

Pre-Paid Cards Guidelines

Card issuers recognise the importance of clarity and transparency in the products they provide to the end consumer.

APACS has developed the following set of Guidelines for pre-paid cards. The Guidelines are intended to comply with the rules of the Competition Act 2002.

The Guidelines set out best practice to encourage a consistent approach across the industry to information provision and other product related issues when offering pre-paid cards. They are not legally binding.

Any failure to follow them does not give rise to any right of action.

The Guidelines aim to reflect and encourage common industry practices in respect of pre-paid cards in general but recognise that the market is segmented and different products will be available for specific purposes.

It is recognised that issuers may not always have a direct relationship with the customer. In such cases, issuers will ensure that agents are made aware of and adopt these Guidelines.

Pre-Paid Card: General Guidelines Version 1.0 (May 2007)

In offering pre-paid cards, issuers should take an active approach to transparency and clarity.

- All issuers should operate pre-paid card products within the spirit of the Banking Code.
- Issuers should adopt a Summary Box type approach to key product information.

Guidelines For Information Provision

Issuers will ensure that customers are given the information they require to make informed decisions. Information should be clear, concise, consistent and consumer friendly. The format and presentation of such information is at the individual issuer's discretion (taking into account the principles contained within these guidelines and any agreed Summary Box requirements).

- Information should explain the purpose and key features of the pre-paid card, including how it might be used and any associated charges.
- Information should be provided on any specific restrictions, exclusions, usage limitations or other requirements applicable to the use of the card including geographical and sector-specific restrictions.
- Customers should be told what steps to take in the event that the card is lost or stolen.
- Customers should be advised that Anti-Money Laundering (AML) checks will be carried out as part of the purchase process. Customers should be informed that further ID checks may take place as part of the point-of-sale process.
- Issuers should provide customers with information on how breakage or residual value will be treated.

Guidelines on Charges and Limits

- Issuers should give customers information on all charges and the circumstances under which these will be deducted from the card balance.
- Customers should be provided with details of any limits that may apply to transactions or the value held on the card.

Guidelines on Other Issues

- Issuers should advise customers of the level of protection on purchases made and what to do in the event of a dispute.

Effective Date

These best practice guidelines are effective from 30 September 2007.