



Bangko Sentral ng Pilipinas

OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION AND EXAMINATION SECTOR

CIRCULAR LETTER NO. CL-2009- 029

For : **All Banks and Non-Bank Financial Institutions**

Subject : **Consumer and bank protection and complaints handling mechanism on matters related to bank security programs and use of electronic banking facilities**

The Bangko Sentral ng Pilipinas (BSP) has noted that complaints arising from identity theft and involving the use of Automated Teller Machines (ATMs) has been increasing. In view thereof, banks and non-bank financial institutions under BSP supervision (FIs) are hereby reminded to comply with the provisions of: a) Section X624 of the Manual of Regulations for Banks (MORB) on Consumer Protection for Electronic Banking (e-banking), as amended by Circular Letter No. CL-2007-048 dated 09 September 2007 and Circular No. 542 dated 01 September 2006; b) the rules and regulations concerning consumer protection for e-banking products and services, which are found in MORB Appendix 70 with Annexes A - *Automated Teller Machine (ATM) Safety Measures*, B - *Internet and Wireless Banking Security Measures*, C - *Electronic Banking Consumer Awareness Program*, and, D - *Disclosure Requirements*; c) Item No. 5 of MORB Appendix 70 on Complaint Resolution, which provides that:

"Banks may receive customer complaint either through an electronic medium or otherwise, concerning an unauthorized transaction, loss, or theft in its e-banking account. Therefore, banks should ensure that controls are in place to review these notifications and that an investigation is initiated as required. Banks should also establish procedures to resolve disputes arising from the use of the e-banking products and services."

and d) MORB Section X171 as amended by Circular No. 620 dated 3 September 2008 on Bank Protection, particularly Subsection X171.4 thereof on Minimum Security Measures.

Moreover, FIs are directed to establish mechanisms and adopt timelines in receiving and reviewing complaints, initiating investigation as required, and resolving disputes arising from the minimum security measures adopted by FIs and consumer use of the e-banking products and services, such as unauthorized transactions, losses, or thefts in their e-banking facilities.

Section 37 of Republic Act No. 7653, the New Central Bank Act, provides administrative sanctions for, among others, any willful failure or refusal to comply with, or violation of, any banking law or any order, instruction or regulation issued by the

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Monetary Board, or any order, instruction or ruling by the Governor; or any commission of irregularities, and/or conducting business in an unsafe or unsound manner as may be determined by the Monetary Board. This is without prejudice to the criminal sanctions against the culpable persons provided in Sections 34, 35 and 36 of the same Act.

For your guidance and strict implementation


NESTOR A. ESPENILLA JR.
Deputy Governor

09 April 2009