

INTRODUCTION

The fundamental philosophy behind the **Service Code for Consumer Banking in the Philippines** is based on the principle that the consumer is the driver of business; no business can survive without the patronage of consumers. The State itself has acknowledged the vital role of the consumer in the survival of business and industry, and therefore the economy, when it passed Republic Act 7394, otherwise known as The Consumer Act of the Philippines. Under RA 7394, the State has adopted as a policy its commitment to protect the interests of the consumer, promote his general welfare and establish standards of conduct for business and industry.

Cognizant of the importance of defining and making known to the consumer his rights, and the values of efficient service that guide our actions, the Bangko Sentral ng Pilipinas (BSP) challenged the Bankers Association of the Philippines (BAP), the Chamber of Thrift Banks (CTB), the Rural Bankers Association of the Philippines (RBAP), the Credit Card Association of the Philippines (CCAP) and the Bank Marketing Association of the Philippines (BMAP) to further uplift the industry's service standards.

In August 2004, these five associations rose to the challenge, banded together to develop the Service Code for Consumer Banking in the Philippines. A team with members spanning these associations was formed. The team surveyed the service quality practices of the banks operating in the country. The team went even further and looked at the best practices of banks and banking associations in other countries. They identified practices that are best and relevant to the country. These were all incorporated into a Code that was submitted to banks, interbank organizations and consumer groups to critique and comment on.

The industry recognizes that a bank-client relationship is based on mutual trust, and that fair banking practices produce optimum results for both parties. Therefore, adherence to high service standards remains to be the primary concern of members of the banking industry.

This Code is not cast in stone. It is a living Code under the stewardship of the Bank Marketing Association of the Philippines (BMAP) and its Council of Advisors. The BMAP will regularly review the Code, under the guidance of the Council of Advisors, and representatives from the other organizations, to institute changes, making it relevant to the times. As such, it is our hope that the Code will continue to reflect current industry practices and banking needs and requirements of the consumer, and to serve as a benchmark for both the banker and the customer in determining whether the service rendered meets the standards prescribed in this Code.

SERVICE CODE FOR CONSUMER BANKING IN THE PHILIPPINES

THE BASIC CONSUMER RIGHTS

- The right to basic needs
- The right to safety
- The right to information
- The right to choose
- The right to representation
- The right to redress
- The right to education
- The right to a healthy environment

The consumer has eight basic rights. Four of these rights are directly relevant to the business of delivering financial products and services, as follows:

1. *Right to information.* The consumer has the right to be protected against fraudulent, dishonest or misleading advertising, labeling, promotion and the right to be given the facts and information needed to make an informed choice.
2. *Right to choose.* The consumer has the right to choose products at competitive prices with an assurance of satisfactory quality.
3. *Right to redress.* The consumer has the right to be compensated for misrepresentation, shoddy goods or unsatisfactory services.
4. *Right to education.* The consumer has the right to be adequately educated regarding features, systems and procedures of bank products and services.

In this context and with the customer/client foremost in mind, the Service Code for Consumer Banking in the Philippines was conceived and developed. The Code provides the guidelines on how banks should deal with their customers.

Subscription to the Code is voluntary among Philippine banks.

Objectives

The Code, which serves as a benchmark for best banking practices in the country, aims to achieve the following:

1. To promote transparency and better understanding and appreciation of consumer banking products and services;
2. To set minimum service standards for consumer banking practices;

3. To further professionalize and uplift the local banking industry to world class standards; and
4. To strengthen the relationship between banks and their respective customers.

Coverage

The Code covers the following banking products and services: deposit, investment, credit card and loans. Customer needs, however, change as well as bank products, services and channels. But even as these evolve, the concept and principles espoused by the Code remain constant.

Contents

The Code has the following sections:

Know Your Bank -- Contains the key principles for banking relationships and the service standards for products, services and channels

Know Your Product -- Provides the customers the basic information they need to make an informed and well-grounded decision on the banking product or service they want or need

Know Your Security Measures -- Provides ways to prevent fraud or unauthorized access to personal funds or accounts

Access

The Bank Marketing Association of the Philippines (BMAP) is the custodian of this Code. Interested parties may access the Code at the website of the BMAP. The subscribing bank's main and branch offices will make available copies of the Code to their clients upon request. At any point, though, at least a copy of this Code is available in a subscribing bank's main and branch offices for clients to refer to.

