

# PRINCIPLES FOR EXITING A CUSTOMER

June 2019

## INTENTION BEHIND THESE PRINCIPLES

1. Banks must assess all existing and prospective customers on a proportionate, objective and non-discriminatory basis.
2. When carrying out an assessment, banks will take account of the laws and regulations in the jurisdictions in which they operate, including those that have extraterritorial reach. Banks will also take account of policies that often conform to the highest common denominator of the jurisdictions in which they operate to ensure the legal and regulatory protection of their staff and that global legal and regulatory obligations are met.
3. When a bank concludes that it cannot offer, or continue with, the provision of a service to a customer, the communications it has with the customer should be sensitive and easy to understand.
4. These principles set out the approach that a bank should adopt when communicating a decision to a customer that it cannot offer, or continue with, the provision of its service.

## TREATING CUSTOMERS FAIRLY

5. Banks have an important role in society, supporting customers, businesses and the wider economy by providing, for example, current accounts, mortgages, savings products and loans. However, banks must balance these important offerings with occasions where it cannot offer, or continue with, its services to a customer.
6. These occasions may arise for different reasons, for example, the customer's credit rating, the customer's geographical presence, the customer's money laundering risk or the customer's terrorist financing risk. There are also broader bank considerations such as those driven by strategic business decisions, increased capital requirements, customer viability and overall cost. A reason or consideration may appear in combination with others, or by itself.
7. If a bank concludes that it is not in a position to assist a customer, the bank must communicate that it cannot offer, or continue with, the provision of a service so far as is feasible and permissible. In every case, a bank must treat the customer fairly and communicate in plain language.

## IMPORTANCE OF CUSTOMER ENGAGEMENT PRIOR TO AN EXIT DECISION

8. If a bank is considering whether it should not offer, or continue with, the provision of a service to a customer, the bank should discuss the matter with the customer, so far as is feasible and permissible, and where necessary secure additional information or funding from the customer. The bank should encourage, so far as is feasible and appropriate, the customer to provide any additional information or funding as quickly as is possible to allay its concerns.
9. There will, however, be situations where it may not be appropriate or permissible for a bank to engage in a dialogue to explain their reasoning. Such situations may include:
  - a. breach of Terms & Conditions (including fraud);
  - b. abusive or threatening behaviour to colleagues;
  - c. as directed by regulators, HM Government, police and other authorities.
- b. ensure its decisions take account of financial inclusion considerations and the sensitivities of the customer, for example, customer vulnerability;
- c. tailor its communications with the customer, including setting out its reasoning clearly, so far as is feasible and permissible;
- d. ensure its communications with the customer reflect any specified requirements or preferences, for example, due to a disability or other vulnerable circumstances;
- e. endeavour to identify for the customer, so far as is feasible and appropriate, alternative ways for them to access services;
- f. endeavour to provide an appropriate period of time for the customer to make alternative arrangements, and where possible, reflect the time period needed by the customer;
- g. identify for the customer the way in which representations, or an appeal, can be made against a final decision, including representations to the bank in the first instance and subsequently an appeal to an external person; and
- h. take informed and proportionate, objective and non-discriminatory decisions that affect the customer, recording the decisions in writing.

## IMPORTANCE OF CUSTOMER ENGAGEMENT FOLLOWING AN EXIT DECISION

10. If a bank concludes that it should not offer, or continue with, the provision of a service to a customer, the bank should:
  - a. ensure its decisions that affect the customer have been reviewed, so far as is appropriate, by a person with sufficient authority before they are communicated to the customer;
11. In every case, the bank must always ensure the customer is treated fairly.