



# **BANKING CODE OF PRACTICE**

Setting the standards of practice for banks, their staff and their representatives

NOVEMBER 2020

The Bankers Association of  
Zimbabwe has the **active  
participation of 17 member  
banks** in Zimbabwe

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Banking Code of Practice

Published November 2020

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# CORE VALUES

WHEREAS there are banking institutions and building societies differently incorporated and constituting the 'banking sector' in Zimbabwe with principal regulator being the Reserve Bank of Zimbabwe ('RBZ'); AND

WHEREAS the banking sector understands the impact of minimum ethical standards of conducting banking sector business for purposes of among other things uniformity on non-competitive aspects of the sector especially for building, sustaining or restoring confidence in the said sector; AND

WHEREAS the banking sector subscribes to collective values of integrity, transparency, professionalism, stewardship, fairness and any other values referred to by other descriptions ejusdem generis; AND

WHEREAS banks play an important part in the prosperity of customers and that of the economy and customers look up and trust banks to provide a safe place to place their funds ;AND

WHEREAS the banking sector, through the coordination of the Bankers Association of Zimbabwe (BAZ) is desirous of creating a binding Code of Banking Practice which outlines how the sector should behave towards its respective and or mutual customers and towards each other,

NOW THEREFORE IT IS AGREED AS FOLLOWS:

## 1. CREATION AND CONSTITUTION

1. A Code of Banking Practice ('the Code') is hereby created which is binding to all members of the BAZ from time to time and the members thereof shall ensure implementation and embedment of the principles outlined hereunder. This code supersedes prior versions of same the last of which was signed in 2015. The provisions hereof shall be read together with any other code that the BAZ sub committees may come up with including but not limited to the Dealers Code of Conduct.
  - 1.1 The Code provides for safeguards and principles that may not necessarily be provided for in any law and may be more demanding than existing laws in some instances. It should thus be understood as complimenting the law.
  - 1.2 Banks and the BAZ shall promote this Code, make it available to customers and ensure the general terms and conditions refer to and or incorporate the provisions hereof.
  - 1.3 In the event of a conflict between this Code and that of the sub- committee, the provisions of this code shall prevail.
2. Each bank that has adopted the Code shall comply by 1 January 2021.





## 2.DURATION AND REVIEW

The effective date of this code shall be the date the first version was signed by the parties save for the periodic amendments which will only take effect on the date of endorsement of the amendments by the parties. The Code shall however be reviewed every 2 (two) years.



INTEGRITY

OBJECTIVITY

PROFESSIONAL  
COMPETENCE

CONFIDENTIALITY

PROFESSIONAL  
BEHAVIOR

### 3. FUNDAMENTAL PRINCIPLES

We, the members of BAZ, undertake that we will:

- 3.1 Act fairly, ethically and reasonably in all our dealings between and among ourselves and with you.
- 3.2 Ensure that all services and products comply with this code at minimum, in addition to any specific own terms and conditions and the then prevailing regulations.
- 3.3 Give you information on our services and products in plain language, and educate you if there is any aspect which you do not understand.
- 3.4 Foster confidence in the banking system by meeting our commitments, being transparent and communicating developments that impact you.
- 3.5 Help you choose a service or product to suit your needs and circumstances provided that the ultimate decision on the service or product a customer chooses lies with you.
- 3.6 Help you to understand the basic financial implications of
  - i. Loan products;
  - ii. Savings and investment products. It is recommended that you should obtain professional advice.
  - iii.
  - iv. Card products and cyber security;
  - v. Payment services and channels;
  - vi. Foreign exchange;
  - vii. Electronic and digital banking products;
  - viii. Outright mortgages and equity release;
  - ix. Failure to comply with the Know Your Customer (KYC) requirements, money laundering, terrorist financing and applicable sanctions;
  - x. Theft and fraud;
  - xii. Unclaimed funds, shares and dividends;
  - xiii. Safe custody;
  - xiv. Debit orders / stop orders; and
  - xv. Any other products, services and channels that may be introduced from time to time.

- 3.7 Help you to understand how your accounts operate.
- 3.8 Have safe, secure, reliable banking and payment system services including virtual banking platforms.
- 3.9 Ensure that the internal procedures and policies our respective staff follow reflect the commitments set out in this Code that give effect to consumer rights.
- 3.10 Correct errors and handle complaints forthwith and in any case within expected regulatory timelines.
- 3.11 Act with uncompromising integrity, equity and fairness to promote trust and confidence in ourselves as an industry.
- 3.12 Ensure that our credit and on-boarding criteria, products and services are based on commercial and risk principles and criteria, and do not otherwise discriminate against you on other generic basis save to the extent that a distinction is required or justified by any law or to the extent that that factor has commercial implications or in respect of a particular target market group.
- 3.13 Only charge you interest on funds actually owing to us and debited to your account and send you regular bank statements and breakdown of same including amounts then outstanding.
- 3.14 Treat your information as private and confidential, unless we are compelled to make disclosures by law, when we have to protect our interests, with your consent as per Terms & Conditions, or for purposes of credit/ KYC references or any other lawful third parties.
- 3.15 To provide the option and NOT to use your personal information for marketing and promotional purposes when you have not consented to same and or when you opted out of receiving such material.
- 3.16 Provide you with the details of the Ombudsman (if any) referred to as such or any other name/title for Banking Services should you elect to escalate any dispute.