Subscriber banks shall display in conspicuous places in the public area of their office premises or in any communication materials, such as, automated teller machines (ATMs), website, marketing collaterals, statement of accounts, the phrase: **"This bank subscribes to the Service Code for Consumer Banking in the Philippines."**

A. KNOW YOUR BANK

1. KEY PRINCIPLES

The relationship of your bank with you, the customer, should be guided by the following:

Customer-first - Your bank recognizes that customers are a vital reason for its existence, and puts your welfare on top of its priorities.

Integrity - Your bank must merit your trust and confidence. To this end, it will deal with you honestly at all times, consistently providing you with what it deems to be the best advice regarding your banking transactions, and exerting every effort to protect your financial interests.

Professionalism - Your bank deals with you using the best practices applicable and the best of the skills and abilities of its people. It will always strive to update these capabilities and knowledge base.

Sense of Urgency - Your bank attends promptly to every transaction knowing that time is of the essence, whether you are borrowing, making a deposit or investment, or presenting a problem.

Transparency - Your bank provides you with all the necessary, relevant and useful information that will help you make an informed choice on the use of banking products and services as well as on your banking relationships.

Reliability - Your bank has dependable operations backed by capable and well-trained personnel; appropriate physical infrastructure; and accurate, complete and current information necessary for delivering efficient and fast service. Your bank will be available through traditional channels during business days and through electronic channels, when such are available, beyond business hours.

Accountability - Your bank is responsible for the accuracy of all the information it generates about your banking transactions and to keep these transactions confidential unless otherwise authorized by you or compelled by pertinent laws and regulations.

2. SERVICE DELIVERY

Your bank is committed to provide you with fast, efficient and reliable service that takes into account the Filipino sensibility and it continues to strive toward the attainment of international standards of best practices in its service delivery.

a. Personalized Service

- Well-trained bank personnel who are knowledgeable about their bank's products and services will always be available to address your concern.
- Your banker deals with you with utmost courtesy and respect.

- Your banker appreciates that your time is valuable and will therefore attend to you with efficiency and dispatch.
- Your bankers are easily identifiable through their ID cards.

b. Multiple Channels for Providing Customer Service

Your bank will, as much as possible, make available to you more than one channel and these channels are complementary to enable you to avail yourself of basic banking services when you need to.

- Traditional channels, which require bank personnel to operate, are accessible during banking hours. These channels include teller counters, call centers, sales officers, etc.
- Electronic or self-service channels such as automated teller machines (ATMs), kiosks, phone-banking (integrated voice response system), internet, bills payment machines and mobile banking are also available to attend to your needs even beyond banking hours. These services are available 24 hours a day, seven days a week except during instances of temporary inaccessibility due to servicing or maintenance.

c. Institutionalized Mechanisms to Respond to Inquiries, Feedback and Complaints

Your bank values your opinion. It keeps open its communication lines with you as a means of sustaining and nurturing your banking relationship. Your bank welcomes your suggestions, feedback and complaints; it considers your inputs in improving its products and services.

You may bring to your bank's attention your inquiries, feedback and complaints about its products, services and other relevant concerns through any of the following:

- Personal visit to your bank
- Mail
- e-mail
- Your bank's website
- Phone
- Facsimile machine

You should be ready with the following information and photocopies of relevant documents, which may be necessary to facilitate the handling of your queries or complaints:

- Type of transaction
- Product or service name
- Amount involved in the transaction

- Channel through which transaction was coursed
- Date and time of transaction or incident
- Personnel assisting or who assisted you with your transaction

Your queries, complaints and feedback shall be handled by competent bank personnel, who may be any of the following:

- The customer service or contact center representatives, agents, account officer, relationship manager, personal banker or anyone dedicated to handling your account or relationship
- In branch offices, any one of the bank personnel can attend to you such as the branch manager, business center manager, teller, branch operations head, sales officer, new accounts officer/staff

Your queries, feedback or complaints will be acknowledged within three banking days from receipt of such.

Status of investigation due to a query, feedback or complaint will be relayed to you as soon as possible and which in no case should not be later than 3 weeks from receipt.

