



بنك الكويت المركزي

Central Bank of Kuwait

**Bank Customer Protection
Manual**

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S.	Table of Content	Page No.
	Introduction	3
First	Customer protection – Importance and Concept	6
Second	Regulatory and Supervisory Framework	7
Third	Objectives of issuing customer protection manual	7
Fourth	Scope of application	9
Fifth	General rules for bank customer protection	10
Sixth	Practices of disclosure and provision of banking services and products:	14
Seventh	Dealing with customers' accounts at banks	15
Eighth	Protection of banking confidentiality and information privacy	17
Ninth	Financial and banking awareness	18
Tenth	Financial and banking inclusion programs	19
Eleventh	Advertisement and advertising materials	20
Twelfth	Customer service personnel and promoters of banking services and products	21
Thirteenth	Consumer and installment loans / finance	22
Fourteenth	Credit Cards	25
Fifteenth	On-line Banking and Telephone Banking Services	26
Sixteenth	Electronic remittance and electronic fund transfer	27
Seventeenth	Claiming customers to repay their debts to banks	28
Eighteenth	Enhancement of the duties of customer complaint unit	29
Nineteenth	Responsibilities and obligations of customers	30

Introduction:

Enhancement of customer confidence in a financial service market that works efficiently and characterized by good performance and transparency in the banking services offered by banks to different customers in all segments is considered one of the basic components to achieve financial stability, the development and growth of these markets and encouraging them to achieve innovation in the manner that enhances the integration of these markets with the real economy.

Within the methodology adopted by the Central Bank of Kuwait regarding devoting its supervisory role in protecting customers' rights, CBK over the last years issued several instructions and directives to the banking sector which aim to promote the concept of transparency and disclosure in the financial and banking transactions offered by banks to various consumers in all sectors, and to provide an appropriate environment for keeping customers' rights within a balanced relationship that provides protection for the banking sector, avoiding its exposure to reputational risks that arise in case banks failed to comply with the controls of banking professional conduct in a manner that may adversely affect customers' transactions with these banks. For example, the instructions issued by CBK in this area include the controls related to the contracts concluded with customers in terms of their legality, clear drafting and transparency in determining interest rates, charges, fees, commissions, and providing customers with copies of their contracts and balances statements, in addition to complete transparency in all services provided by banks to their customers.

CBK, also issued a set of instructions for protecting individual customers including the instructions on the rules and regulations for granting consumer loans and other installment loans. On November 2013, CBK issued instructions concerning the controls of finance granted to individual clients for the purpose of purchasing and/or developing the real estate located at the region of private housing and model housing. These controls took into account the risks involved in this finance that both individual customers and banking sector units may be exposed to, which may have economic and social impacts. The matter which led to the issuance of these controls within a framework of a comprehensive hedging policy aims to reduce non-diversifiable risks. There are other instructions issued concerning the controls related to the issuance of credit cards and other controls directly addressed to protect those customers, including in particular, the recent instructions issued by CBK in March 2013 regarding the establishment of Consumer Protection Unit at the Central Bank of Kuwait with the aim to raise banking and financial awareness with customers and to receive their grievances. The functions of this unit included the provisions of the Telephone Service to reply customers' inquires and to explain the mechanism of applying the instructions issued by CBK and the included terms and conditions related to the rights and obligations of such customers.

Over the recent years, international concern on "Consumer Protection in the Field of Financial Services" increased due to the repercussions of the global financial crisis, and the development witnessed by the market in these services and financial instruments, including the expansion in electronic services and the increasing chances of risk transfer to customers in various sectors, particularly,

in case of poor financial knowledge and awareness among these customers. In this regard, the financial crisis revealed that one of the reasons for this crisis is attributable to offering several innovative or restructured financial products which involve high risks that customers could not recognize to the extent that enables them to make their decisions according to accurate and studied grounds. Therefore, attention has been paid to the necessity that such financial and banking products shall be designed in accordance with customers' needs and within a clear framework of the involved risks. These developments emphasized on the necessity of providing financial customer protection and to integrate that through financial inclusion with financial education and awareness policies within the legal frameworks which provide for these customers the protection for their rights in terms of fair treatment, proper disclosure improving their financial education and providing them with objective advice, as well as providing them with financial services within competitive frameworks and within professional conduct, taking into consideration protecting the assets and information of these customers from any violation of their confidentiality, forgery or fraud.

