

Customer Protection Guide



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Introduction

In response to the rapid evolution of the financial and banking sector, and to align with leading international standards for customer rights protection, the Central Bank of Kuwait (CBK) has issued

the updated Customer Protection Guide, which substitutes the previous instructions issued on July 5, 2015. This Guide serves as a comprehensive reference, reflecting the current developments in banking services, particularly amid the significant expansion of

electronic and digital channels, as well as addressing the associated challenges concerning data security and privacy protection.

The Guide is founded on the principles of safeguarding customers' rights and aims to strengthen public confidence in the banking sector, while emphasizing the importance of financial inclusion as a key

pillar for broadening societal access to financial services. It further reinforces the principles of transparency and disclosure, thereby fostering a fair and unbiased banking environment that enables customers to make informed and balanced financial decisions.

Through this Guide, CBK reaffirms its commitment to strengthening trust between the banking sector and its customers, while fostering a competitive and professional environment that ensures banks deliver financial services aligned with customers' needs. In doing so, the Guide contributes to advancing financial inclusion and extending access to all segments of society.

Definitions

Customer: Any natural or legal person engaging in banking transactions. Annual Percentage Rate (APR): A measure used to indicate the cost of credit, taking into account interest and, where applicable, other fees that form part of the total cost.

Minor: An individual who has not reached the age of legal majority, set at twenty-one (21) years.

Special Needs Customer: A customer who has permanent physical or sensory impairments, total or partial, that may hinder their ability to access banking services on an equal basis with other customers, while retaining the capacity to make their own decisions, (i.e. customers with hearing or visual impairments, or physical disabilities). This definition does not include individuals with limited decision-making capacity, such as those with mental illnesses.

Low-Income Individuals: Persons employed in governmental or non-governmental entities whose monthly income does not exceed KD 400.

Service Occupations and Simple Trades: Individuals engaged in manual, service, or craft professions, whose income is typically irregular and does not exceed KD 400 per month.

Domestic Workers: Individuals providing services within private households or similar settings.

First: Customer Protection – Importance and Concept:

The Guide outlines regulatory frameworks, policies, and procedures aimed at mitigating risks that bank customers may face in their dealings with banks. It ensures customers receive financial services within a comprehensive framework of transparency and disclosure, safeguarding their rights and interests while holding accountable any party that breaches these regulatory provisions.

The Guide is structured around three key pillars:

- **Regulatory and Supervisory Pillar:** Encompasses the relevant instructions, controls, and monitoring procedures designed to reinforce customer protection.
- **Legislative Pillar:** Comprises the body of laws and regulations governing customers' rights and obligations, forming the mandatory framework within which banks shall operate. Any breach of these provisions exposes the bank to appropriate sanctions.
- **Awareness and Educational Pillar:** Encompasses initiatives and practices aimed at enhancing customers' financial and banking literacy, thereby strengthening their ability to make informed decisions and safeguard their rights effectively.

Second: Regulatory and Supervisory Framework:

The Central Bank of Kuwait's commitment to protecting bank customers is anchored in Law No. 32 of 1968 concerning Currency, the Central Bank of Kuwait, and the Regulations of Banking, including its subsequent amendments and related provisions. In line with international banking supervision standards, the CBK ensures that banks implement robust policies and procedures. These include stringent due diligence requirements designed to protect customers and promote high professional standards across the banking sector.

This Guide sets forth the principles and rules that banks are required to observe when offering banking products or services to their customers, providing financial advice and information, marketing and promoting such products or services, as well as managing customer complaints, grievances, and the resolution of disputes.

Third: Objectives of the Customer Protection Guide

The issuance of this Guide seeks to achieve several key objectives, foremost among which are:

1. Affirming the CBK's commitment to safeguarding customers' rights by ensuring the provision of financial and banking services within an integrated framework of transparency and disclosure. This framework enables customers to make informed decisions on a sound basis, while emphasizing the obligation of banks to keep pace with developments in banking services, address both current and future customer needs, and provide clear information regarding the suitability of such services in alignment with customers' objectives.
2. Develop and implement a set of standards and controls governing customer protection, to serve as a framework for assessing banks' performance in safeguarding customers' rights and ensuring effective governance in this area.
3. Establish a comprehensive customer protection framework to support financial stability, promote professional standards in service delivery, and mitigate systemic risks from improper banking practices.
4. Establishing a written manual on consumer protection is expected to guide banking and finance personnel by providing a formal reference that emphasizes integrity and honesty.
5. The Guide serves as an educational tool to raise awareness among bank customers by outlining their rights, obligations, and key principles to improve understanding of their relationship with banks. It strengthens customers' financial and legal literacy regarding banking transactions. Customers with strong financial awareness and literacy are better equipped to make informed, prudent decisions, thereby minimizing the risks of financial mismanagement or systemic issues stemming from a lack of knowledge.
6. Establishing the fair practices that banks are required to adopt when providing financial and banking services and products, which constitute the minimum standards of policies and procedures for customer interactions. The Guide places particular emphasis on transparency and disclosure, enabling customers to make informed decisions based on their actual financial circumstances.
7. Strengthening the foundations of trust within the banking system, recognizing that such trust is a critical factor in the successful development of customer relationships. This is particularly important in the presence of effective mechanisms and clear frameworks for handling customer complaints and grievances, as well as addressing any practices that may lack fairness or transparency.

Fourth: Scope of Implementation

1. This Guide applies to all banks operating within the State of Kuwait, including both Kuwaiti banks and branches of foreign banks.
2. For the purposes of applying the provisions of this Guide, the term customers refers to natural individuals engaging with banks, as well as legal entities, with particular reference to small and medium-sized enterprises, to the extent applicable in accordance with the nature of their operations and interactions with banks.
3. This Guide substitutes the previous Customer Protection Guide issued by the CBK on 5/7/2015, as well as the Instructions on Services Provided by Banks to Persons with Special Needs.

Fifth: General Principles of Banks' Customer Protection

The general principles of customer protection outlined below constitute the minimum standards that banks are required to apply and adhere to when engaging with customers. Banks should

continuously enhance their internal procedures in line with the nature and scale of their operations, as well as in accordance with applicable best practices and industry standards.

