not to different types of product or account within those two categories. If a *firm* offers more than one type of current account within either or both of those two categories under the same trading name, the information in relation to all those types of account is to be aggregated within the relevant category. The *rules* are:
- (a) ■ BCOBS 7.3.5R(1) (information about the speed of the account opening process);
 - (b) ■ BCOBS 7.4.1R(1) (information about the time taken to replace a lost, stolen or stopped debit card); and
 - (c) ■ BCOBS 7.6.1 (information about operational or security resilience).
- (3) ■ BCOBS 7.6.3R requires a *firm* to provide links to complaints data. ■ BCOBS 7.2.1R does not require the *firm* to separate that complaints data between personal current accounts and business current accounts; accordingly, the *firm* may provide the same links under ■ BCOBS 7.6.3R in respect of both personal current accounts and business current accounts.

7.2.3



For the purposes of ■ BCOBS 7.3 to ■ 7.6:

- (1) a working account number is to be treated as generated for a *banking customer* only when the account number has been issued to the *banking customer* and the *banking customer* is able to make deposits into the account;
- (2) when a *firm* issues a debit card, personal identification number, item of information or any other thing to a *banking customer*, it is be treated as issued:
 - (a) on the same *day*, if the *banking customer* receives it that *day*;
else
 - (b) on the *day* on which the *banking customer* would ordinarily be expected to receive it, in accordance with the delivery method by which the *firm* sent it;
- (3) a reference to an average number of *days* is a reference to the mean, expressed as a whole number of *days*;
- (4) “telephone banking” means a facility provided by the *firm*, other than mobile banking, which enables a *banking customer* to use voice telephony to ascertain the balance on an account and initiate a payment transaction on the account;
- (5) “mobile banking” means a software application provided by the *firm* which enables a *banking customer*, by use of an electronic device (including a smartphone, a tablet computer and a desktop computer) on which that application is installed, to ascertain the balance on an account and initiate a payment transaction on the account;

7.2.4

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- (6) "internet banking" means a facility provided by the *firm*, other than mobile banking, which enables a *banking customer* to use the internet to ascertain the balance on an account and initiate a payment transaction on the account; and
 - (7) internet banking is to be treated as enabled only when the *firm* has issued all information, and any devices specific to the *firm* (for example, a card reader), necessary for the *banking customer* to use internet banking.
- (1) ■ BCOBS 7.2.3R(2) specifies that, when a *firm* issues a debit card, personal identification number, item of information or any other thing to a *person*, it is to be treated for the purposes of ■ BCOBS 7.3 to ■ 7.6 as having been issued to a *banking customer* only when the *banking customer* would ordinarily be expected to have received it. For example, if a debit card is sent to a *customer* by first class post, it will be treated under ■ BCOBS 7.2.3R(2) as issued on the *day* after the *day* on which it was posted (or, if posted on a Saturday, as issued on the Monday); and if sent by second class post, as issued on the third *day* after the *day* on which it was posted (or, if posted on a Thursday, as issued on the Monday).
 - (2) When counting the number of *days* taken:
 - (a) *firms* should count each part of a *day* after the *day* from which the *firm* starts counting as a whole *day*;
 - (aa) something done on the same *day* as the *day* from which the *firm* starts counting should be counted as done within zero *day*; and
 - (b) something done on the *day* following the *day* from which the *firm* starts counting should be counted as done within one *day*.
 - (3) Where ■ BCOBS 7.3 to ■ 7.5 require a percentage or an average to be published, the percentage is to be expressed as an integer and the average is to be expressed as a whole number of *days*, with a fractional part of a figure which is 0.5 or over being rounded up and a fractional part of less than 0.5 being rounded down.

7.3 Account opening information

Information needed to open a current account

7.3.1

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- (1) In relation to each type of personal current account and each type of business current account that it offers, a *firm* must publish either:
 - (a) a statement that the *firm* has published a list of the information and documents which, as a minimum, the *firm* requires to open an account for a *banking customer* who is not currently a *customer* of the *firm*; or
 - (b) a statement that the *firm* does not publish such a list.
- (2) The statement must be in the form specified in the first row of Table 1 in ■ BCOBS 7 Annex 1R.
- (3) A *firm* must not publish a statement as in (1)(a) unless the statement either includes the list or indicates where the list is available.
- (4) For the purposes of (3), a list is not to be treated as available unless it has been published in the same manner as the statement in (1).

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- (1) ■ BCOBS 7.3.1R requires a *firm* to publish a statement indicating whether or not a list of the minimum information and documents necessary to open each type of account that it offers is available. That list must itself be published on the *firm's* website: this is the effect of ■ BCOBS 7.3.1R(3) and ■ BCOBS 7.7.2R. The statement must either include the list or provide a link to it.
- (2) The list should set out the minimum information and documents that the *firm* needs to open each type of account that it offers for a new *customer*. For example, the list might specify what types of proof of identity or proof of address the *firm* requires, whether they must be original copies or certified copies, etc.
- (3) *Firms* have discretion about how to present the list. If the list is the same for all, or most, of their accounts, they may choose to publish a single list and indicate any exceptions or differences that relate to particular accounts.
- (4) In individual cases, the *firm's* obligations under the *Money Laundering Regulations*, or its other anti-fraud procedures, might mean that the *firm* requires additional or more particular information or documents to open an account: ■ BCOBS 7.3.1R does not affect a *firm's* responsibility for discharging those obligations or carrying out

those procedures fully and properly. *Firms* are reminded of their obligations under ■ SYSC 6.1.1R and ■ 6.3.

- (5) *Firms* may wish to include a comment in their list of documents that additional information or documents may be required on a case-by-case basis. But ■ BCOBS 7.3.1R does not prevent a *firm* from publishing a more comprehensive list if it wishes to do so.

