



THE FINNISH BANKERS' ASSOCIATION

GOOD BANKING PRACTICE

Good banking practice has evolved from practical experience. It consists of general principles governing the relationship between a customer and a bank and the banks' operating procedures. The relationship between a customer and a bank is also governed by a number of legislative provisions, guidelines and regulations issued by the supervisory authorities.

By publishing these rules, the banks wish to emphasise the importance of good banking practice and to inform their customers, employees and other interest groups of the code of conduct to be followed. The rules do not alter any agreements between a customer and a bank.



BANKING OPERATIONS

According to good banking practice, a bank will familiarise itself with its customers and their financial standing to the extent required by each individual customer relationship.

Where necessary, agreements on the services commissioned by a customer will be made. A bank will always ascertain a customer's identity before entering into a service agreement.

The banks will ensure that their personnel is duly qualified and adequately trained for their functions and they will organise the necessary supervision, regulation and management of their actions.

Basic banking services

A bank will render its customers basic banking services within the limits set by legislative provisions, regulations issued by authorities and the terms of an account and other conditions. Basic banking services include a bank account for daily banking affairs, a means of payment with access to an account and a possibility to settle payment orders.

Information on a bank's service fees, account forms, their terms and conditions, the means of payment available and on their use and the interest to be earned on the funds thus deposited will be available to the customer at the bank.

A bank will attend to a customer's payment transactions in accordance with the orders received. For purposes of security, a bank will give the customer instructions on how to keep such means of payment and related PIN codes with due care



A bank will have the right to refuse to open an account for a personal customer for weighty reasons only. A bank will notify the customer on the ground for its refusal.

A bank is entitled to refuse to open an account for daily banking affairs or to grant a real-time payment means^{*)} to a customer, if:

- it should have a reason to suspect abuse of the account or the means of payment
- it is not able to identify a customer reliably; or if
- the customer already has an account or a means of payment.

A bank will not refuse to open an account or to grant a means of payment to a customer merely on the basis of a record of a previous default in payments.

A bank may refuse to grant other than a real-time means of payment, e.g. if:

- it should have reason to suspect abuse of the means of payment
- funds have been channelled to the customer's account irregularly or incidentally; or if
- a customer has disruptions in payments or other agreement omissions.

Lending services

Information on the various loan alternatives offered by a bank, their essential terms and conditions and the costs to be paid by a customer are available to the customer at the bank.

^{*)} sufficiency of funds on the account will be checked



When granting a loan to a customer, a bank will ascertain, on the basis of the information available to it, the customer's ability to meet the obligation in question. Where necessary, the bank will require the customer to provide security for the debt.

In a lending relationship, a bank will act responsibly, with the intention of giving due consideration to the customer's financial safety and the feasibility of success of the operations to be financed.

Saving and investment services

Information on a bank's selection of deposit and investment forms, their terms and conditions and the interest to be earned on the funds thus deposited will be available to the customer at the bank. In its business operations, a bank will pay special attention to safeguarding the position of its depositors.

As a securities broker, a bank will provide a customer with such information on the securities in question as may have a material impact on the customer's decision to initiate a transaction or to close a deal.

A bank is to manage any assets entrusted to it by a customer with due care in accordance with the respective agreement between the bank and the customer. In accordance with the agreement, a bank will provide information to the customer on the value of the assets entrusted to it and the income earned from such assets.

CUSTOMER RELATIONS

Relations with customers will be based on mutual integrity and confidence, strengthened by long-term relationships. The banks will have due regard to their customers' interests in the conduct of their business.



Freedom of choice

A customer will be free to select the desired services from a bank's service portfolio. A bank will inform its customer of alternative services suitable for the customer's needs.

A customer will be able to switch to another service or bank unless otherwise provided on a particular service under the agreement between the customer and the bank.

Information on customers

A bank will have the right to obtain such information on a customer as is necessary to find out the customer's financial position and to safeguard the recovery of the granted loan.

A bank will only register such information on a customer as is necessary for banking business. Any information in a bank's possession concerning a customer will be subject to statutory bank secrecy.

No information concerning a customer may be disclosed to third parties except with the customer's permission or if requested by those entitled to obtain such information by law. A bank will make the necessary internal arrangements to ensure that its customer registers are duly protected.

Information on banking services

The prices of the services offered by a bank will be listed in a service fee tariff available for inspection by customers in the bank's branches. Fees for services offered via the information network can be seen at the banks' websites. Any changes to prices in the service fee tariff will be announced well in advance of their implementation.



The terms and conditions of service agreements on the services provided to customers shall be stated in an understandable way. The terms and conditions will set out the most important rights and obligations of both parties. The information on the banking services shall be stated clearly and intelligibly.

A bank will observe the generally accepted principles of marketing. The advertising of services shall be truthful and give an accurate picture of the services offered.

Complaints and other feedback from customers

A bank will adopt a specific procedure for the processing of complaints and other feedback from customers.

Instructions for the complaints procedure to be followed will be available to customers in the bank's branches, and for the services offered via the information network, at the banks' websites. Where necessary, the banking personnel will advise customers on such a procedure.

A bank will respond to a complaint in reasonable time. Advice is also available to the customer at the Advisory Office for Bank Customers.

These rules will replace the previous rules dated 11 January 2001.