Within the framework the Central Bank of Kuwait's continuous endeavors aiming to enhance banking consumer protection through a balanced relationship between banks and their customers guided by the best global practices in this area within the rules of financial customer protection approved by ministers of finance and governors of central banks of the Group of Twenty in October 2011, CBK issued this Manual for protecting banks' customers in all sectors. This Manual includes a set of rules that shall be considered

complementary, not alternative, to the different instructions previously issued by CBK in the area of customer protection in their dealings with banks.

First: Customer Protection – Importance and Concept

Bank customer protection refers to the applied procedures which aim to reduce risks that these customers may be exposed to in their dealings with banks through the development of regulatory frameworks including the policies and procedures that guarantee that they receive different financial services within an integrated framework of transparency and disclosure in financial dealings in a manner that ensure that these customers get their rights in full without causing any harm to their interests and to subject any party who violates these regulatory rules to accountability.

Customer protection process depends on three dimensions as follows:

- Regulatory and Supervisory Dimension: This includes a set of methods, applications and practices exercised by the concerned supervisory authorities in order to enhance customer protection.
- Legislative Dimension: This includes a set of legislations and controls regulating customers' rights and duties which constitute the mandatory framework through which business shall be done, so that appropriate penalties are to be imposed to the bank violating these legislations.

- Educational and Awareness Dimension: This includes a set of activities and practices which aim to raise the level of financial and banking knowledge and culture among these customers in the manner that enhances their ability to make the right decision which in turn promotes the methods of their protections and receiving of their rights.

Second: Regulatory and Supervisory Framework:

The Central Bank of Kuwait's interest to protect the banks' customers is derived from the stipulation of Law No. 32 of the year 1968 concerning Currency, the Central Bank of Kuwait, and Organization of Banking Business, and its amendments, of various provisions in this area, and in line with the requirements of the key practices of effective banking supervision from the extension of the supervisory role to ensure that banks have in place proper policies and procedures that include strict rules in relation to due diligence for protecting customers so as to enhance the application of high quality professional standards in the banking sector.

Therefore, this Manual includes the rules and regulations that banks shall comply with and adhere to when providing banking services or products to their customers, when providing financial advice and information thereto, and when advertising such products and services in addition to handling complaints and grievances raised by customers and settling disputes and conflicts.

Third: The Objectives of Issuing Customer Protection Manual

The issuance of this Manual aims to achieve a set of goals, including the following:

1. Asserting on the attention that CBK pays in the field of customer rights protection in the manner that ensures that they receive the financial and banking services within an integrated framework of transparency and disclosure in a way that enables customer to make their decision upon sound bases, with the emphasis on the importance of banks to keep up with the banking developments related to customers' current and future needs, enlightening them about the extent of their suitability thereto so as to achieve their ambitions.
2. Developing a set of standards and practices related to bank customer protection, so that these standards and practices constitute a basis for assessing banks' performance in the area of customer protection and the application of governance in this area.
3. Developing a general framework for the concept of customer protection with a focus on banking sector so as to contribute to the enhancement of supervisory objectives which support financial stability through enhancing professional practices in the field of financial services provisions to customers to avoid any problems at the national level as a result of improper practices when banks deal with their customers.
4. The existence of a written manual containing important rules related to customer protection confirms impartiality, fairness and honesty and is expected to leave a good impact on parties involved in banking and financial business, on the grounds that

this constitutes a documentation to support the efforts of implementation of such rules.