Principle One: Fair and Equal Treatment

Banks shall conduct all dealings with customers in a manner that is fair, equitable, transparent, and honest. This approach should be embedded within the bank's governance framework, extending from product development to delivery. Banks are also required to provide additional attention and care to low-income and less financially literate customers, the elderly, and persons with special needs, ensuring that no discrimination occurs on the basis of gender.

Principle Two: Disclosure and Transparency

Banks shall provide customers with complete and accurate information regarding the services and products offered, using all available communication channels, including branches, mobile applications, websites, and official social media accounts.

Upon request, a bank representative shall explain the essential terms and conditions of the service in a clear, transparent, simple, and understandable manner, ensuring that customers are fully informed of both benefits and risks without having to seek out this information. Banks are required to ensure that all disclosures include

customers' rights and obligations, detailed pricing, commissions, and fees associated with each service or product, the benefits and risks involved, and the procedures and consequences of terminating the banking relationship. All disclosure materials shall be available in both Arabic and English. Advisory services provided by the bank shall be aligned with the customer's financial capacity, objectives, and experience with the relevant products or services. Banks shall also encourage customers to provide comprehensive and accurate information about their financial situation and needs, enabling the provision of appropriate and tailored advice and services.

Principle Three: Financial Awareness and Education

Banks shall establish and implement appropriate plans, programs, and mechanisms to promote financial and banking awareness among current and prospective customers. These initiatives should aim

to enhance customers' understanding of all aspects of the banking products and services available to them, thereby enabling them to make informed financial decisions. Banks shall also guide customers to relevant resources where additional information can be obtained when needed. Particular attention should be given to ensuring that individual customers with limited income or education are fully informed of their rights and responsibilities.

Principle Four: Professional Conduct

Banks shall conduct their operations in a responsible and professional manner, prioritizing the best interests of their customers at all stages of interaction. Banks bear the responsibility of safeguarding customers when providing banking services or products. Fundamental to this principle are integrity, credibility, and ensuring that all services and products offered are suitable to the customer's capabilities and needs. Banks shall also ensure that their employees who interact with customers and provide banking services receive adequate training.

Principle Five: Protection Against Financial Fraud

Banks are required to safeguard customers' deposits, savings, and other financial assets held or managed within the scope of their banking relationship. This shall be achieved by implementing effective and closely monitored internal control systems aimed at preventing fraud, embezzlement, or misuse of financial services. Banks shall continuously assess and enhance the effectiveness of these systems to keep pace with evolving fraudulent practices, while fully complying with the instructions and directives issued by the CBK in this regard.

Principle Six: Protection of Privacy and Confidentiality of Information

Banks shall establish robust policies, mechanisms, and control systems to protect customers' personal and financial information. All customer data must be safeguarded through stringent controls that clearly define the purposes for its collection and use. Transactions shall be treated as strictly confidential, with access or disclosure prohibited except in compliance with applicable laws and regulations. Furthermore, banks shall provide secure systems for all digital transactions.

Principle Seven: Handling Customer Complaints and Grievances

Banks shall ensure that customer complaints and grievances are addressed promptly, fairly, and independently. The Customer Complaints Unit shall perform its responsibilities effectively, supported by clear and specific mechanisms for monitoring, follow-up, and resolution. Banks are required to provide timely and appropriate solutions, while ensuring that these units receive proper oversight and attention from the board of directors. Additionally, banks shall maintain internal mechanisms to resolve disputes with customers.

Principle Eight: Competitiveness

Information necessary for comparing top banking and financial products, including the ease of transfer between institutions, shall be provided at a reasonable cost to enhance customer service quality.

Principle Nine: Protecting Customers from Outsourcing Risks

When banks engage third parties to provide operational services through outsourcing arrangements, they shall ensure that these third parties comply with the principles set forth in this guide, act in the best interests of the banks' customers, and uphold customer protection—including preserving the confidentiality of customer information. Banks shall remain fully responsible for the actions of such third parties and shall implement all necessary measures to ensure their adherence to customer protection requirements.

Principle Ten: Conflict of Interest

Each bank shall establish a clear written policy, approved by its Board of Directors, governing conflicts of interest. The policy shall ensure on an ongoing basis that the procedures adopted for identifying potential conflicts of interest are adequate and effectively implemented, and that any such conflicts are disclosed in accordance with the provisions of the policy and the governance rules and regulations issued by the CBK in this regard.

Sixth: Practices for Disclosure and Provision of Banking Services and Products

In this regard, banks shall comply with the following:

a. General Provisions for All Products and Services:

1. Obtain sufficient information about the customer prior to recommending any specific product or service, in order to ensure that such product or service meets the customer's needs and is commensurate with his financial capabilities, while refraining from suggesting products that are inconsistent with the customer's financial situation or objectives.
2. Employ transparent and equitable methods in the marketing of its banking products and services.
3. Provide the customer, prior to obtaining any product or service, with a written copy, whether in paper or electronic form, of the general and specific terms and conditions, together with the essential information pertaining to each product or service, and obtain from the customer an acknowledgment of receipt if such information is provided in paper or electronic form, while maintaining evidence thereof.
4. Comply with all disclosure requirements applicable to the products and services offered.
5. Ensure that all rules and regulations governing the banking services provided by the bank are made available on its official website in a detailed and easily accessible manner.
6. Where monthly paper statements are replaced, ensure that the alternative format for obtaining information is suitable, easily readable, and contains the necessary details.
7. Provide qualified personnel to interact directly with customers, commensurate with the degree of complexity of the products or services offered, ensuring that such employees are adequately trained to respond accurately to all customer inquiries.
8. Refrain from exerting any pressure on customers in the marketing process or when directing them to obtain any financial product or service from the bank or any other party.
9. It is prohibited to condition the purchase of one product or service from the bank upon obtaining another product or service, such as requiring insurance for a loan/financing, or obliging a customer to obtain a credit card as a prerequisite for opening an account. Customers shall remain free to choose and consent to any additional product or service, unless the bank has obtained prior approval from the CBK.