Information about how an account may be opened

7.3.3

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- (1) In relation to each type of personal current account and each type of business current account that it offers, a *firm* must publish information about whether it is possible to open the account:
 - (a) without visiting a branch;
 - (b) where a visit to a branch is required, without an appointment;
 - (c) on the basis of documents and information supplied in electronic form; and
 - (d) by post.
- (2) Unless the information is true in all cases, the information must include a statement to the effect that, although the information may be true in some cases, it may not be true in all cases.
- (3) The statement must be in the form specified in the second row of Table 1 in ■ BCOBS 7 Annex 1R, and must appear immediately below the information published under ■ BCOBS 7.3.1R and on the same webpage.
- (4) The *firm* must include, in the format and using the language specified in Table 6 of ■ BCOBS 7 Annex 1R, on the same webpage as, and immediately below, the information it publishes under ■ BCOBS 7.6.3R, either:
 - (a) a link to the information it has published under ■ BCOBS 7.3.1R and ■ 7.3.3R(1)to (3), or
 - (b) a statement that it does not publish information about how a *banking customer* may open an account or what information and documents the *firm* requires to open an account.

7.3.4

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- (1) ■ BCOBS 7.3.3R(1) to (3) requires a *firm* to publish information about the manner in which each of its types of account may be opened. If the information is the same for all the *firm's* personal current accounts or, as the case may be, business current accounts, the *firm* may publish a single statement covering all of those accounts.
- (2) The *firm* may publish the information required by ■ BCOBS 7.3.1R and ■ BCOBS 7.3.3R(1) to (3) on the same webpage as it publishes other information about the accounts in question; however, the information must be easily accessible (see ■ BCOBS 7.7.2R(1)(b) and ■ 7.7.3G(1)) and the *firm* must include a link to that information, in the format of Table 6 of ■ BCOBS 7 Annex 1R, on the same webpage as the *firm* publishes information in the format of the other Tables in Part 2 of that Annex.

- (3) If the *firm* publishes the information required by ■ BCOBS 7.3.3R(1) to (3) on the same webpage as the other information which this chapter requires it to publish, the information required by ■ BCOBS 7.3.3R(1) to (3) should appear below that other information (that is, below Tables 2 to 8 of Part 2 of ■ BCOBS 7 Annex 1R).

Information about the speed of the account opening process

7.3.5

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- (1) This *rule* applies to information about the speed with which a *firm* can open an account.
- (2) A *firm* must publish the information in (3) about each of the following actions completed in a current account measurement period (see ■ BCOBS 7.7.1R):
- generating a working account number for a *banking customer* who is not already a *customer* of the *firm*;
 - issuing a debit card to a *banking customer* who requests one as part their application to open the account or for whom issue of a debit card is a term or condition of the account contract;
 - enabling internet banking for a *banking customer* who requests it as part their application to open the account or for whom provision of internet banking is a term or condition of the account contract; and
 - providing *credit* under an *authorised non-business overdraft agreement* or an *authorised business overdraft agreement* where the *banking customer* has requested such *credit* as part of their application to open the account.
- (3) The information is:
- the percentage of *banking customers* for whom the *firm* completed the relevant action on the same *day*;
 - the average number of *days* the *firm* took to complete that action; and
 - the number of *days* within which the *firm* completed that action for 99% of *banking customers* for whom that action was completed.
- (4) The *firm* must publish the information in the format specified in Table 7 of ■ BCOBS 7 Annex 1R.
- (5) That Table must appear on the same webpage as, and immediately below, the information the *firm* publishes under ■ BCOBS 7.3.3R(4).
- (6) For the purposes of (2)(a) and (3):
- where the *firm* has published a list under ■ BCOBS 7.3.1R in relation to that type of account:
 - the *firm* need only publish information about those cases where the *firm* does not require any information or documents additional to those specified on that list; and
 - the number of *days* taken to generate a working account number is to be counted from receipt of a complete

application which includes all the information and documents specified on the list;

(b) where the *firm* has not published a list under ■ BCOBS 7.3.1R in relation to that type of account, the number of *days* taken to generate a working account number is to be counted from receipt of an application (irrespective of whether the application is complete, or the *firm* requires information or documents not included in or submitted with the application).

(7) For the purposes of (2)(b), (2)(c), (2)(d) and (3), the number of *days* taken is to be counted from the *day* on which the *firm* generates a working account number for the *banking customer*.

(8) When calculating the information required by this *rule* to be published a *firm* may include data relating to a *banking customer* who is already a customer of the *firm* if the *firm* does not distinguish between such a *banking customer* and a *banking customer* who is not already a *customer* of the *firm* when completing each of the actions listed in ■ BCOBS 7.3.5R(2).

7.3.6

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(1) *Firms* must publish information under ■ BCOBS 7.3.5R(3) separately for each of their trading names, and separately for personal current accounts and business current accounts for each of their trading names. (See ■ BCOBS 7.2.1R(1).)

(2) *Firms* must publish the information in the format of Table 7 of ■ BCOBS 7 Annex 1R, on the same webpage as the other Tables in Part 2 of that Annex and in the order set out in that Part of that Annex.

(3) Each of the actions mentioned in ■ BCOBS 7.3.5R(2) should be measured and published in relation to the current account measurement period in which that action is completed, irrespective of the current account measurement period in which each of those other actions is completed and irrespective of the current account measurement period in which the *banking customer* submitted the application for the account.

(4) If the *firm* has published a list of the minimum information and documents it needs to open the account under ■ BCOBS 7.3.1R, it need only measure the time taken to generate a working account number for those straightforward cases where it does not need to request additional information or documents from the *banking customer*. If the *firm* has not published such a list, it should measure the time taken to generate a working account number from receipt of an application, irrespective of whether the application is complete or the *firm* requires additional information or documents not included in the application.

(5) The *firm* should only treat *credit* as having been provided, for the purposes of ■ BCOBS 7.3.5R(2)(d), when the funds under an arranged overdraft granted at the time of account opening are available for the *banking customer* to withdraw. An arranged overdraft with a limit other than that requested should be counted; if no overdraft is granted, the account should not be counted for the purposes of ■ BCOBS 7.3.5R(2)(d).