In case you are not satisfied with the way your concern has been addressed by your bank, you can bring the matter to the attention of any of the following agencies by sending (through mail, e-mail or courier) a written complaint together with copies of supporting documents:

- Bangko Sentral ng Pilipinas - The Bangko Sentral ng Pilipinas is the regulatory agency of the government in charge of supervising and regulating banks. BSP has a Corporate Relations Office that attends to customer concerns pertaining to violations of banking laws and regulations.

Address : The Director
Corporate Affairs Office
Room 412, Five-storey Building
Bangko Sentral ng Pilipinas
Cor. A. Mabini & P. Ocampo Sts.
Malate, Manila 1004

e-mail : CORAO@bsp.gov.ph

- ConsumerNet - This is an interagency group led by the Dept. of Trade and Industry and composed of representatives from various government agencies whose main objective is to address and facilitate resolution of consumer complaints and disseminate information on consumer rights.

Address : The Director
The ConsumerNet Secretariat
Bureau of Trade Regulation & Customer Protection
2/F, DTI Building, 361 Sen. Gil Puyat Ave.
Makati City

e-mail: i-reklamo@dti.gov.ph

- Depositors Assistance Bureau (DAB) - This is a quick response action desk under the Philippine Deposit Insurance Corporation (PDIC) that attends to queries and complaints of depositors and the general public. It receives complaints about deposit accounts in operating banks and claims against closed banks.

Address : The Department Head
Depositors Assistance Bureau
PDIC Ext. Office
6/F SSS Bldg.,
Ayala Avenue, Makati

e-mail: DAB@pdic.gov.ph

d. Safeguarding Information

- Your bank is duty-bound to treat your personal information as private and confidential, even after you have ceased relationship with your bank.
- Your bank will disclose client information to third parties only under the following circumstances:
 - if you have given your authorization in writing or through any electronic means allowing your bank to disclose said information
 - if your bank is required by law to do so
 - if your bank is required to provide your personal and credit profile to any credit bureau accredited/recognized by Bangko Sentral ng Pilipinas or the Monetary Board
 - as described in the Anti-Money Laundering Act of 2001 pursuant to the obligation of banks to report covered and suspicious transactions, your bank will provide the AMLC or any other lawfully-mandated body with the pertinent information relating to your account.

B. KNOW YOUR PRODUCT

1. Product and Service Information Delivery

With the array of communication tools now available (e.g., websites, mobile phones and other electronic channels of communication) plus the use of some tested marketing collaterals such as handbills, brochures, posters, flyers and the like, you can expect from your bank sufficient regular updates and information on its products and their features.

a. Product Features and Price Changes

- Established practice requires your bank to advise you through various ways, of changes in the features and/or cost of its regular products and services, at least 30 days prior to their effective date, or as may be required by regulation.
- Your bank will state in its notices/advisories the reason for the changes in product/service features and/or cost.
- Your bank will post the information on changes in its product features and/or prices in any or combination of the following:
 - Website
 - ATM screens
 - Statement-of-account notice
 - Statement-of-account insert
 - Posters in its offices including branches
 - Phone banking
 - E-mail

b. Pre-Sale

Your bank respects your right to choose products and services and will not coerce or harass you into availing yourself of what it offers. Your bank will give you the facts and information needed to make an informed choice among an array of similar products and services in the market.

- When you inquire or when you are availing yourself of any product or service of a bank, especially for the first time, your banker will explain clearly the features of the product or service you are inquiring about or availing of.
- If you are interested in availing yourself of a bank loan or a credit-line variant (ex: credit card loan), and want to know more about it, you can ask for the following:
 - Clear explanation of all documentary, credit and identification related requirements
 - Use of simple language in explaining to you the salient terms, conditions, pricing and pricing-related details such as charges, fees, interest rates, amortization, re-pricing frequency, penalties and the like. Your bank would welcome your questions to further clarify certain things, especially technical banking terms, about the financial product
 - Information that will help ascertain the appropriate product for you and if you are qualified to avail of it

- A Loan Information Sheet, if available, that contains the following information:
 - Amount of the loan
 - Current loan interest rate
 - Validity period for interest rates
 - Amortization
 - Amortization frequency
 - Charges
 - Penalties
 - Penalty rates
 - Insurance requirement

(Please refer to the "loans, credit lines, and credit cards" section for more details.)

