

Switching Bank Accounts in Luxembourg

Guide

As Customer or prospect customer of HSBC Private Bank (Luxembourg) S.A. (**'HSBC'**), you may benefit from the account switching process as enacted in the law of 17 June 2017 on payment accounts. The aim is to facilitate a smooth and timely transfer of recurrent payments linked to your existing bank account to your new bank. To that end you can authorise your new bank to communicate with your existing bank in order to ensure that a. your new bank account takes on the same standing orders, credit transfers and direct debits as your existing account as per an agreed date and b. your existing bank ceases those standing orders, credit transfers and direct debits and closes your account as per a certain date¹.

The present guide explains the actions to be taken if you wish to change your payment account in Luxembourg. It describes the services provided by the Luxembourg banks to every consumer who wishes to transfer recurring payments (credit transfers, direct debits and standing orders) linked to his payment account from one bank established in Luxembourg to a payment account at another bank established in Luxembourg. Reasonable fees may be charged for certain services.

As a client, you are completely free to transfer all or part of your banking relationship to a different bank; your old payment account can remain active or you may decide to close it. This guide, and the facilities which are available, do not, however, cover the transfer of all banking services. There may be services other than those described in this guide (perhaps linked to a payment account and possibly offered as a "package") from which you benefit at your present bank which cannot be transferred from one bank to another or are not covered by this guide.

The current guide is based on the provisions of the law of 13 June 2017 on payment accounts, which transposes Directive 2014/92/EU of the European Parliament and the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features.

According to the Law of 13 June 2017, banks should provide assistance to consumers, wishing to open a payment account with a bank located in another Member State.

¹ Please be informed that the account switching service is offered after the relevant account opening documents have been duly filled out and signed and the required KYC / CDD Procedures have been followed.

This date shall be at least six business days after the date on which your new bank receives the required information from your existing bank.

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Glossary

- ◆ **Bank business day** – a day, not being a legal or bank holiday, on which the relevant bank is open for business as required for the execution of a payment transaction.
- ◆ **Consumer** – any natural person who is acting for purposes which are outside his trade, business, craft or profession.
- ◆ **Credit transfer** – a national or cross-border payment service for crediting a payee's payment account with a payment transaction or a series of payment transactions from a payer's payment account by the payment service provider which holds the payer's payment account, based on an instruction given by the payer.
- ◆ **Direct debit** – a national or cross-border payment service for debiting a payer's payment account, where a payment transaction is initiated by the payee on the basis of the payer's consent.
- ◆ **Payer** – means a natural or legal person who holds a payment account and allows a payment order from that payment account or, where there is no payer's payment account, a natural or legal person who makes a payment order to a payee's payment account.
- ◆ **Payment account** – means an account held in the name of one or more consumers which is used to withdraw cash, execute credit transfers, to place funds and execute direct debits (ex. current account).
- ◆ **Standing order** – means any instruction given by the payer to his bank to execute credit transfers at regular intervals or on predetermined dates.