(6) *Firms* are reminded of their obligations under ■ CONC 5.2 (Responsible lending) to carry out a creditworthiness assessment before entering into an agreement for an arranged overdraft. *Firms* are also reminded of their obligations under the *Money Laundering Regulations*. *Firms* should discharge those obligations, and carry out any other appropriate affordability and anti-fraud checks, fully and properly without curtailing or omitting them for the purposes of the information to be published under ■ BCOBS 7. *Firms* are also reminded of their obligations under ■ SYSC 6.1.1R and ■ 6.3.

7.4 Replacing a debit card

Time taken to replace a stolen, lost or stopped debit card

7.4.1

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- (1) This *rule* applies to information about the time it takes a *firm* to replace a debit card which has been lost, stolen or stopped.
- (2) The *firm* must publish the following information about debit cards replaced in the relevant current account measurement period (see ■ BCOBS 7.7.1R):
 - (a) the percentage of debit cards which the *firm* replaced on the same *day*;
 - (b) the average number of *days* the *firm* took to replace a debit card; and
 - (c) the number of *days* within which the *firm* replaced 99% of the debit cards it replaced.
- (3) The *firm* must publish the information:
 - (a) in the format specified in Table 8 of ■ BCOBS 7 Annex 1R; and
 - (b) on the same webpage as, and immediately below, the information published under ■ BCOBS 7.3.5R.
- (4) For the purposes of this *rule*:
 - (a) the time taken is to be counted from the earlier of the *day* on which:
 - (i) the debit card is reported to the *firm* as lost or stolen; and
 - (ii) the *firm* stopped the debit card for any other reason; and
 - (b) a debit card is to be treated as replaced only when both the card and (where relevant) personal identification number have been issued to the *banking customer*.

7.4.2

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- (1) The time taken to issue a replacement debit card need not include activation of the card. *Firms* are not required to measure the time taken to replace a card on expiry of the card.
- (2) *Firms* are reminded that regulation 71(6) of the *Payment Services Regulations* requires a payment service provider to allow the use of the payment instrument or replace it with a new payment instrument "as soon as practicable" after the reasons for stopping its use cease to exist.

7.5 Availability of certain services and helplines

- 7.5.1** **R** (1) A *firm* must publish information about the *days* on which and the times at which a *banking customer* may, by each of the methods specified in ■ BCOBS 7.5.3R(2) to (4), carry out each of the actions specified in ■ BCOBS 7.5.4R.
- (2) The *firm* must publish the information:
in the format specified in Table 3 of ■ BCOBS 7 Annex 1R; and
on the same webpage as, and immediately below, the information published under ■ BCOBS 7.5.2R.
- 7.5.2** **R** A *firm* must publish information indicating whether or not it is possible, twenty four hours a *day* and every *day* of the year, for a *banking customer* and, in relation to ■ BCOBS 7.5.5R(j) and (k), a potential *banking customer* to discuss with the *firm*:
- (a) each of the actions specified in ■ BCOBS 7.5.4R; and
(b) each of the matters specified in ■ BCOBS 7.5.5R.
- (2) A *firm* may publish information indicating that it is so possible only if it is possible to discuss those actions and those matters, by one or more of the methods specified in ■ BCOBS 7.5.3R(1), (3) and (4), with a member of staff of the *firm* who has been trained to discuss the relevant action or matter.
- (3) If it is so possible, the *firm* must publish:
(a) by which of those methods it is possible; and
(b) the contact details for the *firm* for each method.
- (4) If it is not so possible by all of the methods specified in ■ BCOBS 7.5.3R(1), (3) and (4), the *firm* must publish information about the *days* on which and the times at which a *banking customer* and, in relation to ■ BCOBS 7.5.5R(j) and (k), a potential *banking customer* may, by each of the methods specified in ■ BCOBS 7.5.3R(1), (3) and (4), discuss with the *firm*:
(a) each of the actions specified in ■ BCOBS 7.5.4R; and
(b) each of the matters specified in ■ BCOBS 7.5.5R.
- (5) In the information published under (4), the *firm* may only indicate *days* on which and times at which the *banking customer* or potential *banking customer* may discuss the action or matter with a member of

staff of the *firm* who has been trained to discuss the relevant action or matter.

- (6) The *firm* must publish the information required by this *rule*:
 - (a) in the format specified in Table 2 of ■ BCOBS 7 Annex 1R, using the descriptions in the right hand column in each of ■ BCOBS 7.5.4R and ■ BCOBS 7.5.5R to refer to the actions and the matters; and
 - (b) on the same webpage as, and immediately below, the statement published in accordance with ■ BCOBS 7.7.2R(2).

7.5.3

R

The methods are:

- (1) telephone (other than telephone banking);
- (2) telephone banking;
- (3) internet banking; and
- (4) mobile banking.

7.5.4

R

The actions are:

	Action	Description
(a)	ascertain the balance on the account	checking the balance
(b)	access a transaction history covering at least the previous 90 days	accessing a transaction history
(c)	initiate a payment transaction to a payee in the <i>United Kingdom</i>	sending money within the UK
(d)	set up a standing order to a payee in the <i>United Kingdom</i>	setting up a standing order
(e)	initiate a payment in a currency other than a currency of the <i>United Kingdom</i> to a payee outside the <i>United Kingdom</i>	sending money outside the UK
(f)	make a deposit by cheque	paying in a cheque
(g)	cancel a cheque	cancelling a cheque

7.5.5

R

The matters are:

	Matter	Description
(a)	use of a debit card to withdraw money in a currency other than a currency of the <i>United Kingdom</i> from a machine or at an establishment outside the <i>United Kingdom</i>	cash withdrawal in a foreign currency outside the UK

