



# Understanding the Bank of Namibia's Policy on Fees and Charges

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## Foreword by the Director of Payment and Settlement Systems

The aim of this publication is to educate the public on the Bank of Namibia's policies which are related to fees and charges. It is the Bank of Namibia's position that access to affordable financial products and services is a key driver for economic development. The provision of a basic bank account and depositing cash free of charge are initiatives that will encourage more Namibians to become part of the formal banking sector. Fees and charges related to payment services should be in the public interest and promote efficiency in accordance with the Payment Systems Management Amendment Act of 2010.



Director of Payment and Settlement Systems

Barbara Dreyer

Furthermore, the Bank of Namibia continues to address gaps in its regulatory framework to ensure that it achieves its Payment Systems mandate. In that regard, on a yearly basis, the Bank of Namibia publishes the **Banking Fees and Charges Report** which presents a comparison of banking fees and charges for banking institutions and NamPost in Namibia. On 18 December 2019, the revised **Determination on the Standards for a Basic Bank Account and Cash Deposit Fees (PSD-5)** was gazetted. This determination sets standards for the provision of a basic bank account by all banking institutions as well as to provide free cash deposits to the public as specified in the standards. The Bank of Namibia continuously endeavours to educate the public about its functions and objectives, this publication aims to serve this end.

I trust that the information provided herein will go a long way in fostering an understanding of the Bank of Namibia's interventions which are related to fees and charges.

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## The Banking Fees and Charges Report

The Bank of Namibia, through its ***Determination on the Disclosure of Bank Charges, Fees and Commissions (BID-13)***, requires banking institutions to disclose their banking fees transparently to the public i.e. banking institutions must ensure all its branches dealing with retail customers shall set up display boards setting out their fees structures.

In addition to the above, the Bank of Namibia, on an annual basis, publishes the ***Banking Fees and Charges Report***. The purpose of this report is to promote the transparency of fees and charges levied to customers by different commercial banks and NamPost, with the view that customers of banking products and other stakeholders would find the information relevant when dealing with banking fees, charges, and make informed choices across different banking products and services.

The report also focuses on banking activities that appear to be the most frequently used by individuals when engaging in banking business, based on the information collected from the Namibian banking industry.

The transaction profiles used in the report are categorized into 3 distinct customer segments namely, **Safety Seekers, Traditionalists, and Balancers**. These segments are explained briefly on the following page, and may be further classified into categories which are based on usage intensity, as detailed in **Table 4** on Page 4.

## The Banking Fees and Charges Report continued...

**Safety Seekers** are individuals with limited cash flow and savings. They value keeping personal and financial information safe as well as fee transparency, and have a strong preference for using the branch for most of their banking transactions. **Table 1** shows examples of the estimated average monthly fees that a minimal user Safety Seeker consumer would pay for Cash withdrawals.



**Table 1: Safety Seeker - Minimal**

Institution	Account name	Product	Fees per month
Bank Windhoek	Current Account	Cash Withdrawals	N\$102.79
First National Bank	Cardwise Zero		N\$95.32
Letshego	Current Account		N\$28.63
NamPost	SmartCard Individual		N\$71.26

**Traditionalists** have a basic level of education; relatively receive low incomes and utilise a few banking products. They value being rewarded for their loyalty. Moreover, they are heavy users of ATMs and branches, although they can be persuaded to use other digital channels and to increase their engagement with their service provider if offered new ways of banking. **Table 2** shows examples of the estimated average monthly fees a moderate user Traditionalist consumer would pay for Account payments.



**Table 2: Traditionalist - Moderate**

Institution	Account name	Product	Fees per month
NamPost	SmartCard Individual	Account payments	N\$29.61
Trustco Bank	Basic Bank		N\$33.58
Bank BIC	Basic Current		N\$32.88
Standard Bank	Basic Blue		N\$57.02



**Table 3: Balancer - Heavy**

Institution	Account name	Product	Fees per month
Nedbank	Gold Pay- As-You-Use	Debit Card Purchases (POS)	N\$126.23
Standard Bank	Achiever Cheque Pay- As –You-Transact		N\$78.89
First National Bank	Bankwise Regular		N\$78.89
Bank Windhoek	Transaction		N\$84.42

**Balancers** generally have more assets and do not switch accounts frequently. While they are comfortable with online channels, they value the relationship aspects offered by traditional banks, fee transparency and assistance with problem resolution. **Table 3** shows examples of estimated average monthly fees that a heavy user balancer consumer incurs for Debit Card purchases (Point-of-Sale (POS)).