10. Ensure that the procedures applied in clearing and settling customer payments are transparent and clearly communicated to customers.
11. Prominently display the profit rates associated with customer products on the bank's website homepage and mobile application, ensuring ease of access. These rates must be updated immediately following any amendment or change

b. Disclosure of Key Information

1. A Statement of Key Information shall be provided for all products or services, including digital products, separately and clearly, in simple and easy-to-understand language, prior to the signing of any agreement. An acknowledgment of receipt of the statement, whether in paper or electronic form, shall be obtained from the customer, and proof of such acknowledgment shall be retained.
2. The Statement of Key Information shall be presented in the form of a concise document containing the essential information that enables the customer to understand the product or service easily and clearly. It shall include, at a minimum, the following:
 - Use infographic to simplify and clearly present the key characteristics of each product or service.
 - Include a statement indicating whether the Bank reserves the right to amend the terms and conditions in the future.
 - Specify the notice period that will be provided prior to the application of any changes to the terms and conditions, profits fees, or other key elements.
 - Present key liabilities, fees, profits rates or APR, and any product restrictions or prerequisites in a clear and easily readable format.
 - Include a dedicated section highlighting the key risks associated with the product or service.
3. The Key Information Statement does not constitute a substitute for the agreement or the full terms and conditions of the product or service.

c. Agreements

1. All forms and agreements executed by customers shall be clear and easily comprehensible for all types and segments of customers. Documents shall be presented in a uniform, legible font with a minimum size of 12, and the text must be clear. Copies shall be provided in Arabic or English, according to the customer's preference.

2. Customers shall be provided with all final documents pertaining to the transaction, including any document bearing the customer's signature or indicating their consent. Customers shall receive a free copy of such documents immediately upon completion of the transaction, irrespective of the method of delivery.
3. Agreements executed with customers shall include a distinct clause specifying that the bank reserves the right to amend the terms and conditions relating to the product or service. The clause shall detail the method by which the customer will be notified of any amendments, the grace period provided prior to the amendments taking effect, and the requirement to obtain the customer's explicit consent upon entering into the agreement.
4. When amending agreement terms or modifying an existing service, the bank shall provide customers with a clear summary of the material changes in simple and easily understandable language, accompanied by a copy of the revised Terms and Conditions. The bank shall ensure that any changes potentially affecting the rights of customers or their banking transactions are communicated within an appropriate timeframe through the bank's approved communication channels, including text messages (SMS), emails, or banking applications.
5. Where an agreement with the customer contains an annual automatic renewal clause, the bank shall provide notice to the customer at least three months prior to the renewal date through the bank's approved communication channels. The notice shall clearly explain the procedures and deadlines for opting out of the automatic renewal and disclose any costs or fees associated with the renewal, including annual fees or other applicable charges. Should the customer choose not to renew the service, they shall be permitted to continue using the product or service until the end of the contractual term, unless the service is otherwise cancelled by the customer.
6. If the customer requests the cancellation of a service or product, the bank shall refund any fees corresponding to the remaining term of the agreement, after deducting direct costs, provided that this procedure is explicitly set forth in the approved terms and conditions signed by the customer.
7. The agreement shall include a clause that clearly and prominently discloses the risks associated with any product or service, presented in bold or otherwise highlighted. This shall include, for example, an explanation of the consequences of non-payment or any potential financial implications for the customer in the event of default.

d. Accounts & Deposits

1. Banks shall regularly provide customers with information regarding key details of their transactions, money transfers, and account balances.

2. Banks shall provide customers, free of charge, with a monthly statement detailing all transactions conducted during the month, along with any profits earned, returns, or fees applicable to the accounts. Such statements shall be delivered through the means chosen by the customer, whether electronic or via telephone services, unless the customer explicitly opts not to receive the statement.
3. Banks shall maintain historical records of customer transactions and ensure that such records are easily accessible to customers, either free of charge or for a reasonable fee.
4. Banks shall notify customers of the maturity dates of their deposits at least five (5) business days prior to the maturity date, noting that the profits rate or expected return may be subject to change during this period. All relevant information shall be made available through the bank's accessible digital channels.
5. Deposit account agreements or account opening forms executed with customers shall include clear and distinct clauses specifying any special provisions related to the nature of the account, including, but not limited to:
 - Conditions for early withdrawal of deposits and any costs incurred by the customer.
 - Procedures for deposit renewal, including the applicable profits rate or expected return at the time of renewal.
 - Procedures governing joint accounts.
 - Defined periods and procedures for account freezing, along with the resulting consequences.
 - Account closure procedures and any associated costs, if applicable.
6. Upon receiving a customer's request to close an account, the bank shall not exert any pressure to withdraw the request or obstruct the closure process, particularly where the customer has no outstanding financial obligations with the bank.
7. Banks shall issue a clearance certificate to the customer within one (1) business day from the date of receipt of the request, provided there are no existing financial obligations. In cases where the customer holds a credit card, the clearance certificate shall be issued within a maximum of five (5) business days.

e. Dormant Accounts:

1. Banks shall establish a clear and documented policy for their customers regarding the procedures for dormant accounts and the mechanisms for reactivating them.

2. Banks shall notify customers whose accounts have been inactive for an extended period through SMS, banking application notifications, email, or registered mail for customers not using email or electronic banking services, at least one month prior to classifying the account as dormant. Such accounts shall be monitored, and appropriate controls shall be in place to ensure access and protection.

f. Cheques

1. Banks shall ensure that the procedures for clearing and settling cheque payments are transparent and clearly communicated to customers, including the timelines for the settlement of deposited cheques, all related terms and conditions, and the sources upon which such procedures are based.
2. Banks shall inform customers of the legal consequences and potential actions that may be taken in the event of issuing cheques without sufficient funds, prior to the issuance of such cheques.
3. Banks shall inform customers of the procedures to follow in the event that a stop-payment request is required for cheques previously issued, in accordance with any circumstances necessitating notification to the bank.

g. Fees

1. Banks shall clearly explain to customers any fees or charges associated with the products and services provided. They must furnish customers with a copy of the approved fee schedule when the product or service is provided, upon signing the agreement, or at any time upon the customer's request. This includes fees charged by third parties, with their amounts clearly specified, including those related to cheque services, whether for issuance, approval, settlement, or other related procedures.
2. Fees charged by the bank shall be distinctly separated from the transaction amounts reflected on the customer's statement.
3. The list of fees and commissions for all products and services shall be prominently displayed at all bank branches using modern means, and published on the homepage of the bank's website and mobile application in a readily accessible manner. This information shall be updated immediately upon any amendment or change.