(b)	overdrawing without a pre-arranged overdraft or exceeding a pre-arranged overdraft limit	a lack of funds: including unarranged overdrafts, payments we allow despite lack of funds and payments we refuse due to lack of funds
(c)	a payment made from the account although the result of the payment is that the <i>banking customer</i> overdraws without a pre-arranged overdraft or exceeds a pre-arranged overdraft	
(d)	a payment not made from the account where the result of the payment would be that the <i>banking customer</i> overdraws without a pre-arranged overdraft or exceeds a pre-arranged overdraft	
(e)	a direct debit within the meaning of the <i>Payment Services Regulations</i>	a direct debit, or allowing someone to collect one or more payments from your account using your debit card number
(f)	an attorney obtaining access to the account	third party access to an account, for example under a power of attorney
(g)	inability of a <i>banking customer</i> to access or use: (i) internet banking; or (ii) mobile banking	problems using internet banking or mobile banking
(h)	a suspicion of fraud on the account or a fraudulent transaction	reporting a suspected fraudulent incident or transaction
(i)	the stopping of a debit card, and the suspension of transactions on the account	progress following an account suspension or card cancellation, e.g. following a fraud incident
(j)	opening an account	account opening: including eligibility for an arranged overdraft, what is required to open an account and an indication of what arranged overdraft may be available
(k)	eligibility for an arranged overdraft	

7.5.6

G

- (1) This section requires *firms* to publish various types of information:
- (a) information about how and when *banking customers* can carry out certain actions on their account;
 - (b) information indicating whether or not 24-hour help is available for *banking customers* to raise queries about carrying out the actions on their account specified in ■ BCOBS 7.5.4R or about the matters specified in ■ BCOBS 7.5.5R, and for prospective *banking customers* to raise queries about account opening and overdraft availability;
 - (c) where 24-hour help is not available under one or more of the methods specified in ■ BCOBS 7.5.3R, information about how and when *banking customers* can raise queries about carrying out certain actions on their account and various other matters; and

how and when prospective *banking customers* can raise queries about account opening and overdraft availability; and

- (d) contact details for the *firm* for each method: for example, the telephone number for the relevant helpline or for telephone banking, the website address for internet banking, or the name of the application for mobile banking or a link to the place where the *banking customer* can download it.
- (2) A *firm* should only indicate that help is available (i.e. an action or matter may be discussed) where the *banking customer* or prospective *banking customer* is able to discuss the action or matter with a member of staff who has been appropriately trained to respond to such queries. This might mean, for example, a customer call centre responding to telephone queries or live webchat for internet banking, operated by appropriately trained staff. Automated responses, an FAQ list which filters out queries, or a messaging or mailbox system would not be sufficient; the discussion must involve real-time interaction.
- (3) In respect of ■ BCOBS 7.5.1R and ■ BCOBS 7.5.2R, *firms* should complete Tables 2 and 3 in Part 2 of ■ BCOBS 7 Annex 1R by: stating “24 hours” in the relevant cell; or setting out in the relevant cell the days and the times at which *banking customers* can carry out the relevant actions, and discuss the relevant actions and the relevant matters, by the relevant methods; or stating “not possible” in that cell if an action cannot be done or a matter cannot be discussed by a particular method. *Firms* may annotate the Table to indicate whether different times apply to bank holidays.
- (4) In Tables 2 and 3, if contact details or opening hours differ between types of account or between categories of *customer*, *firms* should either annotate the Table accordingly, or produce different copies of the Table for different types of account or categories of *customer*. And in Table 2, if the contact details for a particular matter differ from those given at the top of the relevant column for a particular method, *firms* should include the correct contact details for the relevant matter in the relevant row of that column.
- (5) In relation to the matter in ■ BCOBS 7.5.5R(h), i.e. suspicion of fraud, *firms* are reminded that regulation 73(1)(c) of the *Payment Services Regulations* requires *payment service providers* to “ensure that appropriate means are available at all times” to enable *payment service users* to notify the *payment service provider* of the loss or unauthorised use of a *payment instrument*.

7.6 Publication of information about major operational or security incidents, and complaints information

Major operational or security incidents

- (1) This *rule* applies to information about the *firm's* operational or security resilience.
- (2) The *firm* must publish the information in (3) about the major operational or security incidents in respect of which the *firm* has submitted an initial report to the *FCA* under regulation 99 of the *Payment Services Regulations* in a current account measurement period (see ■ BCOBS 7.7.1R).
- (3) The information is:
 - (a) the total number of major operational or security incidents reported in the relevant current account measurement period (see ■ BCOBS 7.7.1R);
 - (b) the number of major operational or security incidents reported in that period, affecting each of:
 - (i) telephone banking;
 - (ii) mobile banking; and
 - (iii) internet banking;
 - (c) the total number of major operational or security incidents reported in that period aggregated with those reported in the preceding three current account measurement periods; and
 - (d) the number of major operational or security incidents reported in that period aggregated with those reported in the preceding three current account measurement periods, affecting each of:
telephone banking;
mobile banking; and
internet banking.
- (4) The *firm* must publish the information required by this *rule*:
 - (a) in the format specified in Table 4 of ■ BCOBS 7 Annex 1R; and
 - (b) on the same webpage as, and immediately below, the information published under ■ BCOBS 7.5.1R.

7.6.2

G

■ BCOBS 7.6.1R requires *firms* to publish information about the number of initial reports about major operational or security incidents that it makes to the FCA under regulation 99 of the *Payment Services Regulations*. The published numbers relate to: the total number of initial reports in the last current account measurement period, and in the last four current account measurement periods; and the number of incidents affecting each of telephone banking, mobile banking and internet banking, again in the last current account measurement period, and in the last four current account measurement periods. *Firms* are not required to publish separate numbers for commercial channels affected by a major operational or security incident other than telephone banking, mobile banking and internet banking.