◆ **If you wish to become customer of HSBC:**

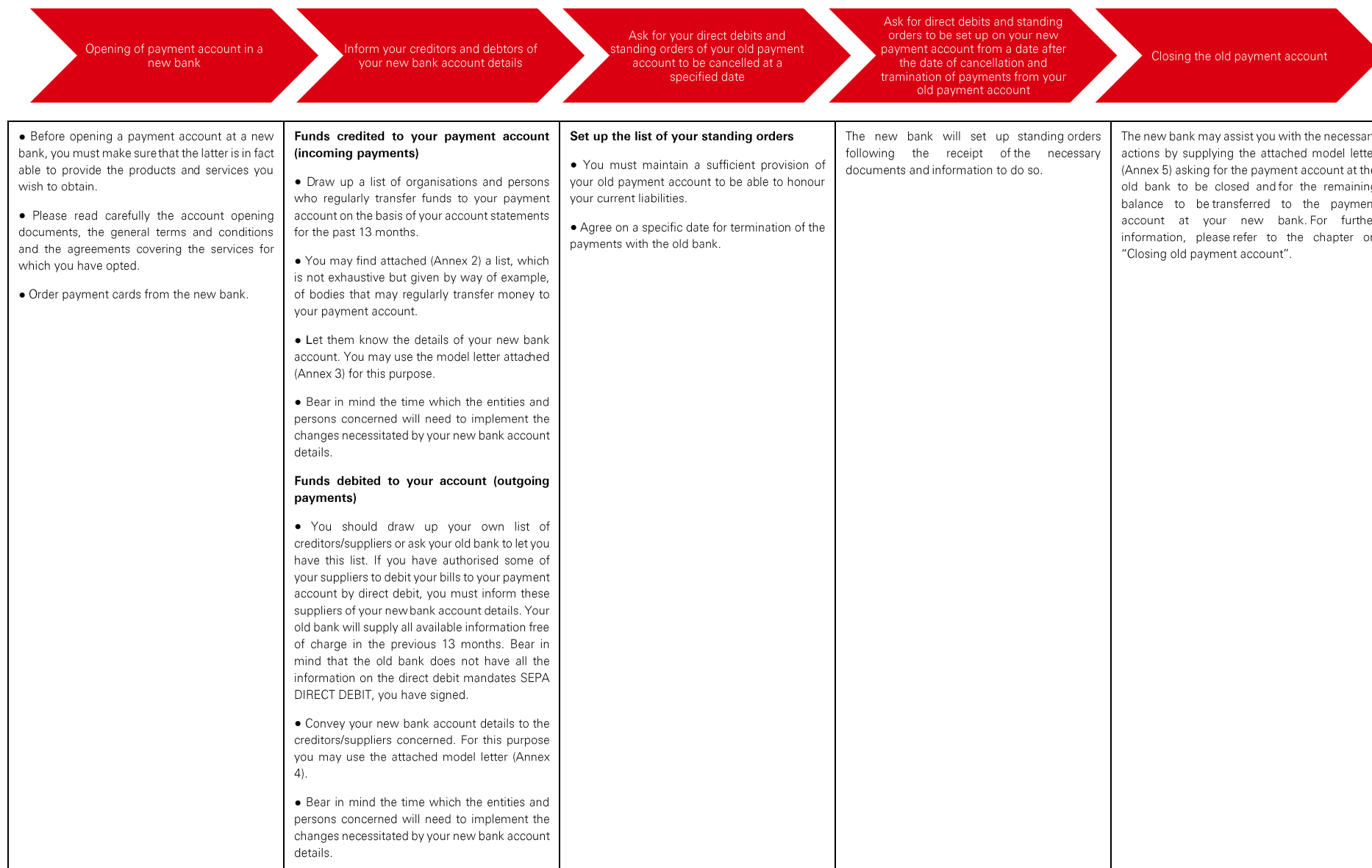
and you have an existing payment account with a bank in Luxembourg, you can ask HSBC to initiate and manage the switching process by signing an authorization (available in annex 1) which identifies the tasks to be fulfilled by your new bank (HSBC) and your old bank.

Note: In the case of two or more holders of the account, authorization shall be obtained from each of them.



