#432

Chapter Bkg 14

CUSTOMER BANK COMMUNICATIONS TERMINAL JOINT RULES

Bkg 14.01	Customer bank communications terminal, definitions	Bkg 14.06	Confidentiality and security requirements
Bkg 14.02	Joint rules	Bkg 14.07	Allocation of liability
Bkg 14.03	Advance notice and approval required	Bkg 14.08	Customer service and disclosure requirements
Bkg 14.04	Restrictions on access prohibited	Bkg 14.09	Chargebacks
Bkg 14.05	Discriminatory rates or services prohibited	Bkg 14.10	Advertising restrictions
		Bkg 14.11	Filing of supplemental information

Bkg 14.01 Customer bank communications terminal, definitions. In this chapter:

(1) "Commissioner" means the commissioner of banking or authorized representative.

(2) "Days" means calendar days computed under s. 990.001 (4), Stats.

(3) "Financial institution" means a state or federal savings and loan association, a state or national bank, a state or federal credit union or a mutual savings bank.

(4) "Customer bank communications terminal" means a customer bank communications terminal as defined in s. 221.04 (1)(k), Stats. or a remote service unit as defined in s. 215.13 (46)(a), Stats. or a remote terminal as defined in s. 186.113 (15)(b), Stats.

(5) "Supplier" means any person furnishing equipment, goods or services used to complete any function performed through a given customer bank communications terminal.

History: Cr. Register, November, 1976, No. 251, eff. 12-1-76., am. (3) and (4), Register, February, 1978, No. 266, eff. 3-1-78.

Bkg 14.02 Joint rules. This chapter is promulgated as a joint rule by the office of commissioner of banking and the office of the commissioner of savings and loan pursuant to s. 221.04 (1)(k)1, Stats.

Note: See chs. CU 63 and S-L 26.

History: Cr. Register, November, 1976, No. 251, eff. 12-1-76.

Bkg 14.03 Advance notice and approval required. Each bank proposing to engage in an activity authorized under s. 221.04 (1)(k), Stats. or proposing to change the place or manner in which it engages in such an activity shall file with the commissioner an application containing such information as the commissioner may from time to time prescribe. If the commissioner regularly receives information on additions, deletions or changes in locations of customer bank communications terminals from a supplier, a bank is excused from filing an application merely to change the place at which it offers the services. No bank may commence any such activity unless the place and manner in which the activity is conducted has been approved by the commissioner in writing or the commissioner does not take written objection to the bank's completed application within 30 days after it has been filed under this section. A bank may not commence or continue to engage in any activity authorized under s.

221.04 (1)(k), Stats., if, in the opinion of the commissioner, the activity is beyond the financial or management capabilities of the bank, would result in unfair competition among financial institutions, or is otherwise in violation of this chapter.

History: Cr. Register, November, 1976, No. 251, eff. 12-1-76; am. Register, October, 1988, No. 394, eff. 11-1-88.

Bkg 14.04 Restrictions on access prohibited. (1) GENERAL PROVISIONS. Except as provided in sub.(2), no bank may directly or indirectly acquire, place or operate a customer bank communications terminal, and no bank may participate in the acquisition, placement or operation of a customer bank communications terminal, unless the terminal is available on a nondiscriminatory basis to the following financial institutions and their designated customers:

(a) Any financial institution that has its home office in this state;

(b) Any other savings and loan association which is qualified to do business in this state and has obtained the written consent of a savings and loan association that has its home office in this state and is making use of the terminal;

(c) Any other bank which is qualified to do business in this state and has obtained the written approval of a bank that has its home office in this state and is making use of the terminal; and

(d) Any other credit union which is qualified to do business in this state and has obtained the written consent of a credit union that has its home office in this state and is making use of the terminal.

(2) EXCEPTIONS. The temporary limitation of access to a customer bank communications terminal to designated customers of designated financial institutions for reasonable test periods determined by the commissioner will not be deemed in violation of this section if approved by the commissioner in writing. The commissioner may approve such limitations if:

(a) The commissioner considers it necessary or desirable to permit restricted operation during periods of testing or experimentation; or,

(b) The commissioner determines that the accommodation of additional users is beyond the capacity of existing equipment and a good faith effort is being made to accommodate them within a reasonable period of time determined by the commissioner.