## 4. OUR EXPECTATIONS FROM YOU

- 4.1 It is your responsibility to disclose and update all relevant information as part of any credit application or KYC review from time to time to us so that we may make informed decisions to grant credit or any other product to you and to retain your banking relationship.
- 4.2 It is your responsibility to live reasonably within your financial means.
- 4.3 Before we are allowed by law to establish a relationship with you, or from time to time during the existence of such a relationship, we are required to perform certain identification and verification steps about you and your related parties/associates. It is your responsibility to assist us in performing these legal obligations to ensure that our relationship can lawfully be established or continue.
- 4.4 To inform us immediately should any of your contact details and circumstances change or when you discover any unauthorised activities on your account in addition to you taking reasonable steps to mitigate your loss.
- 4.5 Acquaint yourself with obligations and risks of binding yourself as a surety. You should obtain independent legal advice before agreeing to be a surety or guarantor.
- 4.6 Take reasonable steps to prevent fraud, theft or unauthorised use of your account or personal information when using any of our services and channels.



## 5. INFORMATION

- 5.1 Upon becoming a customer we will provide you with information on key features of our main services and products as well as equipping our staff to educate and explain to you the implications thereof.
- 5.2 We will provide information on how your account works including stopping a payment, when funds can be withdrawn and when a deposit may earn interest if any. You will be guided regarding unauthorised overdraft, unpaid debit orders, dormant accounts among others.
- 5.3 Details of charges and interest rates will be provided from time to time including your entitlements under the Consumer Protection frameworks and or regulations.
- 5.4 You will be informed of any additional charges and interest you may have to pay when your account is overdrawn; exceeds the overdraft limit and when your loan falls into arrears.
- 5.5 We may give you, through authorised and trained staff, non-professional advice and or recommend that you seek professional advice.

## 6. TERMS AND CONDITIONS

- 6.1 All written terms and conditions will be made as fair in substance as possible and will set out your applicable rights and responsibilities in clear, simple and unambiguous language. Where technical language is inevitable, an explanation will be provided.
- 6.2 Before closing your account at our own instance, and subject to the provisions of this Code, you will be given prior reasonable written notice at the last known address which may include the last known electronic address.
- 6.3 We will give reasonable notice of our intention to close any of our branches or ATM Centres except in circumstances where immediate closure is required by legal or other compelling reasons.
- 6.4 Occasionally, terms and conditions may have to be changed and or updated. We undertake to give requisite notice of any such changes before they become effective to allow you to consider whether or not you want to continue with the service or product. Significant changes will be communicated to you using the feasible and convenient channel or at your last known address.

## 7. GROUP MARKETING

- 7.1 In order to enhance our existing relationships with you, PROVIDED you would have consented at on-boarding stage, we will refer certain information about you to other subsidiaries within our Group for business purposes including marketing. We will make use of SMS or electronic mail platforms to advertise products to you. Should you wish to discontinue these messages you will have the opportunity to OPT OUT.
- 7.2 We may also advise you of other third-party services or products and should you respond positively, you may be contacted directly by the third party.
- 7.3 All advertising and promotional materials will be clear, fair, not intentionally misleading and in compliance with laws and regulations.



## 8. ACCOUNT OPERATIONS

- 8.1 To help you manage your account and check entries on it, we will provide your account statements upon request and for a fee.
- 8.2 Statement details may also be available on request on or through electronic banking terminals.
- 8.3 If your statement has an entry which seems to be incorrect, you should notify us immediately and in any case within 30 days of that fact being known to you.
- 8.4 With respect to cards and PINS (Personal Identification Numbers), we will issue you a card, or replace one, and a replacement fee may be charged.
- 8.5 Your PIN is strictly confidential and you should never disclose your PIN to anyone including your family, security guards or bank employees.
- 8.6 Never write down your PIN, password or selected personal information.
- 8.7 Never allow your browser to 'remember password' for your internet banking and or electronic banking platform credentials.
- 8.8 Take care and be alert to the risk of muggings and card swapping or cloning when using ATMs and Point of Sale (POS).
- 8.9 When you report a lost or stolen card or electronic purse, ensure that you get a reference number to confirm that you have reported it. We will take immediate steps to prevent these from being used to access your account if you cannot take the said steps yourself.
- 8.10 You should treat your electronic purse like cash in a wallet.
- 8.11 If you act fraudulently you will be liable for 100% of the losses. If you act with gross negligence which has caused losses, you may be liable to them. This may apply if you fail to follow safeguards set out in this Code.