When you open a payment account at HSBC: ● make sure that the new bank is in fact able to provide the products and services you wish to obtain; ● carefully read the account opening document, the general terms and conditions and the service agreements; ● return the authorization (available in annex 1) to HSBC. You will receive a copy. Please note that, If you wish to transfer only certain standing orders and/or certain direct debits to HSBC, you have the fill in and aign annex 1b and return it as soon as possible to your new bank (HSBC) and your old bank with a copy of the authorization (annex 1).	HSBC will request your old bank: 1. To transmit to us, and if specifically requested by you, to you: ● A list of standing orders ● Available information on direct debit mandates, recurring incoming credit transfers in the previous 13 months and the direct debits initiated by creditors in the previous 13 months; 2. To stop accepting direct debit requests and incoming credit transfers with effect from the date specified in the authorization; 3. To cancel standing orders with effect from the date specified in the authorization; 4. To transfer any remaining positive balance with effect from the date specified in the authorization; To close former payment account on the date specified in the authorisation.	Your old bank: 1. Stops accepting direct debits requests and incoming credit transfers with effect from the date specified in the authorisation; 2. Cancels standing orders with effect from the date specified in the authorisation; 3. Transfers any remaining positive balance with effect from the date specified in the authorisation; 4. Closes the old payment account with effect from the date specified in the authorization. For further information, please refer to the chapter on "If you wish to terminate your account with HSBC".	Your old bank transmits to HSBC and if requested by you, to you: 1. A list of standing orders 2. Available information on direct debit mandates, recurring incoming credit transfers in the previous 13 months and creditor-driven direct debits executed on the consumer's payment account in the previous 13 months.	HSBC: 1. Sets up standing orders requested by you; 2. Makes any necessary preparations to accept direct debits; 3. Communicates to the payers specified in the authorisation and making recurring incoming credit transfers, the details of your payment account as well as a copy of the authorisation (annex 1d). For this purpose, transfer to the new bank all information it needs to inform the payers. 4. You can inform the payers by yourself by using the standard letter (annex 3); 5. Communicates to the payees specified in the authorisation and using a direct debit to collect funds from your payment account, of the details of your payment account as well as a copy of the authorisation (annex 1c). For this purpose, please make sure to transfer to us all information needed to inform the payees. As the old bank has not all information on direct debit mandates SEPA DIRECT DEBIT signed by you, we suggest that you inform personally the payees of your new contact details by using the standard letter (annex 4). Where relevant, informs you of your right to refuse to accept direct debits or to limit a direct debit collection to a certain amount or periodicity or both and to block any direct debits initiated by one or more specified payees or to authorise direct debits only initiated by one or more specified payees pursuant to Regulation (EU) 260/2012.	HSBC: 1. Executes standing orders with effect from the date specified in the authorization 2. Accepts the request of collection of direct debits with effect from the date specified in the authorisation.
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◆ **If you wish to initiate and manage the account switching process:**



◆ If you wish to become customer of HSBC:

and you have an existing payment account with a bank in outside of Luxembourg but within the EU, the switching process applies only partly. In this case, you can ask your existing bank to provide you with a list of all the currently active standing orders for credit transfers and debtor-driven direct debit mandates and provide us with the list so we can set up your account in the same way as your existing account. In addition you can ask your existing bank to transfer any positive remaining balance on your account to your new account at HSBC.

◆ If you wish to terminate your payment account with HSBC:

1. In case your new account is within Luxembourg:

In the case that you leave HSBC, you can send instructions or an authorisation letter to the bank you have chosen to become your new bank. As soon HSBC receives the notification from your new bank, HSBC will within 7 business days carry out the following:

- Provide a list to your new bank of all existing standing orders for credit transfers and information on direct debit mandates;
- Transmit information about recurring incoming credit transfers and creditor driven direct debits;
- Stop accepting direct debits and incoming credit transfers;
- Cancel standing orders on the date mentioned in the authorisation;
- Transfer any remaining positive balances to the new payment account; and
- Close the existing payment account from the relevant date.

2. In case your new account is outside Luxembourg:

If your future bank account is outside of Luxembourg, the switching process applies only partly. In this case, upon your request and to help you set up your new account, we can provide you with a list of all the currently active standing orders for credit transfers and debtor-driven direct debit mandates (free of charge), where available, and with available information about recurring incoming credit transfers and creditor-driven direct debits executed on the consumer's payment account in the previous 13 months.

Once you have provided the details of your new payment account, we will transfer any positive balance remaining on your account to your new account and close your account with us after the transfer has been completed.

◆ Fees

The switching process – meaning the service as described above under paragraph 1 and 2 - is provided free of charge. However, note that other fees may be charged in relation to the opening or closing of your account and i.e. transfer of your assets, custody or other fees. Please refer to the fee schedule or ask your Relationship Manager.

◆ Complaints

- You can address a complaint towards HSBC via the procedure available on <https://www.hsbc.lu/>
- Out-of-court complaint resolution

Should any disputes arise between you and your bank you may refer the matter to the Commission de Surveillance du Secteur Financier (CSSF) which shall be competent to entertain complaints by clients of entities subject to its supervision and to approach those entities with a view to achieving an amicable settlement of such complaints.

