



Bankers Association  
Of Trinidad & Tobago

# Code of Practice FOR DEBIT CARDS



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Bankers Association  
Of Trinidad & Tobago



First Citizens



INTERCOMMERCIAL BANK LIMITED



Republic Bank



# Code of Practice FOR DEBIT CARDS

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## 1. Terms Used In This Code

1. **Automated Teller Machine** (Also known as Automated Banking Machine): an electronic terminal used by consumers to access financial services provided by the financial institution(s) that hold(s) their account(s).
2. **Card Acceptor:** the financial institution, retailer or other service provider that owns or operates a Point-of-Service Terminal that accepts the use of a Debit Card.
3. **Cardholder:** the person to whom a valid Debit Card is issued.
4. **Card Issuer:** the organization that issues a valid Debit Card.
5. **Debit Card:** a card with electronically readable data that is used, in conjunction with a PIN, to confirm the identity of the Cardholder and authorize Debit Card transactions.
6. **Debit Card Service:** a service that enables a Cardholder to undertake financial transactions at Point-of-Service Terminals.
7. **Debit Card Transactions:** deposits, withdrawals, payments, or other funds transfers using a Debit Card.
8. **Electronic Funds Transfer:** transfers of funds using electronically transmitted instructions. Examples include:
  - payment for goods or services at a Point-of-Sale Terminal;
  - deposits, withdrawals and transfers of funds between a Cardholder's accounts, made at an ATM; and
  - payments and transfers of funds made at a Debit Card terminal in the home.
9. **PIN:** a secret code intended for the sole use of a Cardholder. The PIN is used in conjunction with a Debit Card to confirm the identity of the Cardholder and to authorize Debit Card Transactions.
10. **Point-of-Sale Terminal:** an electronic terminal used by Cardholders to pay for goods or services at a retail or service outlet.
11. **Point-of-Service Terminal:** an electronic terminal, incorporating a card reader and PIN pad, used to make Debit Card Transactions. Automated Teller Machines and Point-of-Sale Terminals are examples of Point-of-Service Terminals.

## 2. About This Code

1. This voluntary code of practice has been developed through consultation among members of the Bankers Association of Trinidad and Tobago.
2. The Banks endorsing the code will maintain or exceed the level of consumer protection it establishes. The code does not preclude the protection given by existing laws and standards.
3. The code outlines industry practices and consumer and industry responsibilities, which will help to protect consumers in their use of Debit Card Services in Trinidad and Tobago. It applies only to services that use Debit Cards and PINs to access Point-of-Service Terminals, such as Automated Teller Machines, and Point-of-Sale Terminals. The code does not cover transactions that take place outside Trinidad and Tobago or the transfer of funds into or out of Trinidad and Tobago; other arrangements apply to these transactions. Card Issuers will also do their best to protect consumers in such transactions and to resolve any problems that may occur.
4. The code will be reviewed regularly to ensure its relevance to current technology and business practices, and its effectiveness in promoting consumer protection.
5. Debit Cards provide consumers with a convenient alternative method of making payments. The use of Debit Cards is not intended to limit consumers' choice among payment methods at the point of sale, such as cash, cheque or credit card.

## 3. Issuing Debit Cards and PINs

When Debit Cards are issued, it is the responsibility of the Card Issuer to:

1. commence the Debit Card Service only on receipt of a signed request from an applicant;
2. enable the applicant to choose which eligible accounts the Debit Card will access. Access to the accounts will include access to all the accounts' features selected by the applicant, such as overdraft protection;
3. inform the applicant of:
  - any fees associated with holding and using the Debit Card;

- the purpose and functions of the PIN;
  - the Cardholder's responsibility for card and PIN security, and the possible consequences of a breach of that responsibility;
  - how to contact the Card Issuer in the event of a problem;
4. ensure that the Debit Card is delivered to the intended Cardholder and that the PIN is selected and input only by the Cardholder;
  5. advise the Cardholder:
    - of how to avoid unauthorized use of the Debit Card and PIN, including typical PIN combinations to avoid for security reasons when Cardholders select their own PIN; and
    - of the potential extent of losses that could occur due to unauthorized use of the Debit Card and PIN; and
  6. provide the Cardholder with a copy of the Cardholder agreement.