- A verbal quote will be relayed to you when you inquire about deposit, investment or foreign exchange rates as these rates vary frequently. Please note that depending on market conditions, such rates may change even in a matter of minutes. Foreign exchange rates and investment rates, for example, are determined by market conditions and may change anytime.
- Under the law, deposits are insured with the Philippine Deposit Insurance Corporation (PDIC) up to a maximum of P250,000 per depositor. Non-deposit products, on the other hand, are not covered by this insurance.
- Your banker will brief you on the insurance coverage of your deposit with the Philippine Deposit Insurance Corporation.

c. Sale

When you have decided what product or service you want after reviewing and studying all the information provided you, your bank will formalize and seal the transaction. Please note that your bank is committed to protect your and its other clients' interest, and it is bound by certain laws and regulations to minimize related financial risks.

- Your bank will require you to accomplish and sign documents that will include an application form, agreement to the terms and conditions, disclosure statement.
- It is your responsibility to read through the documents given to you and clarify any issue that may come to your mind, before signing anything. Your banker will satisfy all your queries regarding your bank or your product.
- Your bank will obtain from you personal information and other requirements prescribed under the "Know Your Client requirement of the Bangko Sentral ng Pilipinas. The "Know Your Client" or KYC as commonly called is a required process wherein a bank diligently identifies a prospective client prior to the

establishment of a banking relationship. At the very least, this is done via asking a client to produce several identification cards or documents.

d. Post-sale

The consummation of your transaction is just the start of a relationship with your bank. To maintain a good banking relationship, your bank shall continue to communicate with you through any or all of the following channels to furnish you with periodic information of mutual concern:

- Passive channels include --
 - Statements of accounts - Important updates or messages from your bank regarding your account may be printed in the statement itself or in a separate sheet, e.g., an insert, mailed/sent with your statement of account. The availability of the statements of accounts and the frequency of its publication and release depend on the feature of the financial product or service.
 - ATM screens - The kind of ATM dictates the type of announcement that can be relayed through this medium. It can be a full screen static display, an animated announcement, or in simple text.
 - Posters, brochures or leaflets at bank branches and branch-ATM booths. ATMs located in malls, however, may not carry merchandising collaterals as mall owners or operators usually prohibit their display.
- Interactive channels include -
 - Visits to the bank for subsequent transactions to maintain your account or simply to make inquiries from branch personnel or account personnel. You would do well to follow standard banking procedures in these transactions for your own protection. Thus, you should always cover your transactions with the appropriate documents (like deposit slips, withdrawal slips, receipts, etc.) and to ensure that the same and other pertinent records/banking tools (e.g. passbook entries, confirmation of sale, etc.) are in order before leaving your bank's premises. In turn, your banker should ensure that you have done so.
 - Telephone - Any of your bank's account officers or branch personnel will be available to address your queries during banking hours. You should however guard against telephone calls or text messages purportedly from your bank requesting your personal and confidential information relating to your bank transactions. Your bank will not use these channels to obtain sensitive information.
 - Website - Your bank will post on its website the latest developments about its products. Frequency of website updates vary among banks.

- E-mail - You may be notified of changes or new developments through e-mail if you have consented to this medium and have provided them with your e-mail address.
- Call center - If your bank has a call center, you can contact your banker and inquire about the latest development as well as relay your complaints about your bank or its products and services. As a standard practice, the customer-relations staff who attends to your call will identify himself/herself to enable you to make a complete anecdotal record. should you prepare need one.
- Phone banking - This is an automated channel utilizing the telephone infrastructure which that allows you to access to information regarding your account. This service is usually free and may be available to all clients of a bank or via enrolment. When using phone banking, you will usually be asked to dial your client, card or account number and sometimes your PIN or telephone PIN (T-PIN).

2. Bank Products

a. Deposits, Insurance/Bancassurance and Investments

Product Definition -

A **DEPOSIT** is an account with your bank for which the bank has committed to safekeep, your money and for most variants, provide interest earnings. Fund/s in a deposit account may be accessible through different channels.