Information about complaints

7.6.3

R

(1) This *rule* applies to information about *complaints* made to or about a *firm*.

(2) The *firm* must publish:

(a) either:

- (i) an indication of where the *firm* has published a *complaints* data summary under ■ DISP 1.10A.1R in respect of the most recent reporting period under ■ DISP 1.10.4R, or
- (ii) a statement that the *firm* was not required to publish such a summary; and

(b) either:

- (i) if *Financial Ombudsman Service Limited* has published *complaints* data on its website relating to the *firm* in its most recent publication of complaints data, a link to that data, or
- (ii) a statement that *Financial Ombudsman Service Limited* has not published *complaints* data on its website relating to the *firm* in its most recent publication of complaints data.

(3) The *firm* must publish the information required by this rule:

- (a) in the format specified in Table 5 of ■ BCOBS 7 Annex 1R; and
- (b) on the same webpage as, and immediately below, the information published under ■ BCOBS 7.6.1R.

7.7.1

R

7.7 Publication of information about current accounts

How frequently must information be published?

- (1) The information published under the *rules* specified in (2) must be published in respect of each current account measurement period on or before the publication date immediately following the end of that current account measurement period as set out in the table below.

Current account measurement period	Publication date
the period beginning on 1 January and ending on 31 March	15 May
the period beginning on 1 April and ending on 30 June	15 August
the period beginning on 1 July and ending on 30 September	15 November
the period beginning on 1 October and ending on 31 December	15 February

- (2) The *rules* are:
- (a) ■ BCOBS 7.3.5R (information about the speed of the account opening process);
 - (b) ■ BCOBS 7.4.1R (information about the time taken to replace a lost, stolen or stopped debit card);
 - (c) ■ BCOBS 7.6.1R (information about operational and security resilience); and
 - (d) ■ BCOBS 7.6.3R (complaints).
- (3) The information and statements published under the *rules* specified in (4) must be published and kept up-to-date.
- (4) The *rules* are:
- (a) ■ BCOBS 7.3.1R (information needed to open a current account);
 - (b) ■ BCOBS 7.3.3R (information about how an account may be opened); and
 - (c) ■ BCOBS 7.5.1R and ■ 7.5.2R (information about the availability of certain services and helplines).

How must information be published?

7.7.2

R

- (1) A *firm* to which this chapter applies must:
 - (a) publish on its website the information and statements which this chapter requires it to publish;
 - (b) ensure that the information and statements are easily accessible by a *banking customer* or a potential *banking customer*; and
 - (c) notify the *FCA* of the website location where the information and statements are published, no later than the *day* of their publication.

- (2) A *firm* to which this chapter applies must include the following statement at the head of the webpage on which it publishes information and statements under the rules specified in ■ BCOBS 7.7.1R(2) and ■ 7.7.1R(4)(c): “The Financial Conduct Authority requires us to publish the following information about our [personal/business] current accounts:”.

- (3) A *firm* must make the information and statements published in accordance with this chapter publicly available free of charge by means of an application programming interface, if it is a *firm*:
 - (a) to which this chapter applies;
 - (b) which is subject to the provisions of either or both of:
 - (i) article 13 (release of service quality indicators) of the Retail Banking Market Investigation Order 2017; and
 - (ii) regulations 69(2)(a) and 70(2)(a) of the *Payment Services Regulations*; and
 - (c) which uses an application programming interface for the purposes of a provision specified in (b).

- (4) A *firm* to which (3) applies must:
 - (a) ensure that the application programming interface it uses for the purposes of (3) is itself made publicly available free of charge; and
 - (b) if it is a *firm* which is subject to article 13 (release of service quality indicators) of the Retail Banking Market Investigation Order 2017, use the Open Banking FCA Service Metrics API Specification v.1.0.0, or a substantially similar API, to make information and statements available for the purposes of (3).

- (5) A *firm* which is subject to article 13 (release of service quality indicators) of the Retail Banking Market Investigation Order 2017 must:
 - (a) on the webpage on which it publishes information under that article, include a link to information which it is required to publish under the rules specified in ■ BCOBS 7.7.1R(2) and ■ 7.7.1R(4)(c); and
 - (b) on the webpage on which it publishes information under the rules specified in ■ BCOBS 7.7.1R(2) and ■ 7.7.1R(4)(c), include a link to information which it is required to publish under that article.

7.7.3

G

- (1) *Firms* should publish information and statements under this chapter on their websites. The *FCA* would view the information and statements as “easily accessible” if the information and statements, or a link to the webpage(s) on which the information and statements are published, are prominently displayed on the *firm’s* or the brand’s homepage for personal current accounts or, as the case may be, business current accounts.
- (2) A *firm* may publish the information required by ■ BCOBS 7.3.1R and ■ BCOBS 7.3.3R(1) to (3) on the same webpage as it publishes other information about the accounts in question (see ■ BCOBS 7.3.4G(2)). But the information which is to be published in the format of the other Tables in Part 2 of ■ BCOBS 7 Annex 1R should appear on one webpage (that is, one webpage for personal current accounts, and one for business current accounts) and in the order set out in that Part of that Annex.
- (3) *Firms* may notify the *FCA* of the webpages on which they publish information under this chapter by sending a link to the relevant webpages to retailbanking@fca.org.uk.
- (4) A *firm* which is required to publish information under article 13 of the Retail Banking Market Investigation Order 2017 (that is, the service quality indicators required by the Competition and Markets Authority) may wish to publish information under this chapter alongside information published under that Order. If so, the *firm* should ensure that a reader of the relevant webpage would not infer from the wording or position of the statement required by ■ BCOBS 7.7.2R(2) that the *FCA* has required the *firm* to publish the information which that Order requires the *firm* to publish.
- (5) Article 13 of the Retail Banking Market Investigation Order 2017 requires certain *firms* to use an application programming interface (“API”) to publish the service quality indicators specified by the Competition and Markets Authority. Regulations 69 and 70 of the *Payment Services Regulations* require payment service providers to “communicate securely” with payment initiation service providers and account information service providers in accordance with the regulatory technical standards adopted under Article 98 of the *Payment Services Directive*; *firms* might use an API for that purpose.
- (6) Where a *firm* uses an API for the purposes of article 13 of that Order or, if article 13 of that Order does not apply to it, for the purposes of regulations 69 and 70 of the *Payment Services Regulations*, ■ BCOBS 7.7.2R requires the *firm* to make information and statements published under this chapter also available through an API; both the API and the information and statements made available through it should be publicly available and free of charge. *Firms* that are not subject to the Order or to those provisions of the *Payment Services Regulations* are, however, free to choose to make the information or statements published under this chapter available by API.