4. Banks shall notify customers in writing, via SMS or banking application notifications, of any changes to existing fees or commissions, or the imposition of new fees, at least three months prior to their implementation.

h. Bank Cards:

1. Banks shall disclose to customers the payment limits applicable to each available payment channel for their bank cards and establish a mechanism that allows customers to select and modify these limits in accordance with their classification at the bank, ensuring that customers are notified of any changes made.
2. Upon receiving a report from the customer regarding the loss of a card, the bank shall immediately suspend the use of the card.
3. Banks shall ensure that merchants do not impose any additional fees on customers for payments made using credit cards, prepaid cards, or automated withdrawals, whether through Point of Sale (POS) terminals or electronic payment gateways, and this requirement shall be explicitly included in the agreements with merchants.

i. Financing

1. Banks shall adhere to the Instructions Regarding the Rules & Regulations for Granting Personal Loans & Financing Facilities (Consumer/Housing) in Addition to Issuance of Credit Cards, issued on 11/11/2018, including any subsequent amendments, in addition to the following:

Credit Cards

- Before entering into any agreement with customers, banks shall disclose all conditions related to the issuance of credit cards, including issuance fees and associated expenses, financing terms, credit limits, applicable exchange rates, profit rates, the method of profit calculation, the minimum monthly installment, the number of months required to repay the balance if only the minimum installment is paid, charges for late payments or exceeding the card limit, and cash withdrawal fees. Banks shall also inform customers of the deadline for disputing any restricted transactions on the card, as well as any other relevant information, ensuring that all such details are accessible through the bank's digital channels.

- Banks shall inform their credit card customers of the minimum monthly payment and any profit or return that may accrue if only the minimum payment is made. The credit card statement
- shall include a clear explanation of the minimum amount due, as well as the total profit or return (both percentage and monetary amount) - if applicable - that will be calculated on the outstanding balance should the cardholder choose to pay only the minimum monthly installment.
- When allowing a customer to deposit additional funds above their credit limit, banks shall not impose any fees for the deposit and shall permit the customer to withdraw the added amount at any time without charging withdrawal fees.
- The bank is prohibited from charging any fees to a credit card without obtaining the customer's prior consent.
- Customers shall be notified via SMS or the bank's mobile application regarding any reward points, if applicable, at least 30 days prior to their expiration.

2. Calculator for Financing Products and Credit Cards:

Banks shall provide a calculator on their website and mobile banking applications that enables customers to compute the profit rate, periodic installments, annual percentage rate (APR), and all associated fees and charges for financing products and credit cards. The calculator should allow customers to select the type of product or card and determine the most suitable credit limit based on their inputs. Additionally, it should include an estimated rewards calculator to determine any rewards accrued from transactions made using the credit card, if applicable.

3. Annual Percentage Rate (APR)

Banks are required to disclose the Annual Percentage Rate (APR) to customers and include it in the following:

- a. Advertising campaigns and marketing promotions for credit cards.
- b. Terms and conditions published through the bank's digital channels.
- c. Calculator for financing products and credit cards.

- d. Statement of Key Information.
- e. Loan or financing offers.
- f. Loan or financing agreements.
- g. Periodic statements provided to customers.

The Annual Percentage Rate (APR) shall be clearly and simply explained to customers, outlining its purpose and how it is used. The explanation should include the method of calculation, specifying the profit rates and fees incorporated into the APR, such as profit and annual fees for credit cards. Additionally, any fees not included in the APR shall be clearly disclosed, such as cash withdrawal fees, late payment penalties, optional services like insurance, and other applicable charges.

4. Requesting Customers to Settle Their Debts:

Banks shall not employ unprofessional methods or practices, including inaccurate or unfair statements or reasoning, when requesting repayment from customers with financings or other debts. Banks are expected to proactively assist customers upon observing early signs of payment difficulties, encouraging them to contact the bank to discuss financial challenges and to propose suitable solutions.

For payments executed through inter-account settlement between the customer's accounts, banks are required to include this clause in the agreements and to notify the customer upon completion.

j. Digital Banking Channels:

1. Banks providing services to their customers through digital channels shall comply with all relevant instructions issued by the CBK, including those pertaining to protection against electronic fraud, and the implementation of cybersecurity controls and security requirements.
2. Banks shall provide customers with timely and adequate notice in the event that any services are to be suspended, whether due to maintenance or other reasons.

3. Banks shall implement appropriate controls and monitoring over the performance of third parties when such parties are engaged to provide banking services through digital channels.
4. Banks shall inform customers intending to use digital channels of any applicable fees or charges associated with these services, specifying the amount thereof.
5. When sending verification or authentication codes by any means, banks shall clearly indicate the purpose of such messages.
6. Banks shall establish clear and comprehensive provisions to govern the procedures for addressing any instances of error or fraud, should they occur.
7. Banks shall implement continuous awareness and education programs designed to enhance customers' understanding of electronic banking transactions and their associated risks, while providing the necessary guidance to ensure the secure and responsible use of such channels. Banks shall also ensure that customers are promptly informed of any changes or updates to the applicable regulations and requirements.

k. Remittances and Electronic Fund Transfers:

1. Banks shall provide customers using remittance and electronic fund transfer services with clear, comprehensive, and easily accessible information regarding the pricing, features, and procedures of such services. This shall include, in particular, the applicable fees (for remittance / fund transfer) borne by the customer or the beneficiary, the foreign exchange rates and related expenses, the expected timeframe for the completion of the transfer until the funds reach the beneficiary, as well as all other terms and conditions governing electronic fund transfers, including the respective rights, responsibilities, and obligations.
2. Banks that receive, send, or execute electronic fund transfers shall maintain proper documentation of all essential information related to such transactions and shall promptly notify customers of the transaction details upon completion, without imposing any fees.
3. When a new beneficiary is added, the bank shall notify the customer through the available communication channels, clearly identifying the beneficiary's name and

advising the customer to contact the bank immediately if the addition was not made with their knowledge. The newly added beneficiary shall not be activated before the lapse of a maximum of 12 hours, unless the addition is directly confirmed by the customer.

