

Chapter DFI-SL 12

REMOTE SERVICE UNITS

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Note: Chapter S-L 12 was renumbered chapter DFI-SL 12 under s. 13.93 (2m) (b) 1., Stats., and corrections made under s. 13.93 (2m) (b) 6. and 7., Stats., Register, July, 1998, No. 511.

DFI-SL 12.01 Joint rule. This chapter is promulgated as a joint rule by the office of the division of savings institutions and the division of banking in accordance with s. 215.13 (46) (a) 1., Stats.

Note: See chs. DFI-Bkg 14, DFI-CU 63 and DFI-SB 12, Wis. Adm. Code.

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89.

DFI-SL 12.02 Definitions. In this chapter:

(1) “Commissioner” means the commissioner of savings and loan or his or her authorized representative.

(2) “Days” mean 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) “Remote service unit” means 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., or a customer bank communications terminal as defined in s. 221.0303 (1), Stats.

(5) “Supplier” means any person furnishing equipment, goods or services used to complete any function performed through a given remote service unit.

Note: The commissioner of savings and loan has been replaced by the division of banking.

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89; correction in (4) made under s. 13.92 (4) (b) 1., Stats., Register December 2012 No. 684.

DFI-SL 12.03 Advance notice and approval required. Each association proposing to engage in an activity authorized under s. 215.13 (46), Stats., or proposing to change the place or manner in which it engages in such an activity shall file with the division an application containing such information as the division may from time to time prescribe. No association may commence any such activity unless the place and manner in which the activity is conducted has been approved by the division in writing or the division does not take written objection to the association’s completed application within 30 days after it has been filed under this section. If the division regularly receives information on additions, deletions or changes in locations of remote service units from a supplier, an association is excused from filing an application merely to add, delete or change the place at which it offers the services. An association may not commence or continue to engage in any activity authorized under s. 215.13 (46), Stats., if, in the opinion of the division, the activity is beyond the financial or management capabilities of the association, would result in unfair competition among financial institutions, or is otherwise in violation of this chapter.

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89.

DFI-SL 12.04 Restrictions on access prohibited.

(1) **GENERAL PROVISIONS.** Except as provided in sub. (2), no association may directly or indirectly acquire, place or operate a remote service unit, and no association may participate in the acquisition, placement or operation of a remote service unit,

unless the unit 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 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 unit; and

(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 unit; 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 unit.

(2) **EXCEPTIONS.** The temporary limitation of access to a remote service unit to designated customers of designated financial institutions for reasonable test periods determined by the division will not be deemed in violation of this section if approved by the division in writing. The division may approve such limitations if:

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

(b) The division 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 division.

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89.

DFI-SL 12.05 Discriminatory rates or services prohibited. A remote service unit 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 unit by the institution or its customers are equitably apportioned and reasonably reflect the costs of the services actually provided to the institution 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 unit may permit its customers to make use of all of the functions performed by the unit at each location of the unit 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 institution that is eligible to use the unit, or any data processor serving the accounts of such an institution, to obtain interface with the unit.

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

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89.

DFI-SL 12.06 Confidentiality and security requirements. No association may directly or indirectly acquire, place or operate a remote service unit, and no association may participate in the acquisition, placement or operation of a remote service unit, unless precautions acceptable to the division are provided to:

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

(2) **PRECAUTIONS TO ASSURE CONFIDENTIALITY.** Prevent information regarding a transaction conducted through the unit 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; or

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

(3) **UNSOLICITED ACCESS TO REMOTE SERVICE UNITS PROHIBITED.** Ensure that the plastic card or other means providing its customers access to the unit is issued only:

(a) In response 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, June, 1989, No. 402, eff. 7-1-89.

DFI-SL 12.07 Allocation of liability. (1) **BETWEEN ASSOCIATION AND THIRD PARTIES.** Each activity authorized under s. 215.13 (46), Stats., shall be conducted in accordance with a written agreement between the association 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 remote service unit will be allocated between the parties.

(2) **LIMITED CUSTOMER LIABILITY FOR UNAUTHORIZED USE.** (a) The liability of a customer of an association for the unauthorized use of a plastic card or other access device to a remote service unit shall be determined as follows:

3. If the customer notifies the association within 2 business days after learning of the unauthorized use or of loss or theft of the plastic card or other access device, the customer's liability may not exceed the lesser of \$50 or the amount of unauthorized transfers that occur before notice to the association.

