

Information on the transfer of settlement services

1. Transfer of settlement services

Have you thought about transferring your settlement services to another bank operating in Estonia? If so, the banks will advise and help you with the necessary operations and offer the service of transferring your settlement services.

The service of transferring settlement services is only offered to consumers and only between banks operating in Estonia.

The service of transferring settlement services involves the current account and settlement services related to it, i.e. e-invoice standing order agreements (if such service is offered by the new bank) and standing payment orders.

Within the framework of the cross-border transferring of settlement services, you will be assisted by the banks in preparing the necessary information.

In case of the service of transferring settlement services, you can choose whether to transfer to the new bank:

- Your current account with all standing order agreements and e-invoice standing order agreements (full transfer of settlement services) or
- Only the standing order and e-invoice standing order agreements (partial transfer of settlement services).

In certain cases, settlement services can only be transferred in part.

The transfer of settlement account means closing the current account in your previous bank and opening a new current account in a new bank. Upon transfer, the current account number shall change. The general terms and requirements of the new bank apply to opening a current account. You must issue new authorisations for the disposal of the current account at the new bank.

Transferring standing order agreements and e-invoice standing order agreements means terminating the agreements at the previous bank and concluding new agreements at the new bank based on their terms and conditions.

The bank service might not be available during the period, when the former bank has closed the services and these are not yet opened at the new bank or are not yet ready for use (e.g. debit card has not been issued, account balance is subject to transfer. Please note! In addition, you should take weekends and public holidays into consideration, which could prolong the waiting period).

2. Exclusions and preventing circumstances

You should consider that the transferring of settlement services is not possible at all, if one of the following exclusions applies to you:

- Your current account has been attached;
- You have outstanding debt to the previous bank (e.g. service fee or other type of debt)
- There are other impediments arising from the law which preclude the transfer of your current account and the related settlement services.
- There are the following preventing circumstances to the total transfer of settlement services:
- You and your bank have concluded a:
 - credit agreement (e.g. home loan agreement, overdraft agreement, credit card agreement or any other agreements of loan products)
 - bank's securities management agreement;
 - term deposit, investment deposit, saving or operating deposit, or some other investment product agreement.
- Your current account at the previous bank is used for depositing foreign currency, as a multiple account or multiple currency account and the balance is not sufficient to cover the service fees related to the transfer of euros or other currencies.

In case of the abovementioned preventing circumstances, it is possible to use partial transfer and only to transfer the standing order agreements and e-invoice standing order agreements. Upon the partial transferring of settlement services, the current account opened at the former bank is not closed and the account agreement remains in effect.

3. Functioning of e-invoice standing order payments

When transferring e-invoice standing order payments, it is vital to consider the following information when making your decision:

- an e-invoice standing order payment can only be transferred when the service provider (i.e. the person to whom you are making payments on the basis of an e-invoice standing order payment) sends your e-invoices to the new bank;
- as a payer, you are able to pay invoices on the basis of an e-invoice standing order payment of a particular service provider only in the bank which receives the e-invoice. This means that when you transfer your e-invoice standing order payment to another bank, you need to make a new application for an e-invoice standing order payment so that the service provider

would know that from now on they need to send your invoices to another bank.

Please note that it depends on the date of making the e-invoice standing order payment application whether the service provider manages to send your e-invoice to the new bank on time, or the compilation of invoices has already started and you will receive the e-invoice to your new bank the following month.

This means that there may be a period between terminating an old e-invoice standing order payment and paying your e-invoice based on the new e-invoice standing order payment, when you need to make sure that the issued e-invoices are paid on time, as:

- When terminating the e-invoice standing order agreement, the former bank will not forward to the new bank e-invoices which have been received at the previous bank, but the payment due date of which has not arrived by the day the e-invoice standing order agreement is terminated;
- If the e-invoice is not paid in time, the service provider may add the owed amount to the next e-invoice or start calculating interest on arrears;
- When you have set a limit for the size of the regular payments in your e-invoice standing order payment agreement, the limit may prevent the debt from being covered in the following period;
- Many service providers stop the provision of service when the client has not paid their last invoice;
- You are responsible for the settlement of debt and payment of the related costs.

E-invoices ordered to the former bank, for which you have not concluded the e-invoice standing order agreement, cannot be transferred to the new bank. For these, you will have to submit a new application at the new bank.

4. Transfer times and fees

The whole transfer process takes roughly 1 month, with 1 additional month for making payments on the basis of new e-invoice standing order payments.

Closing your current account in the previous bank is free of charge for you in the transfer process. However, a fee is charged for transferring the current account balance and here you should consider the following:

- The service fee for the transfer is paid in accordance with the price list of your previous bank. When making the transfer in any other currency than the euro, the service fee for a cross-border payment shall be paid as per the price list of the former bank.
- If the funds in the current account opened with your previous bank are in a currency not quoted by the new bank, the new bank shall convert the funds in the said currency based on its sales rate.

In any case, we advise you to examine the price list of banks. Forwarding information on the standing payment

order and e-invoice standing order agreements, to be transferred to the new bank, is free for you. For other services related to the transfer, you will have to pay in accordance with the price list of the banks.

5. Settlement of disputes

The law of the Republic of Estonia is applied to the transfer of settlement services.

An attempt is made to resolve all disputes by agreement.

If you are not able to reach an agreement with the bank, you may contact the Consumer Disputes Committee, operating at the Consumer Protection Board (Kiriku 4, 15071 Tallinn, www.tarbijakaitseamet.ee), with whom you can also file a complaint digitally via the Online Dispute Resolution website at ec.europa.eu/odr.

You may examine the rules of procedure of the committee at www.tarbijakaitseamet.ee.

If the dispute cannot be resolved by agreement, it will be resolved by a court according to the bank's general terms and conditions.

6. It is important to do the process in the correct order when taking advantage of the transfer service

Step one

Choose the bank where to transfer your settlement services and make sure the conditions on which the new bank offers the services that are of interest to you. Contact the bank and file an application to initiate the transfer process.

Step two

The new bank will be your contact for all of the information on whether the transfer is possible or there are any impediments, how long the transfer process will take and any other necessary information.

If you wish, the new bank will send inquiries based on your application to your former bank and ascertain the possibility of a transfer, as well as all information about the standing payment order and e-invoice standing order agreements, plus information about e-invoices delivered to the previous bank, but not yet paid.

Answer from the previous bank reaches the new bank in 8 days. If you wish, you can source the information from the previous bank yourself and present it to the new bank.

The new bank informs you of the answer and together you can agree on which settlement services will be transferred to the new bank. The new bank will also make sure to inform you when the transfer is impossible due to impediments. In order to eliminate them you need to communicate directly with your previous bank.

Step three

When the transfer is possible, your new bank will provide you with a letter template to inform all your contractual

partners (e.g. employer or contractual partner making regular payments to you) of your new current account.

According to your wishes, the new bank forwards to the previous bank the final order to, either:

- close the account, transfer the balance to the new bank and terminate the transferred settlement agreements and other agreements of banking services, or
- terminate the transferred settlement service contracts related to the account.

Then you need to conclude new e-invoice standing order agreements (including new e-invoice standing order applications) and standing order agreements at your new bank.

More information on the transfer of settlement services is available on the web page of the Estonian Banking Association at www.pangaliit.ee. You can address the banks offering the transfer service with any questions you might have.