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FOR IMMEDIATE RELEASE

BANK OF NAMIBIA URGES DEBIT ORDER CLIENTS TO REPORT UNAUTHORIZED DEDUCTIONS

Debit order clients' whose money get deducted from their bank accounts without their permission, are urged to report such deductions as soon as they are detected.

Debit orders are often used as a means of payment for a range of services, such as loan repayments and subscriptions fees. They are an instruction between a consumer and a third-party or service provider, where consumers grant third parties permission to deduct money from their bank account for services rendered.

Often debit orders related disputes arise when third party institutions withdraw amounts before the date specified in the agreed instruction; continues to collect debit orders that have been cancelled or is subject to a stop payment instruction. It further occurs when third parties debit accounts with incorrect amounts; collects a debit order without authorisation; or collects a debit order that is not consistent with the clients' instruction.

In the event where banks determine that the debit order is not authorised, banks may reverse the transaction and any related fees that are charged.

When such activities are noticed, consumers should approach the relevant third party and report the unauthorised deduction.

Consumers may further cancel a debit order by providing written or other appropriate notification to the third party whom they have authorised to make the deductions.

Additionally, future debit order payments can also be stopped for a given period whereby consumers request that their bank places a stop payment instruction on their account for the exact amount of the debit order.

Consumers may mitigate the risk of unauthorised debit orders by providing only original bank stamped documents when applying for the product and services. Subscribing to the commercial bank's SMS notification services is a useful mitigating measure, as this will inform clients of all deductions from their bank accounts.

All-in-all, review bank statements each month by looking at each deduction, no matter how small.

When differences are picked up, clients are urged to report them to their bank within 40 days from when the transaction took place, and where fraud is suspected, report the incident at a police station. Consumers are further urged to always protect their banking details and only provide them when deductions have to be effected.

When clients are unable to amicably resolve a particular case with their bank, clients may then consult the Bank of Namibia, as it is mandated to mediate between consumers and their banks. This is done in the spirit of finding a solution between aggrieved consumers and their respective bank.

Bank of Namibia may be reached at telephone number: 061-2835010, 061-2835252 and email address: complaints@bon.com.na

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