Publication of information in a specified format

Part 1 Information about how to open a current account

Table 1: account opening information published under ■ BCOBS 7.3.1R and ■ BCOBS 7.3.3R(1) and (3)

To open [this account **OR** any of our accounts], a new customer will need to provide us with the [following documents and information **OR** the documents and information set out [*link to webpage on which the list is published*]]. We may request additional information or documents in individual cases.

OR

We do not publish a list of the documents and information which all new customers will need to give us in order to open [this **OR** an] account.

You can open [this **OR** an] account:

- without visiting a branch [input type="checkbox"/>yes OR X/no OR in some cases]
- where a visit to a branch is required, without an appointment [input type="checkbox"/>yes OR X/no OR in some cases]
- by sending us documents and information electronically [input type="checkbox"/>yes OR X/no OR in some cases]
- by post [input type="checkbox"/>yes OR X/no OR in some cases]

Part 2 Information about current account services

■ BCOBS 7 requires *firms* to publish the following tables in the following order, on one webpage, and preceded by the statement “The Financial Conduct Authority requires us to publish the following information about our [personal/business] current accounts:”.

Table 2: availability of help and support in relation to certain services published under ■ BCOBS 7.5.2R

How and when you can contact us to ask about the following things:				
	24 hour help?	Telephone	Internet banking	Mobile banking
<i>contact details</i>				
checking the balance and accessing a transaction history	[input type="checkbox"/>yes OR X/no]			
sending money within the UK, including setting up a standing order	[input type="checkbox"/>yes OR X/no]			
sending money outside the UK	[input type="checkbox"/>yes OR X/no]			
paying in a cheque	[input type="checkbox"/>yes OR X/no]			
cancelling a cheque	[input type="checkbox"/>yes OR X/no]			

How and when you can contact us to ask about the following things:

cash withdrawal in a foreign currency outside the UK [#10004;/yes **OR** X/no]

a lack of funds: including unarranged overdrafts, payments we allow despite lack of funds and payments we refuse due to lack of funds [#10004;/yes **OR** X/no]

a direct debit, or allowing someone to collect one or more payments from your account using your debit card number [#10004;/yes **OR** X/no]

third party access to an account, for example under a power of attorney [#10004;/yes **OR** X/no]

problems using internet banking or mobile banking [#10004;/yes **OR** X/no]

reporting a suspected fraudulent incident or transaction [#10004;/yes **OR** X/no]

progress following an account suspension or card cancellation, e.g. following a fraud incident [#10004;/yes **OR** X/no]

account opening: including eligibility for an arranged overdraft, what is required to open an account and an indication of what arranged over-

How and when you can contact us to ask about the following things:
draft may be available
Note: this is a list of common queries. It does not represent the full list of queries you can raise in relation to your account [or queries you can raise in one of our branches].

Table 3: availability of certain services published under ■ BCOBS 7.5.1R

How and when you can use your bank account to do the following things:			
	Telephone banking	Internet banking	Mobile banking
checking the balance			
accessing a transaction history			
sending money within the UK			
setting up a standing order			
sending money outside the UK			
paying in a cheque			
cancelling a cheque			
Note: this is a list of common actions. It does not represent the full list of actions you can take in relation to your account [or actions you can take in one of our branches].			

Table 4: information about operational and security incidents published under ■ BCOBS 7.6.1R

Information about operational and security incidents		
We are obliged to notify the Financial Conduct Authority if we become aware of a major operational or security incident which prevents our customers from using our payment services.		
	In the 3 months between [e.g. 1 April 2018 and 30 June 2018]	In the 12 months between [e.g. 1 April 2018 and 31 March 2019]
Total number of incidents reported		
Incidents affecting telephone banking		
Incidents affecting mobile banking		
Incidents affecting internet banking		

Table 5: complaints data published under ■ BCOBS 7.6.3R

Complaints data
Financial Conduct Authority rules require us to provide them with a report of our complaints data every six months. In certain circumstances, we are also required to publish a summary of our complaints data.
The most recent summary is available [<i>indicate where e.g. website address</i>]. OR We are not required to publish a summary of our complaints data for the most recent six month period.
The Financial Ombudsman Service publishes its complaints data every six months. You can see their complaints data about us at http://www.ombudsman-complaints-data.org.uk/ .

Complaints data

OR

The Financial Ombudsman Service publishes its complaints data every six months. Its most recent publication does not contain any data relating to us.

Table 6: account opening information published under ■ BCOBS 7.3.3(4)R

Opening a current account with us

Go to *[insert link(s) to the information published under BCOBS 7.3.1R and BCOBS 7.3.3R(3)]* to find out how you can open an account, and what information and documents you need to give us to open an account.

OR

We do not publish information about how you can open an account or what information and documents you need to give us to open an account.

Table 7: account opening information published under ■ BCOBS 7.3.5R

How quickly do we open [personal/business] current accounts?

We give customers an account number and enable them to start paying into the account:

- the same day, for [x]% of customers;
- on average, in [x] days; and
- within [x] days for 99% of customers.

(for firms that publish a list under BCOBS 7.3.1R) These figures are based on the time taken from our receiving all the information and documents we ask for at *[insert link(s) to the information published under BCOBS 7.3.1R]*, in a case where we don't need any further information or documents to open the account.

