



BANCO DE PORTUGAL
EUROSYSTEM

Circular Letter

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Subject: Supply of information to Banco de Portugal on the provision of consumer credit products via digital channels

The increase commercialisation of retail banking products and services via digital channels, such as applications for mobile devices (apps) and online platforms, poses new challenges to the supervisor, in particular regarding access to the information needed to comply with the legal and regulatory requirements applicable to the provision of these products and services, as well as to monitor the functioning of retail banking markets via digital channels.

Although technological innovation encompasses different retail banking products and services, it is a priority to obtain information that enables the supervision and monitoring of the practices of credit institutions and financial companies, regarding the sale of credit agreements covered by the provisions of Decree-Law No 133/2009 of 2 June 2009 (hereinafter, 'consumer credit agreements'), when the contracting process for these agreements is started and concluded via digital channels.

Thus, in the exercise of the powers conferred under Article 17 of its Organic Law, approved by Law No 5/98 of 31 January 1998, and under Article 120 (1) (e) of the Legal Framework of Credit Institutions and Financial Companies, approved by Decree-Law No 298/92 of 31 December 1992, Banco de Portugal transmit the following:

1. Credit institutions and financial companies (hereinafter 'institutions') providing their customers access to digital channels to start and conclude the contracting process for consumer credit products shall supply to Banco de Portugal information on the specific features of this process, the security mechanisms implemented and the characteristics of the credit products in question.
2. Where the institutions want to give their customers access to digital channels to start and conclude the contracting process for a specific consumer credit product, the institutions shall send the following elements to Banco de Portugal, at least 10 (ten) working days before the scheduled date for the commencement of the provision of said product via digital channels:

- (a) The questionnaire annexed to this Circular Letter, of which it is an integral part, duly filled in, in an 'Excel' file, identified with the name '[DigitalQuestionnaire – Institution code – Trade name of the product – YYYYMMDD]', of which 'YYYYMMDD' is the date on which the respective communication is sent ('YYYY' is the year in four digits, 'MM' is the month in two digits and 'DD' is the day in two digits);
 - (b) The pre-contractual information documents on the product in question; and
 - (c) The product information sheet.
- 3. The institutions that on this date already provide their customers access to digital channels to start and conclude the contracting process for consumer credit products shall send to Banco de Portugal, by 28 February 2018, the information elements set out in paragraph (2) above regarding each of the credit products in question.
- 4. When significant changes are introduced in the contracting process or in the functionalities of the digital channel used for the provision of a consumer credit product that has already been reported to Banco de Portugal, under the terms laid down in the foregoing paragraphs, the institutions shall send to Banco de Portugal the information elements set out in paragraph (2), reflecting the changes made at least 10 (ten) working days before the date foreseen for the entry into force of said changes.
- 5. The institutions shall indicate to Banco de Portugal, within 10 (ten) working days, a contact person, as well as his/her phone number and email address. For the purposes of this Circular Letter, the contact person will deal with the practical aspects (such as the delivery of the questionnaire referred to in paragraph (2) (a) in an 'Excel' file), and will provide any additional explanations deemed necessary.
- 6. The information requested under this Circular Letter shall be sent to Banco de Portugal, to the following email address: supervisao.comportamental@bportugal.pt.