History: Cr. Register, November, 1976, No. 251, eff. 12-1-76., am. (1)(b) and (c), cr.(1)(d), Register, February, 1978, No. 266, eff. 3-1-78.

Bkg 14.05 Discriminatory rates or services prohibited. A customer bank communications terminal will not be deemed available for use on a nondiscriminatory basis unless:

(1) USER FEES. The fees charged to a financial institution for the use of the terminal by the institution or its customers are equitably apportioned and reasonably reflect the cost of the services actually provided to the institiution or customer. Such fees may provide for the amortization of development costs and capital expenditures over a reasonable period of time.

(2) CUSTOMER SERVICES. Each financial institution making use of the terminal may permit its customers to make use of all of the functions performed by the terminal at each location of the terminal or only those functions and locations that such institution elects to make available to its customers.

(3) TECHNICAL INFORMATION AND SPECIFICATIONS. Each supplier provides at reasonable cost such technical information and specifications as may be necessary to enable a financial institiution that is eligible to use the terminal, or any data processor serving the accounts of such an institution, to obtain interface with the terminal.

(4) OTHER REQUIREMENTS. No financial institution eligible to use the terminal is required to purchase from any supplier any goods, equipment or services not reasonably necessary to complete a transaction through the terminal.

History: Cr. Register, November, 1976, No. 251, eff. 12-1-76.

Bkg 14.06 Confidentiality and security requirements. No bank may directly or indirectly acquire, place or operate a customer bank communications terminal, and no bank may particpate in the acquisition, placement or operation of a customer bank communications terminal, unless precautions acceptable to the commissioner are provided to:

(1) PRECAUTIONS AGAINST UNAUTHORIZED ACCESS. Prevent unauthorized access to, or use of, the terminal.

(2) PRECAUTIONS TO ASSURE CONFIDENTIALITY. Prevent information regarding a transaction conducted through the terminal from being disclosed to any person other than:

(a) The customer making the transaction;

(b) Any other person who is a party to the transaction or is necessary to effect the transaction, but only to the extent that the information disclosed is necessary to effect the transaction;

(c) Those persons lawfully authorized to have access to the records of the bank or of parties to the transaction.

(3) UNSOLICITED ACCESS TO CUSTOMER BANK COMMUNICATIONS TERMINAL PROHIBITED. Ensure that the plastic card or other means providing its customers access to the terminal is issued only:

(a) In reponse to a request or application therefor; or

(b) As a renewal of, or in substitution for an accepted card or other means of access, whether issued by the initial issuer or a successor.

History: Cr. Register, November, 1976, No. 251, eff. 12-1-76.

Bkg 14.07 Allocation of liability. (1) BETWEEN BANK AND THIRD PARTIES. Each activity authorized under s. 221.04 (1)(k), Stats. shall be conducted in accordance with a written agreement between the bank and any participating merchant, service center, data processor or other third party, setting out the manner in which liability from errors, malfunctions or the unauthorized use of a customer bank communications terminal will be allocated between the parties.

(2) LIMITED CUSTOMER LIABILITY FOR UNAUTHORIZED USE. (a) The liability of a customer of a bank for the unauthorized use of a plastic card or other means providing the customer access to a customer bank communications terminal may not exceed the lesser of the following:

(1) $50.

(2) The amount of any money, property or services obtained by its unauthorized use prior to the time the bank is notified of, or otherwise becomes aware of, circumstances which lead to the belief that unauthorized access to the customer's account may be obtained. Notice is sufficient when the customer takes such steps as may reasonably be required in the ordinary course of business to provide the bank with the pertinent information.

(b) A customer furnishing another person with a plastic card or other means of access to the customer's account through a customer bank communications terminal shall be deemed to authorize all transactions that may be accomplished by that means, until the customer has given actual notice to the bank that further transactions are unauthorized.

History: Cr. Register, November, 1976, No. 251, eff. 12-1-76.