BANCASSURANCE, literally, is a combination of "banking" and "insurance". It therefore covers a wide range of arrangements between a bank and an insurance company, one of which is the bank's sale of insurance products or services to a customer through its branch network and other channels. Hence, such products are provided by insurance companies and made available by banks to their customer base.

INVESTMENT is the placement of money or funds in your bank with the hope of getting back the amount plus additional value over time. As there is no guarantee on the interest income of this some investment instruments, the placement may or may not earn returns over a period of time. Except for the traditional time deposit that has guaranteed interest earnings, investment products are usually not insured with the Philippine Deposit Insurance Corporation (PDIC).

If you are interested about any of the abovementioned products you should ask your banker the following:

- **Deposits:**

- *Initial deposit.* How much initial deposit do I need to make to get this product?
 - *Minimum maintaining balance.* How much balance should I maintain in the account so as not to be charged service fees?
 - *Earning maintaining balance.* How much balance should I maintain in my account for my money to earn interest?
 - *Additional deposits.* Can I make additional deposits on top of what I have put in the bank? Will this be treated as another account or will it be made part of my original account?
 - *ATM Accounts.- fees.* How much is the initial and maintaining balance? How much are the fees for interbank transactions? How will I be informed of changes in fees and charges?
 - *Dormancy.* When will my account be considered dormant? Will I be notified in advance by my bank if my account is turning into a dormant account? How much is the charge for dormant accounts?
 - *Pre-termination.* In case I decide to get my deposit even before the term has lapsed, will there be penalties? How will these penalties be applied?
- **Investments:**
 - *Initial investment.* How much is the minimum investment amount?
 - *Additional investment.* Can I make additional investments on top of what I have put in the Bank? Will this be treated as another account or will it be made part of my original account?
 - *Earnings or how fund grows.* How will my deposit or placement grow? Does an investment have a committed rate like a deposit account? How has the fund performed over the past six months? One year? Is its historical performance a good gauge of how it will perform in the future?
 - *Regular contributions or premiums.* Do I need to make regular or periodic deposit or payment to continue enjoying the benefits or coverage of the product?
 - *Pre-termination.* In case I decide to get my investment even before the investment term has lapsed, will there be penalties? How will these penalties be applied?
 - *Risks.* What are the risks involved in each of these products? Can I lose money on this product or worse, all of my investments? When and how do such happen? You should inquire about all the risks that come with the investments especially in conditions wherein investments may not earn, lose money, or lose the principal.

- *Insurance.* In the event of bank closure, will I be able to recover my deposits/investments in the bank? Will I receive the entire amount? If not, how much? If I have more than one account, will each account be insured.

Bancassurance: .

- *Coverage.* What will be covered by this policy? How much will be covered?
- *Premium.* How much is the premium? How often should I pay the premium?
- *Surrender of policy.* Can I surrender my policy? If I opt not to pay the premium, will I get back anything? Under what conditions do I get back any benefits?
- *Risks.* What are the risks involved in each of these products? When and how do such happen? You should inquire about all the risks that come with the policy especially in conditions when you may not get back any of the premium you have paid or your expected benefits.
- *Benefits.* When do I start enjoying the benefits of the policy? How much are the benefits and what are these?

b. Loans, Credit Lines and Credit Card

Product Definition -

A **LOAN** is an account with your bank wherein you, as a borrower, have been provided money or funds that you agree to repay or return, usually with interest, within a certain period.

A **CREDIT LINE** is an account with your bank for which it has committed to have funds available for you to draw on anytime and within certain conditions. When you draw funds on such a line, the amount you have drawn becomes a loan.

A **CREDIT CARD**, is a plastic card having a magnetic strip and/or electronic chip, issued by your bank that allows the holder to buy goods or services on credit. Credit cards can be used at accredited merchants, ATMs, internet merchant sites, etc. All your availments within a certain period will be billed to you for which you have the option to pay in full or partially on or before a regular payment due date. When you opt to pay the minimum required, you may be charged at an interest rate that depends on the kind of credit card you have.

When inquiring from your bank regarding loans or credit lines, you should ask the following information:

- *Rate.* How much is the interest rate? Is the rate nominal or add-on? What is meant by nominal and what is add-on? What is the effective rate per annum?