4. Banks shall provide customers, in a clear and easily accessible manner, with all relevant information regarding the procedures to be followed in the event of an error or fraudulent activity occurring during a transfer or electronic funds transaction.
5. Banks are required to inform customers using credit, prepaid, or debit cards in overseas payment transactions of the applicable terms and conditions, including foreign transaction fees and the corresponding foreign exchange rates applied in such cases.

Seventh:

Protection of Bank Secrecy and Information Privacy In this regard, banks shall adhere to the following:

1. Ensure the protection of customers' data and information through the establishment of robust control systems incorporating appropriate mechanisms that clearly define the purposes for which such data and information are collected and processed. Banks shall also include in all agreements and account opening forms a clause stipulating that any data or information obtained from the customer within the framework of the contractual relationship is subject to the provisions governing bank secrecy.
2. Banks are responsible for safeguarding and maintaining the confidentiality of customer data and information, whether such data are held directly by the bank or by any third party engaged to perform customer-related activities on its behalf.
3. Banks shall establish and maintain an internal environment that ensures the security and confidentiality of all customer-related information and transaction data. This environment should be subject to regular testing and continuous evaluation to verify its effectiveness.

4. Banks shall adhere to the principle of “Need to Know” both internally and externally, ensuring that access to confidential or sensitive data and information is strictly limited to authorized individuals or entities whose job responsibilities necessitate such access, and only to the extent required for the proper performance of their duties. Any information beyond this scope shall not be shared or circulated except through secure and approved channels, and in accordance with clause (Seventh-2).
5. Banks shall appropriately inform their customers of the instances in which the obligation to maintain the confidentiality of customer data and information is exempted, namely:
 - a. Instances where the disclosure of information is made pursuant to the customer’s prior written consent.
 - b. Instances where disclosure is mandated under applicable laws, regulations, or binding judicial or regulatory orders.
6. In cases where products or services are provided directly to customers through third parties, the customer’s explicit and prior consent shall be obtained before any of their data is shared. Both the bank and the third-party service provider shall adhere to the highest standards of security, privacy, and data protection, particularly in relation to services such as E-Wallets, e-KYC, FinTech applications, and Open Banking providers. The option to consent to data sharing shall not be pre-activated by default, and customers shall be afforded the right to revoke their consent at any time. The following are exceptions to this requirement:
 - a. Cases referred to in Clause 5 above.
 - b. Where the role of third parties is limited to providing essential or operational services that support the bank’s activities, such as processing and executing transfers, settling payments, or similar functions, the customer’s data may be shared in accordance with the contractual agreements between the bank and the service provider, without requiring separate consent from the customer. In such cases, the consent shall be incorporated within the terms and conditions of the agreement, with the bank maintaining full responsibility for safeguarding the rights, privacy, and security of its customers’ data.

7. Third parties are strictly prohibited from re-sharing customer data, except in the cases outlined in Clause 5 above.
8. When engaging employees or contracting third parties, banks shall ensure that they adhere to binding agreements or declarations that commit them to maintaining the confidentiality and security of customer data and information.
9. Upon receiving customer inquiries, the bank shall refrain from disclosing any information related to the customer or their accounts until the customer's identity has been verified using authorized verification methods.
10. Banks shall, without undue delay, notify affected customers upon becoming aware of any breach or unauthorized disclosure of customer data, and take all appropriate measures to mitigate the impact and minimize potential consequences.

Eighth:

Financial & Banking Awareness

1. Banks shall design and implement effective mechanisms to enhance the knowledge and skills of both current and prospective customers. These mechanisms should raise awareness, provide guidance, and enable customers to understand the inherent risks of their banking transactions, make informed decisions, and find the appropriate entity for further information when needed.
2. As part of promoting financial and banking literacy, banks shall maintain a dedicated section on their website and mobile applications for financial and banking awareness. This section should include this Guide, outline customers' rights and responsibilities, detail the procedures for lodging complaints, and provide clear information regarding the bank's responses to frequently asked questions.
3. In this context, banks shall undertake the following measures:
 - a. Develop an annual plan comprising specific programs aimed at promoting the dissemination of financial and banking information, with the objective of enhancing overall banking and financial awareness.

- b. Engage with civil society organizations, academic institutions, and professional bodies that focus on improving financial and banking literacy and cooperate in the design and implementation of awareness programs.
- c. Participate periodically in studies assessing financial awareness, evaluating the impact of implemented measures, and using the findings to refine and improve their policies.
- d. Ensure that all awareness programs and activities are designed solely to elevate customers' financial literacy and capabilities, and are not used for marketing or promotional purposes.

Ninth:

Financial and Banking Inclusion:

Financial and banking inclusion refers to a set of policies and procedures designed to ensure that financial and banking services are accessible to all segments of society, including individuals with special needs, low- or limited-income groups, wage earners, service and trades personnel, domestic workers, and owners of micro, small, and medium-sized enterprises. These services should be tailored to meet the needs and circumstances of each group, and shall be delivered in a manner that is equitable and transparent. In this regard, banks shall:

- Develop annual programs aimed at achieving the objectives of financial and banking inclusion, incorporating mechanisms to monitor implementation, identify audience, and ensure diversity across multiple categories of potential customers, thereby broadening the customer base within the banking system.
- Enhance efforts to study the needs of underserved or unbanked groups, taking proactive and effective measures to facilitate their access to financial services through safe, accessible, and tailored solutions.
- Adopt targeted engagement strategies when planning financial and banking inclusion activities, ensuring that groups with limited prior engagement with banks (such as individuals with special needs or low-income populations) are effectively reached,

- while providing supportive measures to encourage increased participation in banking services and leveraging advancements, particularly in technological solutions.