5. This Manual represents an educational and awareness tool for bank customers including the presentation of rights, duties and principles that improve the level of knowledge of the nature of the relationship with banks, in the manner that contributes to the development of the educational process financially and legally of customers in their banking transactions. The existence of customers who have financial and banking culture and understanding will result in the rationalization of their financial acts and decision and reduces the chances of their involvement in causing crises due to the low level of their awareness.
6. Establishment of fair practices that shall be adopted in the provisions of financial and banking products and services by banks, which constitute minimum limits of policies and procedures adopted by banks in their dealings with customers, particularly in the area of concentration on transparency and disclosure to help customers make the sound decisions in light of the actual status.
7. Strengthening the bases and pillars of confidence in the banking system units, considering that confidence is one of the key factors of success, growth and development of relationships with customers, especially in light of the presence of effective mechanisms and clear frameworks for handling customers' complaints, grievances and any practices seen to be unfair or unclear.

Fourth: Scope of Application

1. This Manual applies to the banks operating in the State of Kuwait, including Kuwaiti banks and branches of foreign banks.
2. For the purpose of the application of the instructions included in this Manual, customers shall mean those customers of natural individuals who deal with the aforesaid banks, and other legal corporate, including small and medium companies to the extent that such instructions apply thereto in light of their transactions and dealings with banks.
3. The rules included in this Manual shall be considered complementary and not alternative to the various instructions previously issued by CBK to banks in the area of customer protection.

Fifth: General Rules for Customer Protection at Banks:

The general rules for customer protection included in this Manual constitute the minimum limit of rules that banks shall adhere to and comply with when dealing with customers.

1st Rule: Equal and Fair Treatment

Banks have to, through all stages of their dealings with customers, observe that all their treatments shall be equal, just, fair and honest, and to take into account to make this approach an integral part of their governance rules. Also, banks shall pay more and special

attention and care to customers with limited income brackets and those with limited education, the old people, and customers with special needs without any sexual discrimination.

2nd Rule: Disclosure and Transparency

Banks shall provide to their customers all information related to the services and products offered thereto. Such information shall be clear, simple, accurate and comprehensible so as to allow customers to know implied benefits and risks transparently and clearly without any trouble from the customer's side to obtain such information. Banks shall observe to make the information submitted to customers contain a clarification of customers' rights and obligations and details of prices, charges and commissions collected by each bank for each service or product, as well as a clarification of the benefits and risks associated with such service or product, the mechanism to terminate such relation and the resulting consequences, in order to enable customers to make their right decisions. Advice given to customers shall be suitable to their financial capabilities and goals in light of the expertise they have regarding these products or services, taking into consideration to urge customers to provide comprehensive and accurate information on their positions and needs in order to enable banks to provide them the appropriate advice and services.

3rd Rule: Financial Awareness and Education

Banks shall put proper plans, programs and mechanisms to develop and provide financial and banking information to their current and potential customers, and to strive to raise their level of awareness and

education so as to enable them to know all aspects related to banking services and products offered to them, and thereby help them make informed decisions, and to direct them to the appropriate entity through which they can obtain additional information, if required. Banks shall inform customers about their rights and obligations, particularly, customers with limited income brackets or those with limited education.

4th Rule: Professional Conduct

Banks have to be keen to practice and perform their business in a professional responsible manner, taking into consideration achieving the best interests of customers in all stages of their dealings with the bank, being responsible for protecting customers regarding the banking services and products provided thereto. Most important of these conducts are integrity, credibility and verification of suitability of services and products offered to customers to their capabilities, abilities and needs, while ensuring providing adequate training for the bank employees in front line who communicate with customers and provide banking services thereto.

5th Rule: Customer Protection against Financial Fraud

Banks shall protect customers' deposits, savings and other financial assets falling within their dealings with the banks through developing effective internal control systems characterized with efficiency and high level of accurate supervision in order to reduce fraud and embezzlement operations or misuse of financial services,

and to constantly make sure that the used systems are efficient to keep up with changes in fraud methods.

6th Rule: Protecting Privacy and Confidentiality of Information

Banks shall develop regulatory and supervisory systems, mechanisms and policies that guarantee the protection of customers' financial and personal information. All transactions made with banks are confidential and may only be revealed or disclosed under laws and legislations in force. Also, banks shall provide safe systems for electronic transactions.

7th Rule: Handling Customer Complaints and grievances

Banks shall pay adequate attention and care to promptly, fairly and independently address customer complaints and grievances, and to make sure that their Customer Complaint Units perform their responsibilities efficiently under clear and specific mechanisms to follow up and address such complaints without any delay. Customer Compliant Unit shall be given due attention and supervision from the bank Board of Directors, and bank shall have in place internal mechanism for resolving disputes with customers.