Opening an out-of-court complaint resolution procedure with the CSSF is subject to the condition that the complaint has been dealt with by the management of the relevant professional beforehand. In this respect, the complaint must



have been first submitted in writing to the manager responsible for complaint handling. In the case where one month after having sent your complaint to the manager responsible for complaint handling, you have received neither a satisfactory answer nor an acknowledgement of receipt, you can apply for an out-of-court resolution of your complaint with the CSSF. The CSSF can be reached by

- Filling in the form available at the following address: <http://www.cssf.lu/consommateur/reclamations/>
- Sending an e-mail to the following address: reclamation@cssf.lu
- By fax: + 352) 26 251 26 01
- You may also send your request by post:

Commission de Surveillance du Secteur Financier

283, route d'Arlon

L-2991 Luxembourg

◆ Questions

Please contact your Relationship Manager.

ANNEX 1

Switching service

Authorisation to be signed by the client(s) and to return to the new bank

The undersigned,

☐ Mrs ☐ Mr

Name: _____

First name: _____

Born on: _____

At: _____

Domiciled at: _____

☐ Mrs ☐ Mr

Name: _____

First name: _____

Born on: _____

At: _____

Domiciled at: _____

account holder(s) (*IBAN code*): _____

at the bank (*name of the old bank*): _____

would like to switch his/their bank account to:

(*name of the new bank*): _____

Account number (*IBAN code*): _____

For this purpose, the undersigned, authorise(s) and instruct(s) the new bank and the old bank to carry out the following tasks:

1. Within 2 bank business days from the receipt of the authorisation, the new bank shall request the old bank to transmit within 5 bank business days: **(please tick the services requested)**

- a) ☐ a list of standing orders
☐ the list will be transmitted to the undersigned
- b) ☐ a list of available information about recurring incoming credit transfers in the previous 13 months
☐ the list will be transmitted to the undersigned
- c) ☐ a list of available information on direct debit mandates
☐ the list will be transmitted to the undersigned
- d) a list of available information on direct debits initiated by creditors in the previous 13 months
the list will be transmitted to the undersigned



2. Upon receipt of the request of the new bank, the old bank

- a) ☐ stops accepting requests for the collection of direct debits with effect from
(at least 13 bank business days from the signature of the authorisation)
- b) ☐ stops accepting incoming credit transfers with effect from the date of closure of the account
- c) ☐ cancels standing orders with effect from
(at least 13 bank business days from the signature of the authorisation)
- d) ☐ transfers any remaining positive balance to the new payment account
(IBAN code) with effect from
(at least 13 bank business days from the signature of the authorisation)
- e) ☐ closes the payment account of the undersigned n°
with effect from
(at least 13 bank business days from the signature of the authorisation)

3. Within 5 bank business days of receipt of the information from the old bank, the new bank

- a) ☐ sets up and executes the standing orders with effect from
(at least 13 bank business days from the signature of the authorisation)
- b) ☐ makes any necessary preparations to accept direct debits with effect from
(at least 13 bank business days from the signature of the authorisation)
- c) ☐ informs payers making recurring incoming credit transfers of the account details of the undersigned and transmits a copy of the authorisation **(annex 1d)**
- d) ☐ informs payees using direct debits to collect funds, the new contact details of the undersigned, as well as a copy of the authorisation **(annex 1c)**
- e) ☐ the undersigned inform(s) the payers and payees. In this case the new bank transmits the model letters **(annex 3 & 4)** to the undersigned

4. If the undersigned would like to transmit some standing orders and/or some direct debits to the new bank, he/they has/have to complete and sign annex n°1b, and to transmit it as quick as possible to the new bank and to the old bank, with a copy of the present authorisation.

