

Information about the account switching service under Article 12 of the Payment Accounts Act

Information about the account switching service for consumers

According to the Payment Accounts Act (Zahlungskontengesetz), payment service providers are obligated to assist consumers who are opening a payment account (henceforth: account) or who hold such an account (henceforth: client) with switching accounts. This assistance includes performing the account switch within Liechtenstein and providing support with the cross-border account opening process within the EEA. For the account switching service to be used, both accounts concerned must be held in the same currency and their account holders must be identical.

Account switching within Liechtenstein

The receiving payment service provider must initiate the account switch at the re-quest of the client as soon as it has received the correctly completed authorisation from the client. The authorisation describes which tasks the transferring payment service provider (previous bank) and the receiving payment service provider (new bank) must carry out. In the case of two or more account holders, the authorisation must be provided by each account holder.

The account switching service is divided into a number of phases:

Phase 1: within two business days of receipt of the correctly completed authorisation, the receiving payment service provider asks the transferring payment service provider to provide it with a list of existing standing orders and the necessary information regarding existing direct debit mandates that are to be transferred with the account switch. It also requests the available information regarding recurring incoming transfers and direct debits initiated by the payment recipient to the client's account in the preceding 13 months.

Phase 2: within five business days of receipt of this request, the transferring payment service provider forwards the necessary information to the receiving payment service provider.

Phase 3: within five business days of receipt of all necessary information, the receiving payment service provider implements the client's defined requirements. This occurs in consultation with the client if necessary. For instance, the receiving payment service provider sets up the desired standing orders, discloses the new account details to the payment transaction partners named in the authorisation who make recurring incoming transfers to the account or charge amounts of money to the account via direct debit transactions, and/or provides the client with a template letter for notifying payment transaction partners independently, if necessary. When recording direct debit transactions, the receiving payment service provider relies on the assistance of the client: new forms might be required, which the client may (or may need to) request directly from the direct debit recipient.

The transferring payment service provider will no longer accept direct debits and incoming transfers and will cancel standing orders with effect from the date indicated in the authorisation. It will also transfer any existing positive balance on the account to the account opened and held with the receiving payment service provider, provided this was requested in the authorisation. It will also close the account – subject to an agreed notice period – provided the client has no outstanding obligations on it.

If the client's account cannot be closed by the date stated in the authorisation due to outstanding obligations, the transferring payment service provider will promptly inform the client of this.

Assistance with the cross-border account opening process

Following receipt of a corresponding request, the transferring payment service provider must provide the following assistance to a client who holds an account with it and wishes to open an account with a payment service provider located in another EEA member state:

- a) It will provide the client with a directory containing all current standing orders and, if available, direct debit mandates initiated by the payer, as well as the available information about all recurring incoming transfers and direct debits initiated by the payment recipient to the client's account in the preceding 13 months free of charge.
- b) It will transfer any remaining positive balance on the client's account to the account opened or held with the new payment service provider, provided that the request contains complete information that enables the new payment service provider and the client's account to be identified.
- c) It will close the client's account.

If there are no outstanding obligations on the account, the desired information will be forwarded, any positive balance will be transferred and the account will be closed by the date requested by the client, which must be at least six business days after receipt of the client's request. However, any agreed notice periods remain unaffected.

Fees for the account switching service

The transferring and the receiving payment service provider must grant the client free access to their personal data which these providers hold with respect to existing standing orders and direct debits. This also concerns provision of the necessary data.

The transferring payment service provider may only charge the client fees for the termination of the account it holds if the requirements of Article 67 (2) and (4) of the Payment Services Act (Zahlungsdienstegesetz) are met.

The client may only be charged fees for all other services which the transferring or the receiving payment service provider is required to provide in connection with account switching if they are reasonable and based on the actual costs incurred by the payment service provider concerned.

Consumer complaints

The Liechtenstein Conciliation Board may be contacted in the event of complaints.

Contact details for the Liechtenstein Conciliation Board:

Dr Peter Wolff, lawyer
Mitteldorf 1, P.O. Box 343, 9490 Vaduz
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