8th Rule: Competition

Banks shall provide the necessary information for making comparisons between the best banking and financial services and products available to customers. This includes simplicity of transfer

and movement interbank and between products and services without trouble or complications at a reasonable cost, taking into account that results in enhancing quality level of services provided by banks to their customers.

9th Rule: Protecting Customers against the risks of Outsourcing Operations

In case banks outsource certain operational services to third parties “Outsourcing”, they shall ensure that such third parties are complied with the rules covered in this Manual, and that they work for the interest of the banks’ customers bearing the responsibility of their protection including maintaining banking confidentiality of the their information, taking into account, that banks are responsible for the banking services and products providers regarding the procedures taken by such third parties. Moreover, banks shall obtain what proves the commitment of such third parties in relation to the application of customer protection. Customer Complaint Units at banks shall undertake this responsibility.

10th Rule: Conflict of Interest

Each bank shall have in place a written clear policy approved by its Board of Directors regarding the conflict of interest. The Board of Directors shall regularly ensure the adequacy of the procedures adopted and the policies applied in revealing the potential cases of conflict of interest and that they are effectively applied, ensuring that a disclosure is made on any case of conflict of interest in accordance

with such policy and the stipulation of rules and systems of governance issued by the Central Bank of Kuwait in this concern,

Sixth: Practices of Disclosure and Provision of Banking Services and Products:

Banks shall, in this concern, comply with the following:

1. To collect sufficient information about the customer before raising a recommendation on certain products or services to be offered thereto in order to ensure that the product or service meets his needs and suits his abilities.
2. To provide to their customers a written copy of the general and special terms and conditions related to each product or service prior they obtain such product or service.
3. To use transparent and fair means in marketing their banking products and services.
4. To provide qualified personnel who are able to undertake the direct contact with customers in the manner that suits the degree of complicity in products or services provided by banks. Such personnel shall be adequately trained to reply to all customers' inquiries providing them with accurate information.
5. To observe the application of all disclosure requirements for products and services required to be disclosed.
6. All terms and conditions related to all banking services offered by banks shall be available on the bank's website in an easy to reach manner.

Seventh: Dealing with Customers Accounts at Banks

Banks shall, in this concern, comply with the following:

1. To provide to their customers periodical statements on the key details of financial transactions and transfers and their balances of accounts.
2. To notify their customers timely in writing or via electronic means prior making any changes to interest rates, return rates, fees, charges or commissions and before imposing any new charges or other terms of services and products their customers receive or contracted on.
3. To keep historical records of customers' transactions, and access to such records shall be easy with no charge or with a reasonable charge.
4. The procedures adopted in the clearing and settlement of payments of customers shall be clear and known to them including fixing the terms within which the amounts of the cheques deposited in their accounts are settled, as well as all terms and conditions related to the collection of cheques and other payment tools, with identifying the sources on which these procedures are based.
5. To inform customers about the legal proceedings that may be taken against them in case of issuing cheques without sufficient balance, prior issuing such cheques and the consequences that may arise from such act.

6. To inform customer about the procedures to be taken in case of having to stop payment of cheques issued by a customer in light of new circumstances that require to so inform the bank.
7. To illustrate to customers any charges or expenses related to products and services offered by banks, including cheques service, whether in connection with obtaining a cheque book, approve or settle such cheques or other relevant actions.
8. In the absence of instructions from the customer otherwise state, banks shall issue to their customers, free of charge, a monthly statement of account indicates all transactions made by the customer during the month, and the interests, returns or charges debited to these accounts. In case a customer prefers to receive such statement of account through electronic means or online service as an alternative to the monthly hardcopy statements, the format in which such statements are provided shall be appropriate, legible and includes all relevant details.
9. To inform, in writing, their customers whose accounts have no movements for long times from their side, and to put such accounts under monitor and to develop regulatory controls to have access to and protect them.
10. Endorsements and statements forwarded to customers to be signed shall be legible, understandable and suitable to all kinds and categories of customers.

