



## The Hong Kong Association of Banks

### Guideline on Banking Services for Persons with Dementia

December 2021

#### A. Introduction

1. The *Code of Banking Practice* is jointly issued by the Hong Kong Association of Banks (the "**Association**") and the DTC Association, and endorsed by the Hong Kong Monetary Authority, with a view to promoting good banking practices, and Section 10 thereof encourages member banks to provide customers with impairments with assistance and the appropriate means to access banking services.
2. As the ageing population in Hong Kong is growing, the number of people affected by dementia in Hong Kong is projected to increase. Dementia will interfere with the daily lives of these people as their cognitive abilities decline and their memory capacity deteriorates.
3. In order to provide more accessible banking services to customers with dementia to meet their daily needs and to properly protect their banking assets, the Association has formulated this Guideline on Banking Services for Persons with Dementia (this "**Guideline**"), setting forth the banking services for bank customers and the relevant good practices recommended by the Association.

#### B. Application and Implementation

4. This Guideline applies to all banks providing retail banking services, and the contents hereof are principle-based. Member banks shall formulate their own implementation details following the publication of this Guideline, and implement the recommendations contained in this Guideline within twelve months. The Association will review and amend this Guideline from time to time in light of the actual circumstances.

#### C. Basic Principles

5. Like the ordinary customers of banks, persons with dementia also need to access banking services to meet their daily needs. As the severity of the condition varies among persons with dementia, banks should enhance the understanding about dementia among their frontline staff, such as the different

stages of dementia, in order to assist persons with dementia or other persons in understanding the banking services that are available to them.

6. In providing services to persons with dementia, banks shall comply with the relevant requirements of the *Code of Banking Practice*, provide appropriate services, and explain clearly, among other things, the relevant terms, associated risks, fees and customers' responsibilities.

**D. Banking Services for Persons with Dementia**

7. Appropriate arrangements or authorisations may be made by customers under different circumstances with a view to preparing for the possible scenario of having dementia, particularly to facilitate the use of banking services or opening of bank accounts. Depending on the circumstances and in accordance with the relevant requirements/regulations, banks should provide appropriate banking services to customers in need. These include opening of dedicated bank accounts and provision of assistance for customers' better understanding of relevant services and arrangements for authorisation, etc.

**E. Basic Accounts**

8. Banks may open dedicated Hong Kong Dollar personal savings accounts ("**Basic Account**" hereinafter) for persons who meet the requirements set forth in paragraph 9 below, in light of the actual circumstances and as needed.

***Use and Service***

9. An authorised person holding an enduring power of attorney that has come into effect, executed in Hong Kong in the form prescribed under the Enduring Powers of Attorney Ordinance and successfully registered with the High Court of Hong Kong may apply to open a Basic Account on behalf of the relevant person with dementia (i.e. the donor of the said enduring power of attorney).
10. The power given under the valid legal document set forth in paragraph 9 above shall not restrict the authorised person from opening a Basic Account for the relevant person with dementia. The holder of the Basic Account shall be the person with dementia, and the authorised person may transfer funds from other accounts to the Basic Account.
11. Banks may provide ATM cards or debit cards equipped with payment functions to Basic Account holders (i.e. persons with dementia) to facilitate their daily access to basic banking services including deposits, withdrawals, bill payments, and payments and fund transfers. Daily withdrawal or debit transaction limits may be set for the ATM cards or debit cards.
12. Banks may provide online banking services and telephone banking services to Basic Account holders (i.e. persons with dementia).

### ***Role and Responsibilities of Authorised Persons***

13. Authorised persons may check the balances and transaction details of Basic Accounts through different channels, such as reviewing monthly statements, via bank branches, online banking or telephone banking; and may transfer funds to Basic Accounts as necessary within the applicable limits pursuant to the relevant legal documents (if any), in order to facilitate access to banking services by Basic Account holders (i.e. persons with dementia) to meet their daily needs.
14. Authorised persons should operate other accounts (if applicable) of Basic Account holders (i.e. persons with dementia) on the holders' behalf in accordance with the terms granting the power under the enduring power of attorney.