- *Amortization.* How does the rate apply to my amortization? How frequent is my amortization? How much will it be? Is the rate fixed or will it vary based on my outstanding loan balance? What are the consequences on my loan balance if I pay only the interest but on a regular basis? Is there a minimum amount that I have to pay?
- *Fees.* Are there other fees that I need to pay. What are these fees? When are these payable (monthly, quarterly, semestrally or annually)? Can the fee or fees be waived? If so, what are the conditions for waiving the fee(s)?
- *Processing time.* How long will it take for my loan to be processed? (Banks have different loan processing standards)
- *Release date of loan proceeds.* When will I get the proceeds of my loan so I can plan my cash flow?
- *Drawdown on credit line.* When can I start drawing on my credit line? Is there a minimum amount per drawdown? Is there a maximum limit on the number of transactions or drawdowns in a month or a certain period?
- *Risks.* If I want a foreign denominated loan, what are the risks attached to my loan or credit line? How does the foreign exchange move and how will its movement affect my loan? And what affects loan rates? Will the state of the economy have an impact on interest rates? Can you give me a firm forecast of these two factors?

When inquiring about credit cards, you should ask the following information:

- *Membership Fees.* How much is the membership fee for owning a credit card? How often do I have to pay? In case of a promotional free membership, when will this expire? Can my membership fee be waived? If so, under what conditions?
- *Payment.* Where/How can I pay/settle my obligation? What are the modes and terms of payment? Do I have to pay the outstanding amount? If not, what is the minimum amount I have to pay each payment due date? If I pay only the minimum amount, how much interest/finance charge do I have to pay on the outstanding amount? If I do not make the minimum payment for one month, what are all the interests and other charges that I have to pay? What are the charges I will incur if my payment (esp. through cheque) is returned for whatever reason?
- *Penalties* - Are there penalties levied if I fail to settle any obligation? When else will I be charged penalty?
- *Cash Advances.* If I take a cash advance from my credit card line, what are the charges that I will have to pay?

- *Exchange rate* - If my card account is in another currency, what is the applicable exchange rate? Is the rate applicable for a specific period or is it transaction specific - that is, whenever I use the credit card? Where or to whom can I refer to for the applicable rate?
- *Loss of Credit Card*. If I lose my credit card, what will I do? What are my liabilities for unauthorized purchases?
- *Credit Limit*. What is my credit limit? How often is this reinstated or refreshed? Is the limit absolute or are there exceptions for certain transactions?
- *Changes in Terms and Conditions*. If there are any changes in terms and conditions for the use of the card, will I be informed of those changes? If so, when will I be informed of those changes?

Your banker, in turn, will discuss with you the basic credit criteria that you need to meet before it can grant you a loan or a credit product. These criteria were set to ensure that you, the applicant, will not be overburdened by your loan and hence you will be able to meet your obligations. Your banker will explain them to you and the factors that would affect them.

- *Income*. Business policies or some government agencies determine or set the required minimum income an applicant must be earning to qualify for a loan or credit product.
- *Capacity to pay*. While income is one consideration, it is also important for your bank to ascertain how much of your income can be allocated to your loan obligations. This will ensure that you will be able to meet loan payments and still afford other basic necessities.
- *Credit standing*. Your credit standing will give the bank an indication of your propensity to repay loans. Thus, your bank will require that you furnish it with credit references. It will also check your credit records with credit bureaus.
- *Other regulatory requirements*. From time to time, your bank may ask you to submit other documents relative to your loan or credit application as required by new regulations that are drawn and issued.

3. **Debt recovery modes**

Banks have a way of collecting from their clients unpaid obligations. These debt recovery modes, however, are not the same for all banks. It is important for you to know to what extent your bank will go to recover what was lent to you should you fail to pay what is due when it is due.

- *Due notice process*. Will your bank give you notice on a payment that is due or overdue? How often will it send you a reminder?

- *Loan offset vs. deposits.* What is your bank's policy on offsetting payment due against your deposit? Is this a standard procedure? Is the process automatic? When do they do such?
- *Collection.* Who collects loan payments, particularly past due obligations? Does your bank use third parties? Are the collection methods very aggressive and hostile? Is your bank open to situations where you need to renegotiate the terms of your loan?

