



Bulletin 2

Pin Pad withdrawals





Our office deals with numerous complaints regarding losses incurred at ATMs. One of the problems we have identified concerns the following scenario:

On occasion, when a thief has obtained a consumer's ATM card and PIN, the consumer's losses are not merely limited (as many people believe) to their predetermined daily ATM withdrawal limit. The thief is also able to make withdrawals from a Pin Pad at a teller using only the stolen card and PIN as identification. These withdrawals can exceed more than the account holder's daily ATM withdrawal limits, which effectively means that the daily withdrawal limit at an ATM is irrelevant during normal banking hours.

Consumers often allege that they were not aware of this withdrawal facility on their accounts and were thus exposed to substantial risk without being informed.

After all the relevant banks responded to our office's submissions, we are now satisfied that we have established good banking practice in this regard, as outlined below:

It is good banking practice for a bank to not allow withdrawals from a Pin Pad facility within a bank branch which exceed the client's daily ATM withdrawal limit, without verifying the client's identity document or similar form of identification, unless the client has specifically been informed of the facility, its procedure, limits and the risks inherent in having such a facility.

Any complaint relating to the abovementioned scenario, reported to our office, will be evaluated with due regard to this finding and any other relevant factors.

The Ombudsman for Banking Services

Reviewed January 2018