### ***Operations of Accounts and Service Fees***

15. Banks should allow Basic Account holders (i.e. persons with dementia) to use traditional written or seal signatures.
16. There should be no minimum deposit balance requirement for Basic Accounts.
17. Banks should flexibly handle applications by Basic Account holders (i.e. persons with dementia) or their authorised persons for a waiver of counter service charges, annual fees for ATM cards or debit cards, fees for printed monthly statements or other banking service charges for Basic Accounts.

### ***Customer Protection Measures***

18. To minimise the risks to Basic Account holders (i.e. persons with dementia) associated with their use of banking services, banks should adopt appropriate measures to protect customers, including:
  - (a) allow Basic Account holders (i.e. persons with dementia) to change the daily withdrawal or debit limits for their accounts. The application for such change shall be made at a bank branch. If the relevant application may only be submitted through online banking, the bank should verify the identity and instructions of the account holder before executing the relevant instructions to ensure the transactions are secure.
  - (b) Where Basic Account holders (i.e. persons with dementia) withdraw large sums of cash over the counter and bank staff suspect the Basic Account holder might be deceived, the bank may remind the customers with dementia to contact their family members, authorised persons, social workers or other appropriate persons.
  - (c) avoid marketing any investment, insurance, Mandatory Provident Fund, credit card and credit facility products to Basic Account holders (i.e. persons with dementia).

## **F. Other Relevant Services**

19. If a customer, despite not having dementia, wishes to put in place an enduring power of attorney or other relevant legal documents due to various considerations to facilitate the opening of a Basic Account or use of other banking services, banks should provide to the customer, and assist him/her in understanding, the information on the banking services available to persons with dementia and the relevant arrangements for authorisation set forth in Sections 7 to 18 above.
20. Where a bank staff, in providing banking services, suspects that a customer shows early signs of dementia, he/she should endeavour to introduce the relevant information and banking services to the customer, his/her family member(s), caregiver(s) and/or accompanying person(s) (if any) for their reference and consideration.
21. Where a bank learns from a customer's family member(s) or caregiver(s) that the customer has dementia, the bank should explain the relevant legal requirements/regulations (such as the basic information about the guardianship order issued by the Guardianship Board; and the committee appointed by the High Court of Hong Kong in accordance with the Mental Health Ordinance (if applicable)) to the family members or caregivers, with a view to helping them understand how to manage the customer's bank accounts, the required documents and the relevant procedural requirements. The bank may also remind the customer's family members or caregivers that they may seek independent legal advice where necessary.

## **G. Promotion**

22. The Association recommends banks to actively promote the banking services available to persons with dementia, and encourages member banks to produce promotional materials with respect to the application procedures, account synopsis, and other relevant information about the Basic Accounts, for customers' reference. For example, to provide information about documents required for opening Basic Accounts, including enduring power of attorney in the form prescribed under the Enduring Powers of Attorney Ordinance.

## **H. Training of Bank Staff**

23. To enhance bank staff's awareness and understanding of dementia and the relevant legislations, such as the Disability Discrimination Ordinance, banks should provide appropriate training to their staff, including induction training for new employees and regular on-the-job training for existing employees, and should make available to its staff relevant educational resources on the intranet platform.

24. To enhance the knowledge of bank staff of the procedures for opening Basic Accounts and the relevant legal documents to facilitate them to give better explanation to customers and their caregivers, the Association encourages banks to provide relevant training and guidelines to their frontline staff. Banks may consider collaborating with organisation(s) providing professional services to arrange training and briefing sessions on the relevant legal documents to their staff.
25. Banks may, through collaboration with relevant social welfare institutions such as the Hong Kong Council of Social Service and the Hong Kong Alzheimer's Disease Association, share information on Basic Accounts with persons with dementia, their accompanying persons or caregivers to enhance their understanding of Basic Accounts.