1. Banking Services for Minor Customers

- For accounts opened for minors under the age of 18, the bank shall promptly notify the designated guardian of the available account services and mechanisms, and shall respect the guardian's right to access and manage these accounts in accordance with the applicable laws and regulations of the State of Kuwait.
- Banks shall ensure that financial services and products offered to minors are suitable for their age group, clearly disclose any associated risks, and present the relevant terms and conditions in a simplified manner aligned with the minor's level of understanding.
- Banks shall not offer products or services that create financial obligations, such as financings or credit cards, to minors, except in cases where the minor has a salary or regular income and the transaction is guaranteed or co-signed by the guardian, ensuring full compliance with legal obligations.
- Banks shall design and implement simplified financial awareness programs tailored to minors, aiming to enable them to understand basic banking principles, promote concepts of financial planning, saving, and investing, and adopt safe financial behaviors to mitigate associated risks.
- Banks shall ensure that any advertising or promotional content aimed at minors adheres to the following:
 - Use simplified methods appropriate for the age group.
 - Prohibit the marketing or promotion of financial products that entail future financial obligations, including through digital channels or other advertising campaigns.

2. Banking Services Provided by Kuwaiti Banks for People with Special Needs

General Instructions:

In providing services to customers with special needs, banks are required to ensure the following:

- Design and maintain all bank branches to facilitate easy access and movement for customers with physical disabilities. This includes providing adequately equipped entrances and exits, wide corridors and elevators, as well as dedicated ramps or automated lifting devices. The infrastructure shall accommodate various mobility needs to ensure fair, safe, and convenient access to ATMs and all branch facilities.
- Designate (at least) one branch in each governorate to provide specialized banking services for customers with special needs, in addition to the branch's regular operations. Services for this customer category should also be accessible at other branches whenever the nature of the transaction or the customer's circumstances do not require specialized arrangements.
- Assess the customer's capacity to make financial decisions within the Bank's Know Your Client (KYC) framework, while providing any necessary arrangements or assistance to facilitate their interactions with the bank.
- Assigning dedicated account numbers to customers with special needs helps identify them quickly, simplifying and speeding up both phone and in-branch service.
- Provide safety deposit boxes to customers with special needs upon request, ensuring that their location and design allow for convenient and easy access.
- Ensure that employees are properly trained and that specialized personnel are qualified to communicate effectively with all customers in this segment, providing the necessary assistance to facilitate transactions in a simple and efficient manner.
- Require the same documentation from customers with special needs as from any other customer (except for proof of disability). Accounts should be clearly classified as "Account Holder – Customer with Special Needs".
- Implement all appropriate and effective measures to ensure that customers with special needs enjoy equal rights in managing their financial affairs, including full access to banking services, credit facilities, and other financial products.

- Ensure that banking transactions for customers with special needs are conducted in full privacy, while providing the option to have witnesses present, without making it a mandatory requirement. The customer retains the choice to accept or decline this option. Banks shall develop and adopt alternative authentication and identification methods that preserve the customer's rights and maintain procedural integrity, in accordance with the applicable regulations in the State of Kuwait. A written declaration should be obtained from the customer if they choose to conduct transactions without witnesses, and such documentation shall be properly maintained.
- Ensure that banking transaction mechanisms provide equal opportunities for all customers with special needs, including those proficient in alternative communication methods (such as Braille) or sign language, as well as those who are not.
- Implement measures to facilitate the engagement of customers with special needs, including the provision of support from a court appointed assistant.
- Enable customers with special needs to authorize designated individuals to operate their bank accounts on their behalf, should they choose to do so. The bank shall clearly inform the customer of the associated risks and outline the procedures for revoking such powers of attorney.
- Banks shall fully inform customers with special needs of their rights, obligations, and any potential risks prior to providing banking services.
- Banks shall provide customers with special needs with the same range of banking services, including credit facilities and financing, as offered to other customers, without imposing additional burdens or charges due to their special needs. Banks shall ensure that these customers are made aware of any inherent risks associated with these services, taking into account their specific circumstances compared to other customers.
- Banks shall allow customers with special needs to withdraw cash at the branch without imposing any fees.
- Banks shall design and maintain their websites and mobile applications in compliance with recognized international accessibility standards, such as the Web Content Accessibility Guidelines (WCAG) issued by the World Wide Web Consortium (W3C). This ensures that persons with disabilities can use these digital channels independently and securely. All updates or modifications to these platforms shall continue to guarantee uninterrupted and barrier-free access to digital banking services for this customer segment.

- Banks shall design and implement financial education and awareness programs tailored to the unique requirements of individuals with special needs, enabling them to understand the features and risks of financial products and services, and to make informed, effective financial decisions.
- Banks should design marketing and advertising strategies that are inclusive of people with special needs, ensuring all product and service information is fully accessible and effectively communicated.
- Banks shall include people with special needs into their marketing and advertising strategies to ensure that information about products and services is effectively communicated and accessible to this customer segment. Instructions for Deaf & Hard of Hearing Customers:
- Banks shall train selected employees in sign language or designate specialists to provide the necessary support for conducting banking transactions with these customers.
- Banks shall provide technological aids, such as text relay services that convert voice conversations into written text, to facilitate effective communication between these customers and the bank.

a. Instructions for Blind & Visually Impaired Customers:

General Instructions:

Banks are required to:

- Provide automated audio support, either via the bank's website or through an on-site device equipped with headphones, that clearly explains all essential terms and provisions included in agreements, forms, and other documents to be signed by blind or visually impaired customers. This includes a full disclosure of all
- rights, obligations, and potential risks associated with any banking service, ensuring that they are read to customers prior to signing any agreement.
- Utilize specialized forms for account opening, credit facility agreements, and other financial transactions, ensuring that all services, statements, and notices provided to blind or visually impaired customers are available in Braille. Banks shall confirm that customers receive their account opening forms, agreements, and other relevant documents, ensuring that the materials are in good condition and free from wear.