## 9. LENDING

- 9.1 All lending will be subject to our assessment of your ability to afford and willingness to repay. The assessment may include but is not limited to: -
- i. Considering your income and expenses including dependability of your income;
  - ii. How you have handled your financial affairs in the past;
  - iii. Information obtained from credit references and with your consent, from other appropriate parties e.g. employers, other lenders and landlords;
  - iv. Information supplied by you, including verification of your identity and the purpose of borrowing;
  - v. Credit assessment techniques;
  - vi. Your age;
  - vii. Any collateral provided;
  - viii. Your statement of assets and liabilities;
- 9.2 Should you elect to use suretyship, guarantors or any other security from someone else for your loans, the surety is entitled by law to your confidential financial information. The surety should obtain independent professional advice to appreciate their commitment and potential consequences of their decision. You should advise them whether it is limited or unlimited suretyship (limited suretyship only covers a certain specified amount or transaction).
- 9.3 If you have a loan and have provided security, we will advise and remind you of your obligation to adequately insure the property and we will remind you at least once a year. You will be provided a list from which you choose an Insurance company of your choice.





## 10. FOREIGN EXCHANGE SERVICES

- 10.1 Upon request we will provide you with an explanation of the service, details of the exchange rate, and an explanation of the charges which apply to any foreign exchange transactions which you are about to make.
- 10.2 If you wish to transfer funds abroad, we will inform you if it can be done, how this is done and will provide you, at minimum, the description of the services; an explanation of when the funds you sent abroad should get there and any reason for potential delays; any commission or charges payable including foreign bank's charges to be paid by the recipient.
- 10.3 It is your responsibility to ensure, where applicable, all cross-border arrangements and transactions are registered with the Reserve Bank of Zimbabwe and all applicable acquittals done and evidenced within prescribed timeframes.

## 11. DIVERSITY & INCLUSION

- 11.1 We will ensure we provide accessible services and products to all citizens including persons with disabilities, senior citizens and remote areas.
- 11.2 We will train our staff to treat you with compassion and respect all our vulnerable customers and also inform you should you qualify for zero or reduced bank charges.
- 11.3 We may become aware of your special circumstances to enable us to serve you appropriately if you let us know and we will treat the information with confidentiality and also make any necessary referrals in your best interests. We will ensure you get the product that best fits you.

## 12. DIGITAL BANKING

Internet and telephone banking services require you to be careful and vigilant to protect yourself from fraudulent transactions. It is in your best interest to, among other measures:-

- 12.1 Use a strong password and enter it each time you are transacting, do not store your password on your browser or share it with anyone.
- 12.2 Once you are aware that your password/ PIN has been compromised or got known by anyone, change it immediately
- 12.3 Ensure the sites you visit for banking purposes are secure
- 12.4 Online payments are irrevocable, ensure you and cross check you are paying the correct recipient.
- 12.5 Install adequate computer anti-virus software on the gadget you use for digital banking.





## 13. CONFIDENTIALITY

We will treat all personal information as private and confidential (even when you are no longer a customer), other than in exceptional cases permitted by law being legal compulsion, disclosure in the public interest or disclosure with your consent.





## 14. CREDIT REFERENCE AGENCIES

- 14.1 information about your personal debts owed to us may be disclosed to Credit Reference Agencies including when
- you are in default;
  - we have to compulsorily close your account;
  - we have reason to believe that you have perpetrated a fraud or any other crime on your accounts with us;
  - we have issued summons against you for the repayment of amounts owing to us;
- 14.2 where the amount owed, or arrears amount is in dispute, the fact, not the amount, of this dispute will be disclosed.

## 15. DIFFICULTIES

We will take care to understand your financial difficulties provided you approach us in good time and in good faith. Should your account go into default, our first step will be to try to contact you to discuss the matter and it is imperative that you inform us always of any changes in your residential address and other contact details. The more you tell us about your full financial and personal circumstances, the more we may be able to assist. With your co-operation, we will take reasonable steps to develop a plan that addresses your financial difficulties in both our interest and yours.



## 16. COMPLAINTS HANDLING

- 16.1 We have internal procedures for handling complaints fairly and with speed. These may include establishing a set time for an initial acknowledgement to your complaint. We will advise you how long it might take us to respond substantively provided it is within the set regulatory timelines.
- 16.2 If you wish to make a complaint, we will inform you how to do so , and what to do if you are not satisfied with the outcome including the option of an adjudicator as full appears in the Consumer Protection Act.
- 16.3 We will ensure our strategies and decisions do not cause harm to yourselves and or cause market detriment.
- 16.4 We will make every effort possible to ensure our channels and products are sensitive and secure to cybersecurity risk.



## 17. GLOSSARY

- i. ATM – Automated Teller Machine
- ii. Cards – any plastic card used to pay for goods and services or to withdraw cash
- iii. PIN – Personal Identification Number
- iv. 'WE' – shall mean the banks collectively or singularly
- v. 'YOU'- refers to the banks' client/customer

## 18. OTHER MATTERS

If you wish to discuss any other financial matters related to your account(s), or other banking requirements, please do not hesitate to contact any of our staff at any convenient time.

November 2020 Bankers Association of Zimbabwe