Eighth: Protection of Banking Confidentiality and Information Privacy

Banks shall, in this concern, comply with the following:

1. Protecting customers through the development of high level control systems that include appropriate mechanisms identifying the purposes for which data and information is collected and processed.
2. Banks' responsibility to the protection of customers' data and information and maintaining their confidentiality extends to the data kept therewith or the data available with third parties whom banks use in the performance of their activities related to customers.
3. To provide the internal environment that ensures the achievement of security and confidentiality to all information and data available therewith on customers and their transactions. Banks shall, on an ongoing basis, examine this environment to ensure its validity.
4. To make appropriate disclosures to their customers on the cases where maintaining the confidentiality of customers information and data are excluded, namely:
 - a. Cases where disclosure of information is made under the customer's written consent.
 - b. Cases where disclosure of information is made mandatorily under applicable laws and legislations.
5. When recruiting employees or outsourcing services, banks shall complete the forms that confirm their commitment to maintain confidentiality of customers' information and data.

Ninth: Financial and Banking Awareness

1. Banks shall design and create appropriate mechanisms to develop the knowledge and skills of current and future customers and to raise level of awareness and guidance to allow them understand key risks of transactions they perform with banks in the manner that enable them to make sound decisions, and to direct them to the appropriate entity to gain information if required.
2. As a type of banking and financial education, the bank's website shall contain a page for banking and financial education, provided to include this Manual, in addition to customer's rights and obligations, how to raise a complaint and frequently asked questions and the bank's replies to them.

In this context, the following shall be complied with:

- a. Each bank shall develop an annual plan containing specified programs to support the spread of financial and banking information aiming to raise banking and financial awareness.
- b. Banks shall participate with civil bodies and organizations as well as scientific and professional institutions that seek to enhance banking and financial awareness and to raise knowledge level and cooperation in developing and implementing banking and financial awareness programs.
- c. Banks shall, from time to time, carry out studies to measure financial awareness, and the impact of measures taken in this regard on raising financial awareness and education in the framework of assessing the outcomes of the policies applied at banks.

Tenth: Financial and Banking Inclusion Programs

Financial and banking inclusion means the set of procedures and policies that aim to provide financial and banking services to all segments of society, including customers with special needs, those with limited or low income brackets, craftsmen and owners of simple service businesses, owners of very small, small and medium businesses, taking into account to provide these services in accordance with their requirements, needs, conditions and to be fair and transparent. In this regard, banks shall comply with the following:

- Setting annual programs to achieve the objectives of financial and banking inclusion with follow-up mechanisms that allow to monitor the implantation of these programs, and to count the beneficiaries thereof, and their diversification to cover several categories of potential customers in the manner that expands the circle of customers dealing with banking units.
- Exerting more efforts in studying the needs of the categories who do not deal with banks, taking serious steps to facilitate for them the means through which they get their needs according to safe and facilitated ways.
- Banks shall, when planning their activities and programs for financial and banking inclusion, adopt appropriate means to attract the categories who unusually deal with banks (such as people with special needs and low income individuals) with the provision of positive procedures to head to these groups and encourage them to increase level of transactions and to take

advantage of the developments in several aspects, especially technological ones.

Eleventh: Advertisement and Advertising Materials

Banks shall, in this concern, comply with the following:

1. To ensure that their advertisements and all advertising materials used in marketing their products and services do not include untrue or inaccurate information that lead to wrong understanding by existing or potential customers which results in making wrong decision.
2. All advertising materials for their products and services shall be easy to read and understandable by the public.
3. Banks shall, when issuing any advertisements or advertising materials, take into account the legal accountability that may arise thereupon as a result of providing incorrect data or information in these advertisements or advertising materials used for selling their products and services to customers.
4. Banks shall not advertise any products or services that imply risks that can only be recognized by experts, and not to encourage customer to benefit from these services and products without providing an appropriate explanation of the implied risks.
5. To develop a policy for advertising to be approved by their Board of Directors, taking into consideration that such policy shall cover the rules, regulations and practices professionally

- and legally accepted in relation to the advertisements and advertising materials issued by banks.
6. Customer Complaint Units at banks shall ensure that the advertising policy complies, as a minimum, with the rules and practices included in the Customer Protection Manual, and that it is free from any messages that may be wrongly or erroneously understood. In cases these units receive inquiries or clarifications raised by such advertising materials, they shall take immediate actions to remove any confusion or ambiguity therein.
 7. When banks announce that they received awards, certificates of distinction or excellence, they shall make a disclosure by providing sufficient information on the granting entity, mechanism and methodology by which it was granted the certificate and the standards on which this entity depended.