## 4. Debit Cardholder Agreements

1. Cardholder agreements will be written in plain language.
2. A copy of the Cardholder agreement(s) will be provided to the Cardholder or applicant for a Debit Card:
  - a. when a Debit Card is issued or a PIN is initially selected; or
  - b. when requested.
3. The following general headings or equivalent wording will be used in Cardholder agreements: Definitions; Dispute Resolution; Liability: Lost or Stolen Card; PIN Confidentiality; Service Charges; and Termination of This Agreement.
4. Cardholders will be informed:
  - a. as soon as the terms and conditions of a Cardholder agreement change; and
  - b. of where to obtain a copy of the changes or the revised agreement.

## 5. Debit Card Transactions

1. Transaction records, together with periodic statements or passbook entries, will contain enough information to enable Cardholders to check account entries. The information may be in the form of abbreviations or codes, as long as the meanings of the codes are clearly set out in the document in which the codes are used.

- a. *Transaction Record.* When a Debit Card transaction takes place, the Cardholder will be offered a paper or electronic transaction record containing the following information, if possible and if not, the following information shall be available from the Card Issuer:

- transaction amount;
- transaction date;
- transaction time;
- transaction type (e.g. deposit, withdrawal, purchase, void or refund);
- type of account being credited or debited; Debit Card number (full or abbreviated); transaction number; and
- identity of the Card Acceptor; the trade name and local address of the merchant involved in the transaction, as generally known to the public; and the identity of the terminal, including, specifically, the name under which the machine operates. When the location of the machine is identified on the transaction record by a number only, the Card Issuer will provide the street address on request.

Card Acceptors should ensure to the extent possible that if a transaction record cannot be provided, for example, when the machine runs out of transaction slips, the Cardholder will be offered the choice of whether or not to proceed with the Debit Card transaction.

- b. *Periodic Statements.* For an account other than a passbook account, the Cardholder will be provided with periodic statements containing the following information about all Debit Card Transactions occurring since the previous statement:

- transaction amount;
- transaction date;



- transaction type (e.g. deposit, withdrawal, purchase or refund);
  - transaction number where possible; and
  - where possible, the identity of the Card Acceptor; the trade name and local address of the merchant involved in the transaction, as generally known to the public; and the identity of the terminal, including, specifically, the name under which the machine operates.
- c. *Passbook Accounts.* For a passbook account, the following Debit Card transaction information will be recorded in the passbook when it is presented for update:
- transaction amount;
  - transaction date; and
  - transaction type (e.g. deposit, withdrawal, purchase or refund).

## 2. Transaction Security

- a. A Cardholder will be allowed access to his account through Point-of Service Terminals only when used with that Cardholder's Debit Card and PIN.
- b. When Point-of-Service Terminals in a public place are installed or replaced, Card Acceptors shall ensure (where applicable) that the terminals and their immediate surroundings will allow sufficient privacy to enable a Cardholder to enter a PIN with minimum risk of the PIN being revealed to others.

## 6. Liability For Loss

Note: For the purposes of this interpretation, a loss is defined as an amount withdrawn from an account without the authority of the Cardholder, including related service and interest charges.

### 1. Cardholders are responsible for all authorized use of valid Debit Cards.

An authorized transaction is one in which the Debit Card and PIN are used to carry out the transaction and in which the Cardholder has not been the victim of trickery, force, intimidation or theft.



**2. Cardholders are responsible if they make entry errors at Point-of-Service Terminals, or if they make fraudulent or worthless deposits.**

- a. In situations in which a Cardholder is responsible, the entry error will be corrected by the Card Issuer, but the Cardholder may still be liable for consequential costs such as service, NSF and/or interest charges.
- b. At Automated Teller Machines, Cardholders are responsible if they accidentally enter the same transaction twice, enter an amount greater or less than the actual deposit, or forget to include the deposit. For example, if a Cardholder deposits \$1000.00 but incorrectly enters an amount of \$100.00, which subsequently results in the Card Issuer returning a Cardholder's cheque NSF prior to the Card Issuer verifying funds, the Cardholder may be liable for NSF charges.
- c. At Point-of-Sale Terminals, the Card Acceptor and the Cardholder have a shared responsibility to ensure that the transaction is processed for the correct amount. In the event that there is an error, it is the responsibility of the Card Acceptor to assist the Cardholder in correction of the error.

**3. Cardholders are not liable for losses resulting from circumstances beyond their control. Such circumstances include, but are not limited to:**

- a. technical problems, Card Issuer errors, and other system malfunctions;
- b. unauthorized use of a Debit Card and PIN where the Card Issuer is responsible for preventing such use, for example after:
  - the Debit Card has been reported lost or stolen;
  - the Debit Card is cancelled or expired; or
  - the Cardholder has reported that the PIN may be known to someone other than the Cardholder; and
- c. unauthorized use, where the Cardholder has unintentionally contributed to such use, provided the Cardholder cooperates in any subsequent investigation.

