

New Rules Regarding Payments

*On 1st August 2010, two new laws come into force with regard to payment services, which entail increased consumer protection for you as a customer. These new laws are the **Payment Services Act** and the **Unauthorised Transactions with Payment Instruments Act**. By means of these two laws, Swedish legislation is complying with the EU directive regarding payment services which is implemented in all 27 EU countries as well as in EEA countries*.*

Swedish banks already meet the requirements set out in the new laws to a great extent, but for you as a customer, the new laws entail an increase in consumer protection, inter alia:

- Clearer rules about your rights and obligations when making payments.
- Clearer information given to you as a customer before and after each payment.
- Clearer rules regarding the banks' obligations and responsibilities from the time you make a payment until the payment is deposited into the payees account.
- New and uniform rules for the banks regarding how payments are to be made. Among the things governed by the new rules are how long a time a payment may take to be completed and what fees you should pay.
- The new rules prevent businesses in Sweden from charging you a fee when you pay with a card.

The new laws encompass all accounts, services and products intended to be used to make payments. Payment accounts are accounts from which you can make withdrawals without any particular restrictions and where, for example, you can receive your salary or pension and from which you can pay bills. Examples of other services and products subject to the new rules are credit cards and Internet banking as well as PIN codes and electronic authenticators used for such services.

The terms and conditions for your payment services will change in some respects. Exactly what changes affect you depend on which payment services you have.



The Changes to the Terms and Conditions Do Not Require You to take any Action

On the other hand, you are entitled to terminate your contract regarding accounts and other payment services immediately and at no cost if you do not accept the changes to the terms and conditions. Notify your bank no later than 31 July 2010. If you do not give notice by then, it will be assumed that you accept the new terms and conditions.

Here You Will Find More Information

On the next page, you can read more about the changes to the terms and conditions which are the most important for you to know. More information about the new Payment Services Act and complete contract terms can be obtained from your bank. You can also obtain information on the Swedish Bankers' Association's webpage www.bankforeningen.se.

* The EEA consists of all EU countries as well as Norway, Liechtenstein and Iceland.

Swedish Bankers' Association

Svenska Bankföreningen
www.bankforeningen.se

The Most Important Changes to the Terms and Conditions

■ How Your Payment Instruments, i.e. Credit Cards, PIN Codes and Electronic Authenticators, Should be Handled

Your payment instruments are personal and must not be given to or used by anyone else. You are responsible for ensuring that personal information does not fall into the wrong hands.

It is important that you handle and keep your credit card, your PIN code and electronic authenticator for logging into the Internet banking service in the same secure manner as you would for money and other valuable documents.

You must never keep cards, electronic authenticators and PIN codes together. In areas where there is a high risk of theft, cards etc should be kept under constant supervision. The new conditions for your payment instruments set out exhaustively what you should do in order to be careful.

Immediately report any lost card, electronic authenticator or PIN code to your bank.

■ Your Liability in the Event of Unauthorised Transactions

If you have failed to safeguard your PIN code and an unauthorised transaction is made using it, you will need to pay a deductible of a maximum of 1,200 SEK.

As opposed to the current practice, your liability is limited to a maximum of 12,000 SEK if through gross negligence you have breached the terms of how you should handle your payment instrument.

This limitation does not apply if you have handled your payment instrument, as it is worded in the law, in a “particularly inexcusable” way, in which case you are liable for the entire sum of the unauthorised transaction.

Examples of particularly inexcusable ways are if you leave your credit card unsupervised on a beach, in a locker room or in a restaurant coat-check.

■ Your Responsibility to Inform the Bank

If you discover that an unauthorised transaction has been made on your account or that a payment has been made incorrectly, you must immediately and without unnecessary delay contact your bank, or else you risk being held liable for the entire amount. You are not entitled to any compensation after 13 months from when the money was withdrawn from your account.

■ Modification of Terms and Conditions

From now on, your bank will inform you of any changes to the terms and conditions at least two months in advance of them coming into effect. You do not need to do anything if you accept the changes. If on the other hand you do not accept the changes made, you are entitled to terminate the contract in question at no cost before the changes come into effect.

■ Refunds for Transactions Made by Autogiro and Card

The new rules mean that in certain cases you are entitled to request a refund from the bank for payments made by autogiro and card. This applies when the exact amount was not known and the amount is greater than what you reasonably could have expected. You must request a refund within eight weeks from the date the payment was made.

In connection with the implementation of the new rules, the dispatching of confirmations for your new autogiro agreements will cease.

■ Your Right to Receive the Terms and Conditions and Information about Your Payment Transactions

You are always entitled to receive the terms and conditions which apply to your payment services, and the services associated with them, upon demand.

You are also entitled to receive, at no cost, information about your payment transactions. You are also entitled to receive such information once per month on paper at no charge upon particular request.

■ Your Right to Refund of Annual Fees

If you terminate your contract with the bank and have paid a fee in advance, you are entitled to get a refund prorated to the remaining term of the contract.

■ Your Responsibility to State Correct Information upon Payments

If you have not given the correct information when making a payment, for example the wrong account number, the bank is not responsible for this. The bank will take reasonable measures to get back the funds made in the payment. The bank charges a special fee for this service.

■ Rules Regarding How Long a Payment May Take and that the Full Amount Shall Reach the Payee

In Sweden, there are currently agreements between the banks about how long a time a payment may take and that fees must not be directly deducted from the payment amount.

Now, corresponding rules are being implemented for both payments within Sweden and from Sweden to countries within the EU and EEA when they are made in Euro or SEK. The sending bank will be able to say when the money will reach the payee's bank at the latest. The full amount you pay shall reach the payee's account. No fees may be deducted from this amount unless the payee has a particular arrangement with his bank in this regard.

Card payments are not encompassed by this regulation - rather, the transactiontime for a payment by card is governed by the contract between the store and the store's bank.