Twelfth: Customer Service Personnel and Promoters of Banking Services and Products

1. Customer Service Personnel and promoters of banking services and products shall have good knowledge, know-how and expertise of legislative and regulatory rules of customer protection, and the provisions and controls included in this Manual related to their practice of customer service as well as having good knowledge of all technical aspects related to the services or products offered to customers.
2. Banks shall, when recruiting customer service personnel and promoters of banking services and products, observe a set of

standards that they develop and such employees must have, whether in terms of the years of experience in similar works, knowledge of banking services and products in a manner commensurate with the degree of complexity therein, with possessing the skill of communication and other personal characteristics that suit the nature of the duties assigned thereto, in addition to holding the required qualifications and having necessary training.

Thirteenth: Consumer and Installment Loans / Finance

Banks shall, in this concern, comply with the following:

1. Obtaining an authorization from the customer to be attached to the loan contract, for enquiry on the details of credit cards and details of consumer and installment loans/finance which the customer got from banks, investment companies, finance companies and other entities. Also, it is required to obtain a statement signed by the customer of the balance of the loans/finance he received from the entities abovementioned which are outstanding at the time of the new loan/finance.
2. Granting customers of consumer and installment loans a Reflection Period of at least two business days (loans offered for treatment are excluded from the reflection period), so that they shall be provided with a copy – not signed & not final – of the loan contract when submitting an application for obtaining the loan/finance, and a customer shall provide a written declaration that he received a copy of the loan/finance contract for the purpose of reflection without any obligations on

customer during the reflection period, and the contract will be signed after the end of such reflection period in case of agreement of both parties.

A customer shall be informed about all the financial impacts resulting on the loan/finance to be granted thereto as well as the contractual terms and obligations arising thereupon in accordance with the contract to be concluded regarding the loan/finance, and the bank shall keep the documents proving the same, and to provide the customer, at the beginning of the reflection period, with a clear and simple statistical schedule illustrates the following:

- Amount and number of the loan installments.
 - Components of each installment and the amount repaid of the principal assuming regular repayment.
 - Total value of interests and the amounts to be repaid till the end of the loan term
 - Statement of potential changes in the finance charges for installment loans assuming increase of interest rate at the maximum limit established (2%) every five years.
3. Banks shall not oblige any customer to purchase another service or product as a condition for offering a related service or product, such as the condition of insurance for obtaining a loan/finance, where borrowers shall have freedom to choose the other service or product and consent it.
 4. For accounts of loans/finance obtained by a customer, the monthly statement shall set out the paid installments or amounts during the period covered in the statement,

outstanding balance of the loan/finance account distributed between the principal of loan/finance and the interest/return.

5. Consumer and installment loans/finance contracts shall, as a minimum, include the following items:
 - a) Customer's basic information: (correspondence address, profession / job, work place, telephone numbers ... etc.)
 - b) Type of loan/finance [consumer – installment (housing)]
 - c) Amount of the loan/finance
 - d) Purpose of the loan/finance and the method by which it is verified that it is used in that specified purpose and the documents required from the customer which support the use of the loan in the purpose for which it was granted and the time for submitting the same.
 - e) Term of the loan/finance, number of the monthly installments, dates of their repayment, amount of the monthly installment and its percentage to the monthly net salary (after deductions) or customer's continuous monthly income.
 - f) The account to which the amounts of monthly installments are debited.
 - g) Interest rate (return on finance) and method of collection shall agree with the stipulations of the Central Bank of Kuwait's instructions in this concern, so that the total finance cost (interest/return rate) shall be clear to a customer prior granting the loan, with keeping what proves that the customer has reviewed the same.
 - h) A customer shall get a copy of the contract and to obtain his signature on what proves the same.
6. Providing all necessary information on consumer and installment loans/finance on electronic accounts for customers participating in online banking. In this context, statements of

loans/finance accounts shall include the detailed information related to the number and amount of repaid and remaining installments till the date of maturity itemized as per the interest and principal.