Banks, subsidiary/affiliate credit card companies, collection agencies, counsels and other agents may resort to all reasonable and legally permissible means to collect amounts due them under the credit card agreement, provided, that in the exercise of their rights and performance of duties, they must observe good faith and reasonable conduct and refrain from engaging in unscrupulous or untoward acts.

C. KNOW YOUR SECURITY MEASURES

1. Updating Your Account Details

It is important that you always inform your bank of changes in your office or home address and telephone number(s). This will not only make it possible for your bank to give you an update on their products and services but more importantly, verify from you any unusual activities that it may have observed involving your account.

2. Securing Electronic Channels

Inquire from your bank about the security measures for its electronic channels. Banks have different means of securing their electronic channels, which should comply with the requirements of the Bangko Sentral ng Pilipinas.

3. Protecting Your Accounts

- *ATM card.* Treat your ATM card as cash. Keep it safe and secure. There are syndicates now that can copy your ATM card and use it for unscrupulous purposes.
- *Cheque book.* Cheques have security features. It pays, however, to observe the following practices:
 - Do not pre-sign cheques.
 - Use dark ink when writing out cheques.
 - Do not leave blank spaces between the currency mark and the numeric amount. Put a space only after the amount in words, but mark off with a line any blank space after the payee's name to prevent any insertion or tampering of your cheque.
 - As much as possible, don't make your cheques payable to "CASH."

- *Passbook.* Keep your passbook in a safe and secure place.
- *PINs, MPIN, TPIN, etc.* These are personal identification numbers. Some banks have different PINs for their mobile banking, internet, phone banking and ATM channels. Protect your PIN through the following:
 - Do not let anyone else know your PIN. Be wary of strangers standing close to you when you enter your PIN at the ATM, phone or at your PC.
 - Memorize your PIN. It is not advised that you write it down, however if you do need to write it, do not write it where it can be associated with your card, or seen by others.
 - If the service is available, change your PIN regularly or from time to time. It is even more imperative to do this if you suspect that your PIN has been compromised or exposed to unauthorized person/s.
 - In coming up with your PIN, do not use numbers associated with your birthday, street number and the like, that are easily accessible.
- *Passwords.* Treat passwords like PINs. Similarly, safeguard it in the following manner:
 - Do not let anyone know your password. Be wary of strangers standing close to you when you enter your password at your PC or at a kiosk.
 - Memorize your password. Do not write it anywhere, but if you need to write it, do not write it where it can be seen or found by others.
 - If the service is available, change your password periodically. It is even more imperative to do this if you suspect that your PIN has been compromised or exposed to unauthorized person/s.
 - It is better to combine letters and numbers when composing your password. Studies show that passwords using the combination of letters and numbers are more secure. Passwords that combine capital letters with small letters and numbers provide higher levels of security.
 - Do not use words or combinations that are associated with you such as your name and birthday, your street number and address, the name of your spouse, etc., which are easy to remember or easily accessible.
- *Mobile phone, personal digital assistants (PDA) and personal computer (PC).* Observe the following to safeguard your mobile phone and PCs:
 - Use passwords for your mobile phone, PDA and PC.
 - Do not store your ID, password or PIN in your PC, PDA or mobile phone.

- Log off your PC when you are not using it. Better yet, put an auto-lock feature that automatically puts your PC on stand-by mode, which requires a password to activate it again.
- Configure your mobile phone to require a password when turned on and activate the phone lock feature.
- *Internet practices.* In using the internet, observe the following precautions:
 - Be wary of responding to suspicious e-mail that disguises itself as an official message from your bank. This is called "phishing." Banks as a practice, do not ask you to register to another site to authenticate your ID and password. When in doubt, call your banker.
 - Always update your anti-virus software.
 - Do not transact in a site that you don't trust. Always look for security features in a site such as Verisign, 128 SSL encryption, etc.

5. Reporting Loss or Security Breaches

- Call your bank's phone banking or call center immediately to report loss of a passbook, cheque book, credit card, ATM card. Upon receipt of your advice, your bank will immediately block off your stolen or lost credit card or ATM card. If not reported promptly, all transactions after the loss of said card may be considered legal by your bank.
- If you think your PIN or password has been compromised, inform your bank immediately, so your bank can block it off immediately.