## The Banking Fees and Charges Report continued...

**Table 4: Usage Intensity**

Usage Categories	Intensity	Description
Minimal		Users on average per month conduct four (4) cash withdrawals valued at N\$200 each and one (1) cash deposit valued at N\$600.
Moderate		Users on average per month conduct four (4) cash withdrawals valued at N\$500 each, one (1) cash deposit valued at N\$800, eight (8) debit card point of sale (POS) payments valued at N\$300 each, two (2) inter account transfers valued at N\$2,650 each, one (1) debit order payment to-own-account valued at N\$250, three (3) debit order payment to third party account valued at N\$350 each, and one (1) stop order payment to third party account valued at N\$350.
Heavy		Users on average per month conduct four (4) cash withdrawals valued at N\$1,500 each, one (1) cash deposit valued at N\$1,500, sixteen (16) debit card point of sale (POS) payments valued at N\$600 each, two (2) inter account transfers valued at N\$10,000 each, one (1) debit order payment to own account valued at N\$2,000 each, seven (7) debit order payment to third party account valued at N\$750 each, one (1) stop order payment to own account valued at N\$1,000 and one (1) stop order payment to third party account valued at N\$2,000.

These segments were adopted from the 2014 study by Ernest & Young on Global Consumer Banking Survey, whereby segments were developed by using a multi-disciplinary approach to group more than 32 000 customers in 32 countries into eight distinct segments that share common banking behaviours. For more information, kindly find the latest and all other previous **Banking Fees and Charges Reports** since 2016 on the Bank of Namibia's website: [www.bon.com.na](http://www.bon.com.na)

## What is PSD-5?

PSD-5, known as the ***Determination on the Standards for a Basic Bank Account and Cash Deposit Fees within the National Payment System (PSD-5)***, is a regulation issued by the Bank of Namibia which compels all licensed commercial banks to provide a banking product known as the Basic Bank Account (BBA). In addition, PSD-5 further compels all commercial banks to not charge cash deposit fees (CDF) on all individual/personal accounts as well as business accounts with credits within a threshold on N\$1.3 million per year.

## Basic Bank Account (BBA) at a Glance

### Target Market



Earners of  
**N\$30,300.00**  
per year or less

### Available at all Commercial Banks



Atlantico Bank, Bank BIC, Bank Windhoek,  
First National Bank, Letshego Bank,  
Nedbank, Standard Bank, and Trustco Bank

### Opening Documentation



Only birth certificate or  
identification document  
(ID) – no payslip required

### Opening Amount



Should not exceed

**N\$20.00**

### Free ATM Card



1st ATM card free of charge

PSD-5 stipulates the minimum specifications of how the BBA should operate. The Bank of Namibia has determined which services on the BBA 'can be charged', and the ones that should be free of charge. Services on the BBA which 'can be charged' means that the commercial bank offering that service may decide to charge for providing that service at their own discretion, however, such charges must be justifiable. The Bank of Namibia will continue to monitor fees and charges on BBAs to ensure that the product offering remains affordable to the target market. Please see **Annexure 1** which contains the detailed list of minimum requirements for BBAs as determined by the Bank of Namibia.

## Cash Deposit Fees (CDF) at a Glance

### Free CDF for Businesses

### Free CDF for all Individuals

### Available at



With credits into accounts of  
**N\$1,300,000.00**  
per year or less



Atlantico Bank, Bank BIC, Bank Windhoek,  
First National Bank, Letshego Bank, Nedbank,  
Standard Bank, and Trustco Bank



Another responsibility of the Bank of Namibia is to set standards for fees and charges which are in the public's interest and which promote competition, efficiency and cost-effectiveness. The Bank of Namibia noted numerous complaints from the public claiming high fees/charges associated with depositing cash in branches. For that reason, the Bank of Namibia undertook the necessary research analysis and determined the zero CDF standard.