Fourteenth: Credit Cards

1. Banks shall disclose all the requirements related to the issuance of credit cards such as issuance fees and expenses including those related to financing, credit limits, applied exchange rates and interest/return rates, calculation method, minimum limit of monthly installment and the like before contracting with customers.
2. Banks shall notify their customers in writing, or through e-mails or SMS in case of imposing new fees, or when applying a change to any charges or expenses on credit cards already issued to customers, taking into consideration CBK's instructions regarding the grace specified between announcement and actual application.
3. Banks shall notify their credit card customers with the minimum limit of the amount required to be paid monthly, setting out any costs related to interest/return rates that will result on the customer's repayment of the minimum limit only. The statement of credit card operations shall include a clarification of the minimum limit required to be paid and total cost of interest/return (percentage & amount), if any, that will be calculated to the outstanding balance in case the card holder repays the minimum limit / monthly installment.

Fifteenth: On-line Banking and Telephone Banking Services

1. Banks that provide their banking services to their customers through using the internet (on-line banking) or telephone banking shall use protection software that ensures the following:
 - a. Maintaining privacy and confidentiality of customer information and protecting it from unauthorized access or hacking.
 - b. Documentation of transactions, possibility of determining related parties and control on access of used systems.
 - c. Approving and implementing the transactions customers perform on their accounts through the systems available by the bank in this concern.
 - d. Providing a business continuation plan.
 - e. Notifying customers, prior enough time, in case banks have to or about to stop some of their services for maintenance purposes or for other reasons.
2. Banks shall impose a type of control and supervision on the performance of third parties when outsourcing certain banking services to them through the internet (on-line) or banking telephone.
3. Banks shall inform customers who desire to use on-line banking or telephone banking in performing their transactions

about the fees and charges (if any) related to services offered through these means.

4. Banks shall set clear and specified rules for handling any cases of error or fraud in event of occurrence.
5. Banks shall take the procedures that aim to raise customers' level of understanding and dealing through on-line banking and telephone banking, provide regular awareness programs and to notify their customers about any changes or developments in the applicable systems so as to protect them. Banks are required to inform their customers about the risks implied in electronic transactions and to provide the directions that enhance safe use.

Sixteenth: Electronic Remittance and Electronic Fund Transfer

1. Banks shall provide sufficient information to their customers who use the services of electronic remittance and electronic fund transfer on the rates and advantages of these services and how to obtain them in an easy and understandable manner. This information includes the charges incurred by the customer or by the party benefiting from the service that the customer requests (remittance or transfer), foreign exchange rates, charges, the time required to complete the operation (remittance or transfer) till delivery of fund to the beneficiary and other terms and conditions related to electronic fund transfer, including responsibilities, rights and obligations.
2. In case the bank is uncertain about the cost associated to electronic remittance or transfer due to difference

- circumstances related to each case, the bank shall disclose the same in advance to its customer without imposing certain conditions on the customer, provided to obtain the customer's prior consent on the same.
3. Banks that receive or transmit electronic remittance or make electronic fund transfer shall document all basic information related to these transactions, and to inform their customers about the details of the transactions once completed without imposing any charges on that.
 4. Banks shall, through an easy and clear manner, provide to their customers all information on the procedures taken in case of error or fraud encountered by a customer during making an electronic remittance of fund transfer.
 5. Banks shall inform their customers who use credit cards, prepaid cards and ATM cards overseas about the terms and conditions, including the fees of overseas transactions and foreign exchange rates applicable to such cases.

Seventeenth: Claiming Customers to Repay their Debts to Banks

1. Banks shall not use, when claiming their customers obtaining loans or debts, unprofessional means or practices, including incorrect data or reasons or unfair practices.
2. In case of repayment through performing a clearing between the customer's accounts, banks shall include this provision in the contracts concluded with customers. Also, banks shall inform their customers by the same after repayment.