- Provide POS devices compatible with the needs of visually impaired customers, equipped with Braille keyboards to facilitate independent and private completion of banking transactions.
- Assistance shall be offered to such customers in completing the required forms, while the choice to accept or refuse such assistance remains entirely at the customer's discretion.

b. Automated Teller Machines (ATMs) & Interactive Teller Machines (ITMs)

- Banks shall be required to provide Automated Teller Machines (ATMs) and Interactive Teller Machines (ITMs) designed to meet the needs of persons with special needs, enabling them to use such machines independently and safely. The distribution of these devices shall be ensured in easily accessible locations, particularly in public and vital areas, and their locations shall be clearly publicized through appropriate means to facilitate identification and use by this group.
- ATMs and ITMs shall be equipped with voice assistance features, including reception or transmission speakers, and shall be installed within glass enclosures that can be accessed through mechanisms providing the highest levels of security and privacy, while ensuring ease of access for users.

c. Safe Deposit Boxes

- The procedures and steps adopted by banks prior to the allocation of safe deposit boxes for blind and visually impaired customers shall be appropriate and shall not materially differ from those applicable to other customers.
- When utilizing safe deposit boxes, blind and visually impaired customers may be provided with the following options:
 - Individual use of the safe deposit box.
 - Use of the safe deposit box with the assistance of a court appointed assistant.
- In the event that a blind or visually impaired customer requests the presence of the officer in charge of the safe deposit boxes during the opening of the box, the request shall be granted, provided that the process takes place in the presence of two bank employees, including the officer responsible for the safe deposit boxes.

3. Banking services provided to customers with low or limited incomes, self-employed individuals, service providers, tradespeople, and domestic workers:

- Banks shall take the necessary measures to remove any obstacles that may hinder the opening of accounts for the aforementioned categories. They shall establish the required policies approved by the Board of Directors and update their operational procedure manuals in accordance with the circular issued on 20 June 2024.
- Provide financial services tailored to the capabilities and needs of these customers, ensuring they fully understand the relevant terms, conditions, and risks before signing any agreements.
- Establish a mechanism to notify customers in advance, allowing them an adequate period to update their card details before any restrictions are imposed on their account or bank card.
- Promote awareness initiatives aimed at enhancing financial literacy among the aforementioned groups, utilizing all available channels and multiple languages to ensure accessibility and clarity. These initiatives shall include guidance on the account-opening process, the proper use and management of accounts, and methods to recognize and avoid financial fraud.

Tenth:

Advertising and Promotional Materials:

In this regard, banks shall:

1. Ensure that all advertisements and promotional materials related to their products and services are accurate and truthful, and do not contain misleading or false information that could result in customers—current or prospective—making uninformed or erroneous decisions.
2. Ensure that all advertising and promotional materials are clear, legible, and easily comprehensible by the general public.
3. Consider and account for the legal responsibilities arising from any inaccuracies or misleading information contained in advertisements or promotional materials used in marketing their products and services.
4. Refrain from promoting or advertising products or services whose associated risks are comprehensible only to experts, and avoid encouraging customers to engage with such

products or services without providing a clear and comprehensive explanation of the relevant risks.

5. Establish an advertising policy subject to approval by the Board of Directors, ensuring alignment with professionally and legally recognized principles, standards, and practices governing the bank's promotional and advertising materials.
6. At a minimum, the bank's customer complaints unit must ensure all advertising and promotional materials comply with the Customer Protection Guide. Materials must be clear and free of misleading content. If any inquiries or misunderstandings arise, the unit will act promptly to clarify the information and resolve any confusion.
7. When announcing the receipt of any awards, certificates of excellence, or recognition of preference, banks shall disclose sufficient information regarding the awarding entity, the methodology and assessment mechanism underlying the award, and the criteria upon which the recognition was granted.
8. In cases where a financial product or service includes free benefits for a specified period, advertisements shall explicitly state that such benefits will cease upon the expiry of that period. The bank shall notify the customer no later than three months prior to the commencement of any applicable fees, charges, or profit. It is strictly prohibited to impose any fees or penalties on customers who choose to cancel the free product or service during the promotional period.
9. When advertising or promoting any product or service, banks shall ensure that customers are provided with clear and accessible means to review the applicable terms, conditions, and eligibility criteria. Where such information is disseminated through digital channels, the advertisement shall include a direct link redirecting customers to a page containing the full details of the relevant terms and conditions associated with the product or promotion.
10. Customers shall have the right to suspend or opt out of receiving advertising or marketing communications at any time. Banks shall inform customers of the availability of this mechanism through channels and methods approved by the institution.
11. Banks are strictly prohibited from promoting financings or direct phone finance products through any advertising or marketing channels.
12. Banks shall not offer customers cash, in-kind incentives, or prizes—whether directly or through draws or other mechanisms—in connection with the acquisition of credit facilities.

Eleventh:

Customer Service Employees and Marketers of Banking Services and Products

1. Customer service personnel and marketers of banking services and products shall possess comprehensive knowledge of the legislative and regulatory provisions governing customer protection, as well as the rules and controls set forth in this Guide relevant to their customer service responsibilities. They shall also demonstrate proficiency in all technical aspects of the products or services offered to customers.
2. Banks shall establish and apply a set of criteria for the selection of customer service staff and marketers, taking into consideration factors such as prior experience in similar roles, depth of knowledge regarding banking products and services relative to their complexity, communication skills, and other personal attributes appropriate to the responsibilities assigned. Banks shall also ensure that such personnel obtain the requisite certifications and undergo training necessary to perform their duties effectively.

Twelfth:

Strengthening the Tasks of the Customer Complaints Unit

In this regard, banks shall adhere to the following requirements:

1. Fully comply with all instructions issued by the CBK concerning the protection of bank customers. The Board of Directors of each bank shall bear ultimate responsibility for ensuring such compliance.
2. Provide, in a clearly visible and accessible manner (through the bank's Customer Complaints Unit, branches, official website, and social media channels) a written summary or infographic outlining the procedures and steps customers shall follow when submitting a complaint regarding their transactions with the bank. These procedures shall clearly specify the sequential steps to be taken by the customer, culminating in the resolution of the complaint, including the option to escalate the grievance to the CBK.