OR

(for firms that do not publish a list under BCOBS 7.3.1R) These figures are based on the time taken from when we first receive an application to open the account.

How quickly do we give customers a debit card?

Once an account is open, we give customers a debit card:

- the same day, for [x]% of customers;
- on average, in [x] days; and
- within [x] days for 99% of customers.

How quickly do customers get internet banking?

Once an account is open, customers have internet banking:

- the same day, for [x]% of customers;
- on average, in [x] days; and
- within [x] days for 99% of customers.

How quickly is an overdraft available?

Once an account is open, the overdraft is available:

- the same day, for [x]% of customers;
- on average, in [x] days; and
- within [x] days for 99% of customers.

Table 8: time taken to replace a lost, stolen or stopped debit card published under ■ BCOBS 7.4.1R

Replacing a debit card

How quickly do we replace debit cards which have been lost, stolen or stopped?

We replace debit cards:

- the same day, for [x]% of customers;
- on average, in [x] days; and
- within [x] days for 99% of customers.

Banking: Conduct of Business sourcebook

BCOBS TP 1 Transitional Provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Materials to which the transitional provision applies		Transitional provision	Transitional provisions: dates in force	Handbook provisions: coming into force
1	BCOBS	R	Expired		
1A	BCOBS 2A.1.1R(1) to (3)	R	<p>A <i>firm</i> need not comply with BCOBS 2A.1.1R(1) to (3) in relation to an automatic renewal of an agreement for an optional additional product which was entered into on or before 31 March 2016 provided:</p> <p>(1) the automatic renewal of the agreement is on substantially the same terms. The phrase “on substantially the same terms” is to be interpreted in the same way as in BCOBS 2A.1.1R(11)(b) and (c);</p> <p>(2) on the occasion of the first automatic renewal on or after 1 April 2016, the <i>firm</i> takes reasonable steps to ensure that the <i>banking customer</i> is informed:</p> <p>(a) that the renewal of the agreement is optional;</p> <p>(b) that the <i>banking customer</i> may elect not to renew the agreement; and</p> <p>(c) of the effect of the non-renewal of the agreement, if any, on the <i>retail banking service</i>; and</p> <p>(3) the procedure to be used by <i>banking customers</i> for electing not to renew the agreement pays due regard to the interests of those <i>banking customers</i> and treats them fairly.</p>	From 1 April 2016	On 1 April 2016
1B	BCOBS 2.2A, BCOBS 2 Annex 1R and, BCOBS 4.1.2G(2A)	R	This provision applies where a <i>firm</i> has in its possession, as at the date the Banking: Conduct of Business Sourcebook (Amendment No 4) Instrument 2015 is made, a stock of <i>direct offer financial promotions</i> on paper or a stock of pre-sale material on paper that incorporate a summary box that meets the standards in the ‘Industry Guidance for FCA Banking Conduct of Business Sourcebook’ of September 2013, confirmed by the FCA in accordance with PS07/16, as it stood as at 3 December 2015.	1 December 2016 to 31 May 2017	1 December 2016

1C	BCOBS 2.2A, BCOBS 2 Annex 1R and BCOBS 4.1.2G(2A)	R	Where BCOBS TP 1B applies, until 31 May 2017, the <i>direct offer financial promotion</i> or pre-sale material referred to in 1B may be treated by the <i>firm</i> as including a summary box in the form set out in BCOBS 2 Annex 1R that complies with the rules in BCOBS 2.2A.	1 December 2016 to 31 May 2017	1 December 2016
2	BCOBS 4.1.1 R	R	Expired		
3	BCOBS 4.1.1 R	G	Expired		
4	BCOBS 4.1.1 R	R	Expired		
5	BCOBS 5.1.13 R	R	Expired		
6	BCOBS 4.1.1 R	R	Expired		
7	BCOBS 4.2.2 G	R	Expired		
8	BCOBS 5.1.10BG	R	A <i>firm</i> need not have regard to the guidance referred to in column (2) in interpreting and applying BCOBS 5.1.10AR until 18 <i>months</i> after the date on which the regulatory technical standards adopted under article 98 of the <i>Payment Services Directive</i> come into force.	13 January 2018 until the date specified in column (4)	13 January 2018
9	BCOBS 7.1.2R	R	For the purposes of BCOBS 7.1.2R(1): (i) the current account period in which 15 August 2018 falls is to be treated as starting on 15 August 2018; and (ii) a reference to the two current account measurement periods which precede that current account period should be read as a reference to the period beginning on 1 February 2018 and ending on 14 August 2018.	From 15 August 2018 to 30 September 2018	15 August 2018
10	BCOBS 7.1.2R	G	The effect of TP 9 is that a <i>firm</i> that on 15 August 2018 has 70,000 or more personal current accounts, or 15,000 or more business current accounts, under one of its trading names, and which has had the requisite number of accounts since 1 February 2018, must comply with BCOBS 7 from 15 August 2018. That means publishing, on 15 August 2018, the standing information required by BCOBS 7.3.1R and 7.3.3R(1) and (3) (account opening information), BCOBS 7.5.1R and 7.5.2R (information about the availability of certain services and helplines), BCOBS 7.6.1R (major operational or security incidents) and 7.6.3R (complaints). Providing the <i>firm</i> continues to have the requisite number of accounts, it will also have to publish its first information under BCOBS 7.3.5R and 7.4.1R no later than 15 February 2019.	From 15 August 2018 to 30 September 2018	15 August 2018
11	BCOBS 7.1.2R	R	For the purposes of BCOBS 7.1.2R(1)(a)(ii) and BCOBS 7.1.2R(1)(b)(ii), references to preceding current account measurement periods should be read as including periods which, or part of which, occurred before 15 August 2018.	From 1 October 2018 to 31 March 2019	15 August 2018

