

APPENDIX B
BCSB SUBMISSION TO INDEPENDENT REVIEWER,
FEBRUARY 2004

SUMMARY BOXES FOR CURRENT AND SAVINGS ACCOUNTS
(AND POSSIBLY PERSONAL LOANS)

1. Background

The BCSB has concerns, supported by recent research, that some key features of banking products are not brought clearly enough to the attention of (prospective) customers. This suggests that there is scope to improve how the promises in Key Commitment 2b, and the requirements of paragraphs 3.1 and 3.3, are fulfilled. A recent study of the times before interest was paid on amounts deposited by cheque at different subscribers exemplified the point.

The underlying objective is to improve transparency, so that:

- customers are given fair treatment and are not set up for nasty surprises;
- consumers, and the media and organisations that represent consumer interests, are provided in unambiguous form the essential information needed to understand competing products and make informed comparisons;
- the information is made readily accessible; and
- the information is kept as simple as possible, focussing on what the product can do for, or to, the customer, rather than the mechanics of how this is brought about.

The economic gain if these aims are achieved should be more efficient and effective product usage, with better value for customers and better matching to their needs.

2. Nomenclature and points at which boxes should be provided

Adopting the same title as proposed for use in relation to credit cards, expected to be 'Summary Box', would help customers identify the role and importance of the information contained in the boxes. Boxes should be included in pre-contract sales literature, post-contract terms and conditions or 'welcome' pack, and on regular statements of account. The boxes should be amenable to web-based reproduction.

3. Content

The attached table sets out some preliminary thoughts on the content that might be included in such boxes, which can hopefully form a basis for consultation with consumer bodies and industry representatives to produce definitive proposals.

**SUMMARY BOXES – POSSIBLE CONTENT FOR
CURRENT AND SAVINGS ACCOUNTS AND PERSONAL LOANS**

Subject	Current Accounts	Savings Accounts	Personal Loans
Paying-in: methods available (branch/ATM/post/interbank transfer, by cheque, cash, card, etc)	Y	Y	Y
How quickly items paid in are credited for interest purposes	Y	Y	Y
How quickly items paid in are cleared for fate	Y	N	N
Withdrawing money: methods available (branch/ATM/post/ interbank transfer, by cheque, cash, card, etc)	Y	Y	Y
Are overdrafts permitted?	Y	N	N
Notice required for withdrawals	N	Y	N
Interest rate (gross, net (if applicable) and AER (credit interest) or APR (debit interest))	Y	Y	Y
Interest fixed or variable	N (assumed variable)	Y	Y
Tiers for interest, if applicable	Y	Y	Y
Tax treatment of interest	Y	Y	Y
Who may open account? (includes joint, child, trustee)	Y	Y	Y
How to open an account and time taken to set it up	Y	Y	Y
Minimum deposit/loan and maximum holding/loan	Y	Y	Y
Duration (fixed term accounts)	N	Y	Y
Are early repayments permitted? (fixed term accounts)	N	Y	Y
Any charges, deductions or penalties for early repayment	N	Y	Y
List of all types of charge levied and direction to where tariff is available	Y	Y	Y