In light of the Bank of Namibia's efforts, the public must note that individuals should not pay any CDF when depositing cash into bank accounts, irrespective of the amount being deposited. Furthermore, all businesses whose business bank accounts, on an annual basis, have received money amounting to N\$1,300,000 or less are similarly exempted from paying CDF. Please note the following detailed facts about CDF in Namibia:

**Please note the following detailed facts about CDF in Namibia:**

- 1. All commercial banks should not charge cash deposit fees for all cash deposits on all individual or personal accounts, including the BBA.
- 2. All commercial banks should not charge cash deposit fees on all businesses whose business bank accounts, on an annual basis, have received credits of N\$1,300,000 or less.
- 3. To determine whether businesses should be charged for depositing cash, the transactional history of a business bank account over a period not exceeding a calendar year may be used to evaluate whether the credits into the said account falls within the N\$1,300,000 threshold.
- 4. If a business is found to have exceeded N\$1.3 million anytime within a period not exceeding a calendar year, such business will be subjected to cash deposit fees.

The public is urged to take note of these important regulatory standards and to engage their commercial bank should they experience anything contrary to what is stated in PSD-5.

**Contributors:**



Principal Payment Systems  
Analyst: Policy and Approvals  
Moudi Hangula



Namibian Interbank  
Settlement System  
(NISS) Officer  
Ester Ngwenya



Senior Payment Systems  
Analyst: Oversight  
Julius Nakale

# Annexure 1: BBA Service Offerings and Related Fees and Charges

Service Offering	Fees and Charges
1. Opening account	N\$20 or Less or Free
2. Ongoing Balance	None
3. Closing account	Free, No charge
4. Card issuing	1st card free
5. Card replacement	Can be charged
6. Account management / service fee / monthly account fee	Free
7. Cash withdrawal:	
a. (Own) ATM	First three monthly withdrawals are free
b. Cardless	First three monthly withdrawals are free
c. Other bank's ATM	Can be charged
d. Branch	Can be charged
e. Bank agent / merchant	Can be charged
8. Deposits through any channel	Free, No charge
9. Payments:	
a. Debit order (intrabank and interbank)	Can be charged
b. Stop order (intrabank and interbank)	Can be charged
c. In-branch third party payments	Can be charged
d. Online interbank third-party payments	Can be charged
e. ATM third party payments	Can be charged
f. Mobile banking third party payments	Can be charged
g. USSD third party payments	Can be charged
10. Enquiries and statements:	
a. Balance enquiry at ATM (inclusive of mini statement viewing)	Free, No charge
b. Balance enquiry at another bank's ATM	Can be charged
c. Balance enquiry at branch	Can be charged
d. Account statement at branch	Can be charged
e. Bank statement from email and internet	Free, No charge
f. Any beneficiary notifications	Can be charged
g. Balance viewing at branch	Free, No charge
h. Balance printing at ATM (inclusive of mini-statement)	Can be charged
11. Purchases:	
a. Debit card purchases @ Point of Sale or Other Channels	Can be charged
b. Card Not Present (Electronic Purchases)	Can be charged
c. Value add services i.e. airtime, electricity and water via any channel	Can be charged
d. Insufficient funds	Free, No charge
e. Declined transactions	Free, No charge
f. Intra banking payments on internet banking	Free, No charge
12. Subscription fees:	
a. Online banking (access and subscription)	Free, No charge
b. Cellphone banking (access and subscription)	Free, No charge
c. SMS and E-mail (Electronic Notifications)	Can be charged
d. USSD services	Free, No charge
e. Other intra-banking activities which do not involve the transfer of value i.e. management of beneficiaries (adding, updating, deleting beneficiaries etc); updating client profile and bank statements	Free, No charge



Bank of Namibia



## OUR VISION

To be a centre of excellence; a professional and credible institution; working in the public interest and supporting the achievement of the national economic development goals.

## OUR MISSION

To support economic growth and development in Namibia, we act as a fiscal advisor and banker to Government; promote price stability; manage reserves and currency; ensure sound financial systems and conduct economic research.

In pursuit of our mission, we are responsible for the following:



Foreign reserves management



Safeguarding and enhancing financial stability



Providing banking services to Government and commercial banks



Ensuring low and stable inflation (Price Stability) through sound enactment of the Monetary Policy



Issuing of the currency (Namibia dollar)



Overseeing the National Payment and Settlement Systems



Administration of Exchange Control

## OUR VALUES

- 💡 We value high performance impact in the context of teamwork.
- 💡 We uphold open communication, diversity and integrity.
- 💡 We care for each other's well-being, and we value excellence.

You can download the Bank of Namibia app for your device at the following stores:



Find us on:



Website: [www.bon.com.na](http://www.bon.com.na)

### Contact us:

71 Robert Mugabe  
PO Box 2882  
Windhoek

Tel: +264 61 283 5111

Fax: +264 61 283 5231

[info@bon.com.na](mailto:info@bon.com.na)