Eighteenth: Enhancing the Duties of Customer Complaint Unit

Banks shall, in this concern, comply with the following:

1. To comply with the instructions issued by the Central Bank of Kuwait concerning protecting banks customers and the Board of Directors of each bank shall ensure the same.
2. To put on a reachable clear place a written summary with the procedures and steps to be followed by customers in case they have a complaint related to their transactions with the bank. These procedures shall specify the steps to be taken if a customer has a complaint so that such steps include what can be progressively taken till a final decision is issued regarding the customer's complaint, including raising a grievance to the Central Bank of Kuwait.
3. Banks' Customer Complaint Units shall be responsible for verifying the extent of compliance of each bank with Customer Protection Manual and other relevant instructions and controls.
4. Each Bank's Board of Directors shall be responsible for developing the policies and procedures that guarantee that its Customer Complaint Unit is carrying its duties effectively, and to submit its reports in this concern to the Board of Directors to take the appropriate actions. This unit shall prepare an annual report on the compliance with Customer Protection Manual to be submitted to the Board of Directors including its suggestions and recommendations. This report shall be submitted to CBK on request.

5. In case a customer could not, through the bank's Customer Complaint Unit, remove the causes of his complaint, he shall raise a grievance to Consumer Protection Unit at the Central Bank of Kuwait.
6. Banks' Customer Complaint Units shall ensure that customers have reviewed all documents presented thereto by the bank when obtaining any service or product, and that the customer has received a copy of these documents with obtaining the customer's signature on the receipt proof.

Nineteenth: Responsibilities and Obligations of Customers

Within the framework of identifying the responsibilities and obligations of customers, they shall:

1. be truthful and honest in all information they submit to the bank dealt with.
2. carefully review all documents presented thereto by the bank when getting any service or product, with the necessity to get acquainted of the fees and commissions or any obligations or liabilities resulting thereupon. Customer shall keep a copy of these documents before creating any financial or banking obligation thereupon.
3. In case a customer does not understand any of the terms or procedures associated with the service or product he desires to obtain, he shall raise his inquiries to the personnel of the concerned bank so that he can make his decisions based on clear and full vision.

4. Comply with the procedures for raising a complaint, including the procedures of raising a grievance to Consumer Protection Unit at the Central Bank of Kuwait.
5. Recognize the risks that may arise from using the service or product offered by the bank through raising inquiries to specialists about the implications of such risks and they shall avoid them whenever possible.
6. Select from among the products and services offered thereto the product or service most appropriate to their actual and real conditions and capabilities in the manner that satisfies their actual needs.
7. Immediately inform their banks once they get to know that certain banking transactions done on their accounts which they do not know about or their reasons or those transactions which they did not issue authorization for their completion.
8. Be careful and cautious in maintaining the confidentiality of their information related to their transactions with the bank, and not to disclose it to any third party in order to protect their money.
9. Seek the advice and counsel of the bank's personnel if they face any financial difficulties that hamper them from complying with the terms of their contracts or from using the services and products offered thereto.
10. Update their personal and banking data with banks whenever requested by the bank or upon the occurrence of any change thereto.

11. Assuring maintenance of banking secrecy and in case customers need to correspond with the bank dealt with through regular mail or e-mail, they shall use their own postal address to avoid informing other parties about their personal and banking information, if they did not use their own address.
12. In case a customer needs to grant an authorization or a proxy for third parties to deal on his account or funds in the bank, he shall be careful about the powers and information given to such third parties, and to take necessary actions as soon as they desire to repeal these proxies and to notify the bank with the same.
13. Not sign any empty or incomplete financial documents or contracts, and shall review all documents offered thereto by the bank before signing them.
14. Customers must keep copies of the documents of transactions done with the bank in a safe and easy to reach place for reference when needed.



Central Bank of Kuwait

Customers can contact Consumer Complaint Unit at the Central Bank of Kuwait on Tel. No. 1864444, or through visiting CBK's website: www.cbk.gov.kw