12	BCOBS 7.1.2R	G	In determining, before 1 April 2019, whether a <i>firm</i> has had the requisite number of accounts “throughout the previous two current account measurement periods”, periods which occurred wholly or partially before 15 August 2018 are to be counted.	From 1 October 2018 to 31 March 2019	15 August 2018
13	BCOBS 7.3.5R and 7.4.1R and BCOBS 7 Annex 1R	R	<i>Firms</i> are not obliged to publish information that relates to a current account measurement period ending before 1 October 2018. Accordingly, <i>firms</i> may omit Tables 7 and 8 of BCOBS 7 Annex 1R from the information they publish in respect of current account measurement periods ending before 1 October 2018.	From 15 August 2018 to 14 February 2019	15 August 2018
14	BCOBS 7.3.5R and 7.4.1R and BCOBS 7 Annex 1R	G	The <i>rules</i> to which TP 13 applies require <i>firms</i> to publish information about the speed of the account opening process and the speed of replacing a debit card. TP 13 permits <i>firms</i> not to publish information that relates to a current account measurement period ending on or before 30 September 2018. <i>Firms</i> must, however, collect information relating to the current account measurement period beginning on 1 October 2018 and publish it no later than 15 February 2019.	From 15 August 2018 to 14 February 2019	15 August 2018
15	BCOBS 7.6.1 and BCOBS 7 Annex 1R	R	<i>Firms</i> may disregard current account measurement periods ending before 1 April 2018.	From 15 August 2018 to 14 May 2019	15 August 2018
16	BCOBS 7.6.1 and BCOBS 7 Annex 1R	R	<i>Firms</i> may: (a) in respect of the current account measurement period ending on 30 June 2018, omit the right hand column of Table 4 of BCOBS 7 Annex 1R; (b) in respect of the current account measurement period ending on 30 September 2018, refer to “6 months” instead of “12 months” in the heading of the right hand column of Table 4 of BCOBS 7 Annex 1R; and (c) in respect of the current account measurement period ending on 31 December 2018, refer to “9 months” instead of “12 months” in the heading of the right hand column of Table 4 of BCOBS 7 Annex 1R.	From 15 August 2018 to 14 May 2019	15 August 2018
17	BCOBS 7.6.1 and BCOBS 7 Annex 1R	G	BCOBS 7.6.1R(3)(c) and (d) require <i>firms</i> to publish information about the number of operational and security incidents reported in a current account measurement period aggregated with those reported in the previous three periods (i.e. a 12 <i>month</i> total). TP 15 means that <i>firms</i> do not have to include periods which end before 1 April 2018. TP 16 allows <i>firms</i> to omit the relevant column in Table 4 of Part 2 of BCOBS 7 Annex 1R, or to amend the heading of that column so that it is clear that the aggregated figures apply to a 6 or 9 <i>month</i> period (as relevant), until such time as there is a 12 <i>month</i> period to aggregate.	From 15 August 2018 to 14 May 2019	15 August 2018

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Schedule 1 Record-keeping requirements

Sch 1

Notes:

- 1 The aim of the *guidance* in the following table is to give the reader a quick overall view of the relevant record-keeping requirements.
- 2 It is not a complete statement of those requirements and should not be relied on as if it were.

Handbook reference	Subject of record	When record must be made	Contents of record	Retention period
BCOBS 6.2.3 R	Cancellation: exercise of right	Exercise of the right to cancel	Date of exercise	At least three years

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Schedule 2 Notification requirements

Sch 2

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
BCOBS 7.7.2R(1)(c)	The website location(s) where information and statements published under BCOBS 7 are available	The website location(s) where information and statements published under BCOBS 7 are available	The publication of information and statements under BCOBS 7	No later than the date of publication

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Schedule 3 Fees and other required payments

Sch 3

There are no requirements for fees or other payments in *BCOBS*.

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Schedule 4 Powers exercised

Sch 4.1 G
[deleted]

Sch 4.2 G
[deleted]

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Schedule 5 Rights of action for damages

Sch 5

5.1	The table below sets out the <i>rules</i> in <i>BCOBS</i> contravention of which by an <i>authorised person</i> may be actionable under Section 138D of the <i>Act</i> (Actions for damages) by a <i>person</i> who suffers loss as a result of the contravention.
5.2	If a "Yes" appears in the column headed "For private person?", the <i>rule</i> may be actionable by a <i>private person</i> under Section 138D (or, in certain circumstances, his fiduciary or representative; see article 6(2) and (3)(c) of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 (SI 2001/2256)). A "Yes" in the column headed "Removed" indicates that the <i>FCA</i> has removed the right of action under Section 138D(3) of the <i>Act</i> . If so, a reference to the <i>rule</i> in which it is removed is also given.
5.3	The column headed "For other person?" indicates whether the <i>rule</i> may be actionable by a <i>person</i> other than a <i>private person</i> (or his fiduciary or representative) under article 6(2) and (3) of those Regulations. If so, an indication of the type of <i>person</i> by whom the <i>rule</i> may be actionable is given.

Rule	Right of action under section 150			Any other person
	For private person?	Removed?	For other person?	
Any rule in <i>BCOBS</i> which prohibits an authorised person from seeking to make provision excluding or restricting any duty or liability	Yes	No	Yes	
All other rules in <i>BCOBS</i>	Yes	No	No	

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Schedule 6 Rules that can be waived

Sch 6

6.1

As a result of section 138A of the *Act* (Modification or waiver of rules) the *FCA* has power to waive all its *rules*, other than *rules* made under section 137O (Threshold condition code), section 247 (Trust scheme rules), section 248 (Scheme particular rules), section 261I (Contractual scheme rules) or section 261J (Contractual scheme particulars rules) of the *Act*. However, if the *rules* incorporate requirements laid down in European directives, it will not be possible for the *FCA* to grant a waiver that would be incompatible with the United Kingdom's responsibilities under those directives.