## Frequently Asked Questions

### Use and Services of Basic Accounts

1. **Q:** Are authorised persons allowed to open Basic Accounts for persons with dementia with different banks?  
**A:** Yes. Donors (i.e. persons with dementia) and authorised persons may apply for Basic Account services with different banks as needed.
2. **Q:** What are the purposes and benefits of opening a Basic Account?  
**A:** Basic Accounts provide basic banking services with safeguards. Not only do Basic Accounts make it easier for customers with dementia to manage their daily affairs, they also allow customers to enjoy autonomy while being properly protected.
3. **Q:** Are Basic Accounts subject to a limit on the deposit amount?  
**A:** Basic Accounts may have no deposit limits. Authorised persons or the customer may decide the amounts to be deposited as needed (or within the limits set under the relevant legal documents, if applicable).
4. **Q:** Are customers allowed to adjust the withdrawal limits for ATM cards/debit cards with basic functions that are linked to Basic Accounts?  
**A:** With proper safeguards in place, customers or their authorised persons may apply to adjust the withdrawal limits for the ATM cards/debit cards.
5. **Q:** Can Basic Accounts be linked to other stored value facilities?  
**A:** Banks may provide customers with the option to link their Basic Accounts to stored value facilities to provide convenience to Basic Account holders in meeting their daily needs.

### Authorised Persons

6. **Q:** If a family member of a person with dementia requests to open a Basic Account at a bank, how would the bank know if he/she is an authorised person?  
**A:** The enduring power of attorney will clearly set forth the information about the authorised person.
7. **Q:** If a customer has previously presented a general power of attorney for certain banking matters, and subsequently present an enduring power of attorney, which document should the bank accept?  
**A:** The bank should review the relevant provisions contained in a valid enduring power of attorney to ascertain its effective date, and whether the enduring power

of attorney has been successfully registered with the High Court of Hong Kong. If the customer is able to present an enduring power of attorney that has come into effect and has been successfully registered with the High Court of Hong Kong, the enduring power of attorney will supersede the general power of attorney in relation to the relevant banking matters.

8. **Q:** Do banks accept an enduring power of attorney that has not been registered with the High Court of Hong Kong?

**A:** Banks only accept enduring powers of attorney that have been successfully registered with the High Court of Hong Kong.

### **Communication with Customers**

9. **Q:** What should a bank do if, in the course of providing services to a customer, it notices that the customer's behaviour is unusual (e.g. the customer makes withdrawals repeatedly on the same day but does not remember that he/she has made withdrawals earlier), while the bank has been informed by the customer's family members that the customer suffers from dementia?

**A:** Repeated withdrawals by an elderly customer may trigger an alert to a bank that the customer might be a victim of deception. In order to protect the interest of the customer, the bank may temporarily suspend the processing of the customer's withdrawal instructions. If the customer has put in place special instructions for his/her account, the bank may try to contact his/her family members. If there are no special instructions in place, the bank should encourage the customer to visit a bank branch in the company of family member(s). Having dementia does not necessarily mean that the customer is mentally incapacitated. Thus, the bank should continue communicating with the customer and his/her family member(s) to gain a better understanding of the customer's mental state and capacity.

10. **Q:** Can banks put in place special instruction(s) for customers with dementia at the request of their family member(s)?

*(An example: A customer accompanied by a family member visited a bank branch expressing concerns about the amount of cash withdrawn by his/her father (being the bank customer). Special arrangement has been put in place for this customer because the bank knows him well. In particular, the branch would call the customer's family member concerned to give a reminder whenever the customer makes a withdrawal exceeding a certain limit at the branch, so that the family member may communicate with the customer when he/she makes the withdrawal.)*

**A:** To protect the interests of account holders, banks generally do not recommend setting up special instructions for customers at the request of their

family members. However, frontline staff may exercise discretion to make appropriate arrangements depending on individual circumstances.