



External Relations Department- SBP

January 27, 2015

SBP ISSUES GUIDING PRINCIPLES ON FAIRNESS OF SERVICE CHARGES BY BANKS

State Bank of Pakistan has issued guiding principles on fairness of service charges levied by banks. The instructions set forth 9 overarching principles which will apply on service charges effective from 1st July, 2015.

It is imperative that fairness and transparency in determining charges for various products and services provided by the banks will enhance confidence of customers in the banking industry. State Bank, in guiding principles, clarifies that the banks must act fairly while recovering the charges from customers whereas all such charges should be disclosed in a manner which is simple and easy to understand. SBP further emphasizes that these service charges should be reasonable, commensurate with the service and customers should not be charged for the services not rendered or rendered without consent. Central Bank also encourages commencing awareness campaigns by Banks to increase customers' understanding of service charges.

All banks are required to follow these principles in letter and spirit while fixing their schedule of charges for consumer related products and services.