The Cardholder is not liable for losses relating to transactions:

1. resulting from a technical failure of the system or equipment when a transaction has been accepted at a terminal in accordance with the Cardholder's instructions;
  2. that are caused by the fraudulent or negligent conduct of any of the following: employees or agents of the Card Issuer; companies involved in networking arrangements; merchants who are linked to the Electronic Funds Transfer system, or their agents or employees;
  3. that are caused by the Card Acceptor or Card Issuer incorrectly debiting the account more than once for the same transaction;
  4. relating to Debit Cards that are forged, faulty, expired or cancelled;
  5. occurring before it has been ascertained that the Cardholder has received the Debit Card and selected a PIN;
  6. occurring after the Cardholder has notified the Card Issuer that the Debit Card has been misused; lost or stolen; or that PIN security has been breached; or
  7. where the Cardholder has been the victim of fraud, theft, or has been coerced by trickery, force or intimidation, provided that the Cardholder reports the incident promptly and co-operates fully in any subsequent investigation.
4. **In all other cases, when a Cardholder contributes to unauthorized use e.g. collusion, the Cardholder will be liable for the resulting loss. It should be noted that the loss may exceed the actual funds in an account. This may occur, for example,**
- **if an account has a line of credit or overdraft protection or is linked with another account or other accounts; or**
  - **if a Debit Card transaction is made on the basis of a fraudulent deposit at an ATM.**

Most Card Issuers set daily limits for cash withdrawals at Automated Teller Machines and separate daily limits for purchases at Point-of-Sale Terminals. For example, the following daily transaction limits could apply:

Cash at ATMs \_\_\_\_\_ up to \$2000.00

Purchases at Point-of-Sale Terminals \_\_\_\_\_ up to \$5000.00

Total limit \_\_\_\_\_ up to \$7000.00

*Note:* limits vary depending on the institution and the Cardholder's agreement.

In the above example, even if there is only \$2000.00 in the account, daily withdrawals and Point-of-Sale transactions totaling \$7000.00 could still be made if:

1. the account has overdraft protection.
2. the account is linked to a line of credit or other accounts; or
3. a fraudulent cheque or empty envelope is deposited.

**5. A Cardholder contributes to unauthorized use by:**

- a. acting in collusion with another person; or
  - b. voluntarily disclosing the PIN, including writing the PIN on the Debit Card, or keeping a poorly disguised written record of the PIN in proximity with the Debit Card and failing to notify the issuer, within a reasonable time, that the Debit Card has been lost, stolen or misused, or that the PIN may have become known to someone other than the Cardholder.
1. Cardholders are not considered to have disclosed the PIN "voluntarily" if the PIN is obtained by coercion, trickery, force or intimidation. This includes situations where the customer's PIN is observed at Point-of-Sale Terminals.
  2. The fact that a Cardholder uses the same PIN for more than one Debit Card does not constitute contribution to unauthorized use.
  3. For the Cardholder to be liable, a voluntary disclosure of the PIN must contribute to the loss.
  4. Cardholders are considered to have disclosed the PIN voluntarily if they use a PIN combination selected from the Cardholder's name, telephone number, date of birth, address, or social insurance number.

5. The Card Issuer should be notified of lost, stolen, or misused Debit Cards and/or disclosure of the PIN as soon as the Cardholder becomes aware of the loss or disclosure.

## 7. Resolving Disputes

1. Card Issuers will have clear, timely procedures for dealing with Debit Card transaction problems, which provide for review of problems at a senior level within their organizations.
2. In the event of a problem with merchandise or retail service that is paid for through a Debit Card transaction, a Cardholder should resolve the problem with the retailer concerned.
3. If a problem with a Debit Card transaction cannot be settled when the Cardholder first complains, the Card Issuer will provide information on how the dispute-resolution process works and on how long each stage will take under normal circumstances.
4. A Cardholder whose problem cannot be settled by the Card Issuer will be informed of the reasons for the issuer's position on the matter. The Card Issuer will then advise the Cardholder of the appropriate party to contact regarding the dispute.

## 8. Banks That Endorse The Code

The following Banks endorsed the code at the time of publication:

- **First Citizens Bank Limited**
- **Intercommercial Bank Limited**
- **RBTT Bank Limited**
- **Republic Bank Limited**
- **Scotiabank Trinidad and Tobago Limited**

This Code came into effect on September 1, 2005

## NOTES

## NOTES