

CUSTOMER'S GUIDE TO SWITCHING ACCOUNT FROM ONE BANK TO ANOTHER

In practice, bank account switching means opening a current account in a new bank, switching payments relationship from the previous bank to the new one, and possibly closing the previous account.

These principles apply to bank account switching, when consumers switch their payments relationships from their previous banks to their new banks in Finland. Payments relationships here refer to recurring payments such as incoming and outgoing credit transfers and direct debits. A current account refers to an account meant for managing daily finances.¹

These common principles for bank accounts switching have been prepared jointly within the European banking sector.² The European Commission and European Consumers' Organisation (BEUC) have approved them. Member banks of the Federation of Finnish Financial Services, banks taking part in payments transmission cooperation and other similar service providers comply with these principles.³ The principles enter into force on 1 November 2009.

The banks will help their customers with the necessary arrangements so that switching accounts will go smoothly and without any unjustified delay.

I. Opening a current account in the new bank

Customer's responsibilities

1. Contact your new bank. Negotiate about opening a current account and activating relevant services.
2. Your new bank will open the account and give you terms and conditions and a list of service charges related to the account and payment services. Read the terms and conditions carefully and keep them.
3. Your new bank will give you your new account details, including the account number and other essential information.
 - Give your new account details to everyone who sends you recurring payments (for example employer, pension provider or tax authorities). The details can often be given online on related websites.
 - If you've given new SEPA direct debit mandates to creditors, provide your new account details to them as well.⁴

II. Switching payments relationship to the new bank

On request, your new bank can act as an intermediary in switching accounts and payments relationship. If that is your preference, provide your new bank with authorization, and they will take care of the switching for you. The banks have authorization forms for this purpose.

In the authorization form, you're asked to give your new bank the numbers of the accounts that you wish to switch from. You can also authorize your new bank to close the current accounts in your previous bank.

The switching will always take some time. Before the switching is completed, payments may be charged from your previous account. Therefore remember to keep sufficient funds in your previous account for any pending payments. Once the account is closed, new payments cannot be charged from it.

New bank's responsibilities, once the customer relationship has been established

1. If you don't yet have a current account in your new bank, it will be opened for you.

1 All service providers do not necessarily offer all services mentioned in this guide to customers.
2 European Banking Industry Committee (EBIC)
3 www.fkl.fi
4 SEPA direct debit mandates cannot be given before 2010.

2. Upon your authorization, your new bank will contact your previous bank and request a list of recurring payments and direct debit mandates in force on your previous account.
3. Upon your authorization, your new bank requests your previous bank to stop recurring payments from your previous account, and, if you prefer, close your previous account and transfer any remaining funds to your new account.
4. Your new bank can provide you with a model text to help you provide your new account details to for example your employer or a SEPA direct debit creditor.
5. Once your new bank has received necessary information from your previous bank, the recurring payments from your previous account will be set to your new account. In switching the payments, your new bank may have to request some additional information from you.

Your new bank will switch the recurring payments as soon as possible, within the maximum of 7 banking days of receiving the information on your recurring payments from your previous bank.

Previous bank's responsibilities

1. On request, your previous bank will provide your new bank a list of recurring payments from your previous account. On request, you will receive a copy of this list.
 - Remember to store Internet banking information on non-recurring payments you've made yourself from the previous account and want to continue making from the new account. The bank's employee may not have access to this type of Internet banking information, and therefore it may not be included in the list given to your new bank by your previous bank.
2. Your previous bank will provide, free of charge, the abovementioned list of recurring payments from the past 13 months, of those recurring payments that can be obtained automatically from the bank's information system. If switching payment relationship includes other services, or information is requested from a longer period of time than 13 months, the bank may charge a service fee according to their list of service charges.

Your previous bank will provide the abovementioned information as soon as possible, within the maximum of 7 banking days of receiving the request.

3. On request, your previous bank will stop recurring payments from your previous account, and, if you prefer, close your previous account and transfer any remaining funds to your new account.
 - For reasons beyond the banks' control, payments transmission may be delayed several weeks or several months when switching accounts. This particularly concerns direct debits, where different creditors have different practices. Always make sure that the payments have been charged from either your previous or your new account. If the payments are not charged, you have to make these payments as credit transfers.

III. Optional closing of previous account

Customer's responsibilities

1. Terminate the contract of your previous account according to its terms and conditions.

Note that closing the account is not always possible, for example if it has negative balance or cards linked to the account have not been appropriately returned to the bank.

If the account has several owners, it must be closed jointly with the other owners.

If you're terminating an Internet banking agreement with your previous bank, note also that:

- it is your responsibility to print and/or archive information stored in the online bank (such as bank statements, for example)
- if you're receiving e-invoices, you will stop receiving them and need to give your new e-invoice address to the creditors.

2. Agree on transferring or withdrawing funds from your previous account.

Payments received to the closed account will be returned to the payer, so remember to give them your new account details.