Bkg 14.08 Customer service and disclosure requirements. (1) PERIODIC STATEMENTS. A bank shall provide each customer with a periodic statement of each account of the customer accessible through a customer bank communications terminal. The statement shall be provided on a monthly basis for each month in which a transaction occurs, or once every 3 months, whichever is more frequent. The statement shall identify the date, location, and nature of each transaction. An account statement issued under this subsection may include transactions made through a customer bank communications terminal or otherwise.

(2) TRANSACTION DOCUMENTATION. Every transfer of funds through a customer bank communications terminal made by a customer of a bank shall be evidenced by a written document made available to the customer at the time of the transaction. The document shall indicate with reasonable specificity the identity of any third party to whom funds are electronically transferred, the identity of the customer's account, the amount of funds transferred, the type of transaction, and the date of the transaction. A customer may be required to re-enter an access device, such as a card, at a terminal in order to receive transaction documentation if all of the following conditions are met:

(a) The terminal simultaneously controls the distribution of products at several locations on the same site to more than one customer;

(b) Each customer must remove the access device from the terminal and move to another location in order to complete the transaction; and

(c) The terminal cannot produce transaction documentation for a particular transaction until the customer completes distribution of the product and the amount of the transaction is known.

Note: Paragraphs (a) to (c) apply, for example, to a terminal which monitors a series of gasoline pumps. Each customer must remove the card from the terminal in order to pump the gasoline and then re-enter the card in order to obtain a receipt.

(3) WRITTEN DISCLOSURE OF SERVICES AND CHARGES. Each customer of a bank whose account with the bank is accessible through a customer

bank communications terminal shall be provided with a written statement of the terms and conditions governing the account. Such a statement shall be provided at the time that the customer is issued a card or other means affording access to the customer bank communications terminal, and whenever the terms and conditions governing the account are amended. The statement shall set out:

(a) Applicable limitations on the customer's liability for unauthorized use of the means providing access to the customer bank communications terminal, and the address and telephone number of the person to be notified in the event that the means affording the customer access to the customer bank communications terminal is lost or stolen or the customer otherwise believes that unauthorized access to the account may be obtained.

(b) The customer's right to a periodic statement of transactions affecting the account.

(c) An initial disclosure of the specific transactions which, subject to the capabilities of individual terminals, may be performed through the customer bank communications terminal.

(d) Any charges to the customer for account maintenance or for the use of the customer bank communications terminal.

(e) Any limitation imposed on the number of customer bank communications terminal transactions permitted within any given period of time.

History: Cr. Register, November, 1976, No. 251, eff. 12-1-76; renum. (2) to be (2) (intro.) and am., cr. (2) (a) to (c), Register, July, 1984, No. 343, eff. 8-1-84; am. (2) (intro.), Register, October, 1988, No. 394, eff. 11-1-88.

Bkg 14.09 Chargebacks. When available. When any sale of goods or services is paid directly through a terminal and involves an aggregate transfer of funds of $50 or more from an account of a customer to the account of another person, but does not involve a check or draft, the bank shall reverse the transaction and recredit the customer's account upon receipt of oral or written notice by the customer within 3 business days after the date of the sale. "Business day" means that part of any day on which a bank is open to the public for carrying on substantially all of its business functions.

History: Cr. Register, November, 1976, No. 251, eff. 12-1-76.

Bkg 14.10 Advertising restrictions. No advertising with regard to a customer bank communications terminal used by a bank or its customers may suggest exclusive ownership or control of the terminal by any financial institution. If use of a terminal is restricted under s. Bkg 14.04 (2) to designated financial institutions, all advertisements regarding the terminal shall clearly state that use of the terminal will be available to customers of other financial institutions at the end of the period of restricted use authorized by the commissioner.

History: Cr. Register, November, 1976, No. 251, eff. 12-1-76.

Bkg 14.11 Filing of supplemental information. Each bank engaging in an activity authorized under s. 221.04 (1)(k), Stats., shall file with the commissioner such additional information regarding its activity as the commissioner may from time to time require.

History: Cr. Register, November, 1976, No. 251, eff. 12-1-76.