4. If the customer fails to notify the association within 2 business days after learning of the unauthorized use or of loss or theft of the plastic card or other access device, the customer's liability may not exceed the lesser of \$500 or the sum of all of the following:

a. \$50 or the amount of unauthorized transfers that occur within the 2 business days, whichever is less.

b. The amount of unauthorized transfers that occur after the close of 2 business days and before notice to the association, if the association establishes that these transfers would not have occurred had the customer notified the association within that 2-day period.

5. A customer must report an unauthorized transfer from the unauthorized use of a plastic card or other access device to a remote service unit that appears on a periodic statement within 60 days of the association's transmittal of the statement to avoid liability for subsequent transfers. If the customer fails to do so, the customer's liability may not exceed the amount of the unauthorized transfers that occur after the close of the 60 days and before notice to the association and that the association establishes would not have occurred had the customer notified the association within the 60-day period. When a plastic card or other access device is involved in the unauthorized transfer, the customer may be liable for other amounts set forth in subd. 3. or 4., as applicable.

6. If the customer's delay in notifying the association as provided in subd. 5. was due to extenuating circumstances, the association shall extend the time specified in subd. 5. to a reasonable period.

7. a. Notice to an association is given when a customer takes steps reasonably necessary to provide the association with the pertinent information, whether or not a particular employee or agent of the association actually receives the information.

b. A customer may notify the association in person, by telephone, or in writing.

c. Written notice is considered given at the time the customer mails the notice or delivers it for transmission to the association by any other usual means. Notice may be considered constructively given when the association becomes aware of circumstances leading to the reasonable belief that an unauthorized transfer to or from the customer's account has been or may be made.

8. If an agreement between the customer and the association imposes less liability than is provided by this section, the customer's liability may not exceed the amount imposed under the agreement.

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

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89; 2013 Wis. Act 136: am. (2) (a) (intro.), r. (2) (a) 1., 2., cr. (2) (a) 3. to 8., am. (2) (b) Register March 2014 No. 699, eff. 4-1-14.

DFI-SL 12.08 Customer service and disclosure requirements. (1) **PERIODIC STATEMENTS.** An association shall provide each customer with a periodic statement of each account of the customer that is accessible through a remote service unit. 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 remote service unit or otherwise.

(2) **TRANSACTION DOCUMENTATION.** Except as provided in sub. (4), every transfer of funds made through a remote service unit by a customer of an association 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 reenter an access device, such as a card, at a terminal in order to receive transaction documentation if all the following conditions are met:

(a) The terminal simultaneously controls 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.

(3) **WRITTEN DISCLOSURE OF SERVICES AND CHARGES.** Each customer of an association whose account with the association is accessible through a remote service unit 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 through the remote service unit, 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 through the remote service unit, and the address and telephone number of the person to be notified in the event that the means affording the customer access through the remote service unit 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 remote service unit.

(d) Any charges to the customer for account maintenance or for the use of the remote service unit.

(e) Any limitation imposed on the number of remote service unit transactions permitted within any given period of time.

(4) EXCEPTION FOR WRITTEN DOCUMENT IN SMALL-VALUE TRANSFERS. An association is not subject to the requirement to

make available a written document under sub. (2) if the amount of the transfer is \$15 or less.

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89; 2013 Wis. Act 136: am. (2) (intro.), cr. (4) Register March 2014 No. 699, eff. 4-1-14.

DFI-SL 12.10 Advertising restrictions. If use of a remote service unit is restricted under s. DFI-SL 12.04 (2) to designated financial institutions, all advertisements regarding the unit shall clearly state that use of the unit will be available to customers of other financial institutions at the end of the period of restricted use authorized by the division.

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89; am. Register, March, 1996, No. 483, eff. 4-1-96.

DFI-SL 12.11 Filing of supplemental information. Each association engaging in an activity authorized under s. 215.13 (46), Stats., shall file with the division such additional information regarding its activity as the division may from time to time require.

History: Cr. Register, June, 1989, No. 402, eff. 7-1-89.