Done at _____, on _____

Signature of the clients(s)



ANNEX 1a
Authorisation

To be signed by the new bank and to send to the old bank together with annex 1

Place: _____

Date: _____

OLD BANK

Name: _____

Address: _____

Mrs/Mr (*name of the contact person*): _____

Subject: Switching bank account

Please note that our client

Name: _____

Address: _____

Account number (*IBAN code*): _____

has instructed us to initiate the bank switching procedure as provided by the law of 13 June 2017 on payment accounts. You will find attached the authorisation of the client and we would like to ask you to carry out the tasks defined in the authorisation and to return the information listed there to

NEW BANK

Name: _____

Address: _____

Mrs/Mr (*name of the contact person*): _____

Yours sincerely,

Done at _____, on _____

Signature of the clients(s)



ANNEX 1b

Authorisation

**To be signed by the client(s) and to send by the client
to the new bank and the old bank including annex 1**

1. The following standing orders have to be cancelled by the old bank and have to be put in place and executed by the new bank:

2. The following requests of direct debits collection will no longer be accepted by the old bank and will be accepted by the new bank:

3. The new bank informs the following payers of my/our new contact details:

4. The new bank informs the following payees of my/our new contact details:

Done at _____, on _____

Signature of the clients(s)



ANNEX 1c
Authorisation

To be signed by the client(s)

To be send by the new bank to the concerned payees

The undersigned,

☐ Mrs ☐ Mr

Name: _____

First name: _____

Born on: _____

At: _____

Domiciled at: _____

☐ Mrs ☐ Mr

Name: _____

First name: _____

Born on: _____

At: _____

Domiciled at: _____

account holder(s) (*IBAN code*): _____

at the bank (*name of the old bank*): _____

Would like to switch to the bank (*name of the new bank*): _____

Account number (*IBAN code*): _____

For this purpose, the client(s) authorise(s) and instruct(s) the (*name of the new bank*): _____

to inform you to collect your direct debits related to your direct debit mandates n° _____

with effect from _____ (*at least 13 bank business days from the signature of the authorization*)

Done at _____, on _____

Signature of the clients(s)



ANNEX 1d
Authorisation

To be signed by the client(s)

To be send by the new bank to the concerned payers

The undersigned,

☐ Mrs ☐ Mr

Name: _____

First name: _____

Born on: _____

At: _____

Domiciled at: _____

☐ Mrs ☐ Mr

Name: _____

First name: _____

Born on: _____

At: _____

Domiciled at: _____

account holder(s) (*IBAN code*): _____

at the bank (*name of the old bank*): _____

Would like to switch to the bank (*name of the new bank*): _____

Account number (*IBAN code*): _____

For this purpose, the client(s) authorise(s) and instruct(s) the (*name of the new bank*) _____

to inform you to transfer any amount due with effect from (*date*) _____ to its/their new account.

Done at _____, on _____

Signature of the clients(s)



ANNEX 2

Recurring incoming payments on a payment account (non exhaustive list)

- ◆ Salary / pension
- ◆ Rent received
- ◆ Healthcare refunds
- ◆ Complementary health insurance
- ◆ Family allowances
- ◆ Dividends, coupons received
- ◆ Interests received (example: time deposit account without interest capitalization)
- ◆ Tax refunds

ANNEX 3

Standard letter

Communicating new bank account details for incoming payments
(salary, pension, allowances, etc.)

Subject: Change of bank account details

Dear Sir/Dear Madam,

Please note that my bank account details have changed.

Name of the old bank:

Account number (*IBAN code old bank*): _____

My new bank account details are as follows:

Name of the new bank:

Account number (*IBAN code new bank*): _____

Yours sincerely,

Signature of the clients(s)



ANNEX 4

Standard letter

Transferring direct debits to a new account

(electricity bills, telephone, taxes, etc.)

Subject: Change of bank account details

Dear Sir/Dear Madam,

Please note that my bank account details have changed.

Name of the old bank: _____

Account number (*IBAN code old bank*): _____

My new bank account details are as follows:

Name of the new bank: _____

Account number (*IBAN code new bank*): _____

I kindly ask you to debit this bank account for your direct debit collections related to direct debits mandate(s) number _____ with effect from (*at least 13 bank business days from the signature of the authorization*)

Yours sincerely,

Signature of the clients(s)



ANNEX 5
Account closure request

Subject: Request for the closure of the payment account

Dear Sir/Dear Madam,

I hereby kindly ask you to close my payment account:

Account number (IBAN code old bank): _____

And transfer any outstanding balance on my account: _____

Name of the new bank: _____

IBAN code new bank: _____

Yours sincerely,

Signature of the clients(s)