3. It is the responsibility of each bank's Customer Complaints Unit to verify the extent of the bank's compliance with the Customer Protection Guide and other applicable instructions and regulatory controls.
4. The Board of Directors of each bank shall establish policies and procedures to ensure that the Customer Complaints Unit performs its functions effectively. The Unit's reports on these matters shall be submitted to the Board of Directors for review and for any appropriate action deemed necessary. The Customer Complaints Unit shall issue an annual report on the bank's compliance with customer protection requirements, including observations, suggestions, and recommendations. This report shall be submitted to the bank's Board of Directors and made available to the CBK upon request.
5. The complaint mechanism shall be clearly communicated to customers and made available in multiple languages to ensure it is comprehensible and easily accessible to all segments of society.
6. The bank shall provide the complaining customer with a copy of the submitted complaint, including acknowledgment of receipt and the date of submission, when the complaint is submitted in person. For complaints submitted electronically, the bank shall retain evidence of receipt—whether via registered mail or electronic submission—and shall notify the customer of the complaint's receipt through email or SMS to the phone number registered with the bank.
7. The bank shall provide a mechanism for customers to submit complaints electronically via the mobile application, including an electronic complaint form and the ability to attach supporting documents. The customer shall receive electronic acknowledgment of receipt and an electronic response to the complaint through the application. The response shall be provided in a format that is printable, should the customer wish to escalate the grievance to the CBK.
8. The Customer Complaints Unit shall respond to the customer within a maximum of five (5) business days from the date of receipt of the complaint, either by delivering the response letter in person, via email, or by registered mail with confirmation of receipt. In cases where resolution requires more than five (5) business days due to the need to obtain information from third parties, the customer shall be promptly notified through the same channels. The bank shall provide written notification to the customer

immediately upon completion of the investigation, and no later than two (2) business days following receipt of the response from the relevant third party.

9. If the customer remains dissatisfied with the outcome of the complaint handled by the bank's Customer Complaints Unit, the customer shall be directed to submit a grievance to the Complaints Department at the CBK.
10. The Customer Complaints Unit shall ensure that the customer has reviewed all documents provided by the bank in connection with any service or product, and that the customer has received a copy of these documents, evidenced by the customer's signature acknowledging receipt.
11. The bank shall establish performance indicators to evaluate the handling of complaints received directly by the bank, including metrics for customer satisfaction and the quality of complaint resolution. The results of these indicators shall be submitted on a quarterly basis to the head of the executive management body.
12. The Customer Complaints Unit shall provide the customer with a written response addressing the subject of the complaint, supported by appropriate justifications. The response shall include any corrective measures deemed necessary to resolve the issue. For complaints or telephone objections referred to other departments or units within the bank, the bank shall implement an internal control system to ensure that appropriate resolutions are achieved and that similar complaints or objections are prevented from recurring.
13. When a bank takes corrective action in response to a customer complaint, particularly concerning violations of the CBK's instructions or the bank's internal procedures, the bank shall proactively review the circumstances of other customers to ensure that similar violations have not occurred, without waiting for additional complaints on the same matter.
14. Banks shall handle customer complaints consistently with past practices. Should a bank seek to refine the complaint submission process, it may establish clear guidelines distinguishing between inquiries, suggestions, and formal complaints, which shall be addressed in writing within five (5) business days. Customers submitting inquiries or suggestions via the mobile application shall be informed of these

guidelines. In cases where customers continue to submit inquiries or suggestions through the application, despite these guidelines, the bank shall implement procedures to manage such submissions appropriately.

15. Banks may introduce a feature within the mobile application to submit inquiries, separate and independent from the complaint submission feature. This separation shall facilitate more effective handling of both complaints and inquiries. The bank shall provide a response to inquiries within five (5) business days.
16. In cases where a complaint is resubmitted without presenting any new information, evidence, or circumstances warranting reconsideration, the bank may dismiss the complaint. The customer shall be notified in writing or through a reliable communication channel of the decision, including the reasons for dismissal. Records documenting this decision shall be retained by the bank.
17. Banks shall ensure that the complaint submission mechanism is accessible and accommodating to customers with special needs, providing appropriate facilitation in accordance with their circumstances.

Thirteenth:

Customer Responsibilities and Obligations

In fulfilling their responsibilities and obligations, customers shall:

1. Provide accurate, complete, and truthful information to the bank.
2. Carefully review all documents provided by the bank in connection with any service or product, paying particular attention to any applicable fees, commissions, or other obligations that may arise. Customers should retain a copy of these documents before undertaking any financial or banking obligations.
3. If the customer does not fully understand any terms or procedures associated with a service or product, they shall direct their inquiries to the relevant bank personnel to ensure that decisions are made based on a clear and comprehensive understanding.
4. Comply with established complaint procedures, including the right to escalate grievances to the Consumers' Protection Unit at the CBK.

5. Identify and assess the risks associated with using any service or product provided by the bank, seeking guidance from qualified personnel regarding the potential consequences, and take appropriate measures to mitigate such risks whenever possible.
6. Select, from among the products and services offered, those most appropriate to their actual circumstances and capacities, ensuring that these selections meet their genuine needs.
7. Promptly notify the bank upon becoming aware of any banking transactions conducted on their accounts without authorization or without their knowledge.
8. Exercise due care in safeguarding the confidentiality of all information pertaining to their dealings with the bank and refrain from disclosing such information to any third party in order to protect their funds.
9. Seek guidance and advice from the bank's competent personnel if experiencing any financial difficulties that may hinder compliance with contractual terms or the proper use of the services and products provided.
10. Update personal and banking information with the bank whenever requested or upon any changes to such information.
11. To preserve banking confidentiality, when corresponding with the bank via regular mail or email, use only their own postal address or email to prevent disclosure of personal or banking information to unauthorized parties.
12. When granting authorizations or powers of attorney to third parties to act on their accounts or funds, exercise caution regarding the scope of authority and information provided. Customers shall take prompt action to revoke such authorizations and notify the bank immediately upon deciding to cancel them.
13. Refrain from signing any blank or incomplete financial documents or agreements, and carefully review all documents provided by the bank prior to signing.
14. Retain copies of all documents related to their banking transactions in a secure location and in a format that allows easy reference when required.
15. Submit complaints regarding a specific matter only once and await an official response within the stipulated timeframe, unless new developments, information, or evidence arise that justify resubmission.