

**Banking Regulation & Policy Department
Bangladesh Bank
Head Office
Dhaka**

30 November 2011

BRPD Circular No. 10

Dated :-----

16 Aghrayan 1418

Chief Executives

All scheduled banks in Bangladesh

Dear Sir:

Guidelines for banking services at customer premises

It has been observed that a number of banks are offering different banking services like, cash pickup and delivery under their own schemes, at the premises of customers in an attempt to fulfill genuine customer needs. For the sake of transparency in respect of the rights and obligations of customers, uniformity in approaches and putting proper risk management tools in place, it is felt that some general principles and broad parameters should be followed by banks while offering these services. Banks, therefore, are advised to prepare schemes for offering pickup and delivery services to their customers, in accordance with the guidelines enumerated in this circular.

1.SERVICES : Banks can offer the following services to their following class of customers at their premises by executing contract with them :

a) Corporate, Government and Public Sector Customers:

- I. Pickup of cash and instruments;
- II. Delivery of cash against cheques received at the bank counter;
- III. Delivery of instruments.

b) Individual Customers:

- I. Pickup of cash and instruments;
- II. Delivery of instruments.

2. **SERVICE PROVIDERS.** In addition to its' own employees, banks may provide pickup and delivery services through Agents at customer premises. Where banks engage agents for delivery of services, it should be ensured that all key risks in outsourcing like Operational Risk, Contractual Risk, Legal Risk, Compliance Risk, Reputation Risk, etc. are properly addressed, since the failure of a service provider in providing a specified service, a breach in security/confidentiality, or non-compliance with legal and regulatory requirements can lead to financial losses or loss of reputation for the bank.

3. **SERVICE PROCESS.** As a general rule, pickup and delivery process shall follow the following :

- a) To be serviced during regular banking hours and days only.
- b) Pick-up or delivery of cash shall be made using armoured cars, non-armoured cars can also be used provided these are equipped with dual control safe and supported with adequate security back-up.
- c) Strictest measure of safeguards, control and confidentiality shall be adopted in providing the services.
- d) Record/log book for each vehicle containing pick-up and delivery activities shall be maintained by the bank signed by a responsible officer of the bank.
- e) Cash/instrument collection from the customer shall be duly acknowledged through a receipt on behalf of the bank.
- f) In case of cash collection, customer's account shall be credited on the same day; if the collected cash reaches at bank counter after banking hours, it shall be credited within the first business hour of next working day.
- g) Delivery of demand drafts/pay orders shall be done by debit to the account on the basis of cheque received or against cash received at the bank and not against cash or instruments to be collected at the customer premises.

- h) Cash delivery services may be offered to the Corporate Clients, Government Departments or Public Sector Enterprises against receipt of cheques only at the bank. No such facility, however, shall be made available to individual customers except, through special agricultural credit disbursement programs. No cash delivery service against any kind of telephonic, electronic or faxed request can be made except in case of mobile banking or any such online banking solutions .
- i) To reduce the risk in the cash pickup and delivery services must be adequately covered by insurance.
4. **LIABILITY FOR THE SERVICES.** The agreement entered into with the customer shall clearly state that the services do not entail any legal or financial liability on the bank for failure to offer pick-up and delivery services under circumstances beyond its control. The services are a mere extension of banking services offered at the bank branch and the liability of the bank shall be the same as if the transactions were conducted at the bank branch.
5. **TRANSPARENCY.** Charges to be imposed on the customer for pickup and delivery services shall be clearly stated in the agreement entered into with the customer. The charges should be prominently indicated on brochures offering pickup and delivery services and must be disclosed on bank's web-sites as laid down in BRPD Circular 19/2009, dated 22/12/2009.
6. **OTHER CONDITIONS.** Pickup and delivery services shall be offered to only those customers in whose case proper KYC procedures, as laid down in Circular/Direction/Guideline of Anti-Money Laundering Department. In addition :
- a) The services shall be offered at either the residence or office/factory of the customer, the address of which should be clearly and explicitly mentioned in the agreement.
- b) The agreement with the customer shall clearly specify that the bank will be responsible for the acts of omission and commission of its 'agent'.
- c) The bank shall avoid discrimination, so far as possible, providing these services and in collecting service charge from any particular client/customer within a class of customers.
- d) The bank may coordinate the movements of the pickup and delivery vehicles with the law enforcing agencies to the extent possible.
- e) The bank has to prepare a separate guideline enumerating the selection of clients, service charges, employing agent, qualification and experience of agent, limit of cash pickup and delivery etc. duly approved by Board of directors (competent authority in case of foreign banks) of the bank.
- f) The bank shall not establish booth/counter for providing the services at the customer premises.
7. **REDRESSING GRIEVANCE.** Banks are advised to constitute an appropriate Grievance Redressing Mechanism for attending complaints about services rendered by its 'agents'. The name and telephone number of the designated officer of the bank should be made available to the customers.
8. Prior approval of Bangladesh Bank is not required before banks can engage in pickup and delivery services at customers' premises, provided the conditions mentioned above are complied with.

Please acknowledge receipt.

Sincerely,



(K.M. Abdul Wadood)

General Manager

Phone: 7117825