Annex to Circular Letter of Banco de Portugal No CC/2018/00000004

Questionnaire on consumer credit products provided through digital channels

1. Institution identification			
1.1	Name		
1.2	Code		
2. General information on the credit product			
2.1	Product name	[Product commercial identification]	
2.2	Credit category (Instruction of Banco de Portugal No 14/2013)	[AA01; AA02; AA03; AA04; AA05; AA06; AA07; AA08; AA09; AA10; AA11; AA12; AA13; AA14; AA15; AA16; AA17; AA18; AA19; AA20; AA21]	
2.3	Targeted persons	[Characterisation of the target customer (age group, ...)]	
2.4	Product sales channels	Online	
		Mobile	
		Other channels (Bank's premises, phone,...)	
2.5	Starting date of product provision via digital channels	Mobile	Online
2.6	Digital channel classification (if applicable)	General (customers only)	General (customers only) <input type="checkbox"/>
		General (for customers and non-customers)	General (for customers and non-customers) <input type="checkbox"/>
		Specific (customers only)	Specific (customers only) <input type="checkbox"/>
		Specific (for customers and non-customers)	Specific (for customers and non-customers) <input type="checkbox"/>
2.7	Identification of the external company that developed the software, if applicable		
3. Contracting process and provision of information to the customer			
3.1	Functionalities available in the contracting process	Mobile	Online
		Credit application by the consumer <input type="checkbox"/>	Credit application by the consumer <input type="checkbox"/>
		Simulation <input type="checkbox"/>	Simulation <input type="checkbox"/>
		Proposal <input type="checkbox"/>	Proposal <input type="checkbox"/>
		Conclusion of the credit agreement <input type="checkbox"/>	Conclusion of the credit agreement <input type="checkbox"/>
Indicate any other available functionalities			
3.2	(Minimum) time foreseen for the contracting process		
3.3	Phases described to the customer before starting the contracting process	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
		No <input type="checkbox"/>	No <input type="checkbox"/>
3.4	Mechanism for the customer to request the copy of the draft credit agreement before the conclusion of the credit agreement	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		No <input type="checkbox"/>	No <input type="checkbox"/>
3.5	Access to pre-contractual information documents (Standard European Consumer Credit Information and copy of the draft credit agreement)	View only <input type="checkbox"/>	View only <input type="checkbox"/>
		In the 'customer area' <input type="checkbox"/>	In the 'customer area' <input type="checkbox"/>
		By email <input type="checkbox"/>	By email <input type="checkbox"/>
		Download <input type="checkbox"/>	Download <input type="checkbox"/>
		Download <input type="checkbox"/>	Download <input type="checkbox"/>
Indicate any other applicable			
3.6	Means by which the institution checks that the customer has received the pre-contractual information	Compulsory scroll down <input type="checkbox"/>	Compulsory scroll down <input type="checkbox"/>
		Compulsory opening of a document <input type="checkbox"/>	Compulsory opening of a document <input type="checkbox"/>
		Tick-box 'Read and accepted' <input type="checkbox"/>	Tick-box 'Read and accepted' <input type="checkbox"/>
		Indicate any other applicable	
3.7	Provision of information to the customer on the state of the contracting process	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
		No <input type="checkbox"/>	No <input type="checkbox"/>
If yes, specify how			
3.8	Possibility of the customer uploading the documents required for the process	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
		No <input type="checkbox"/>	No <input type="checkbox"/>
3.9	Means by which the credit agreement concluded is made available to the customer	In the 'customer area' <input type="checkbox"/>	In the 'customer area' <input type="checkbox"/>
		By email <input type="checkbox"/>	By email <input type="checkbox"/>
		Download <input type="checkbox"/>	Download <input type="checkbox"/>
Indicate any other applicable			

3.10	Possibility of withdrawal from the credit agreement directly via digital channels	Yes	<input type="checkbox"/>	Yes	<input type="checkbox"/>
		No	<input type="checkbox"/>	No	<input type="checkbox"/>
3.11	Available means to clarify customers' doubts	Chat	<input type="checkbox"/>	Chat	<input type="checkbox"/>
		Help line	<input type="checkbox"/>	Help line	<input type="checkbox"/>
		Warnings	<input type="checkbox"/>	Warnings	<input type="checkbox"/>
		FAQs	<input type="checkbox"/>	FAQs	<input type="checkbox"/>
Indicate any other applicable					
3.12	Record of timestamps of the contracting process phases	Yes	<input type="checkbox"/>	Yes	
		No	<input type="checkbox"/>	No	
4. Security					
4.1	Customer authentication procedures for first access	Customer's password	<input type="checkbox"/>	Customer's password	<input type="checkbox"/>
		Biometric data	<input type="checkbox"/>	Biometric data	<input type="checkbox"/>
		Matrix card coordinates	<input type="checkbox"/>	Matrix card coordinates	<input type="checkbox"/>
		Assigned access code	<input type="checkbox"/>	Assigned access code	<input type="checkbox"/>
		One-time password	<input type="checkbox"/>	One-time password	<input type="checkbox"/>
		Tokens sent to the customer	<input type="checkbox"/>	Tokens sent to the customer	<input type="checkbox"/>
		PIN	<input type="checkbox"/>	PIN	<input type="checkbox"/>
Indicate any other applicable					
4.2	Customer authentication procedures for subsequent access	Password defined by the customer	<input type="checkbox"/>	Password defined by the customer	<input type="checkbox"/>
		Biometric data	<input type="checkbox"/>	Biometric data	<input type="checkbox"/>
		Matrix card coordinates	<input type="checkbox"/>	Matrix card coordinates	<input type="checkbox"/>
		Assigned access code	<input type="checkbox"/>	Assigned access code	<input type="checkbox"/>
		One-time password	<input type="checkbox"/>	One-time password	<input type="checkbox"/>
		Tokens sent to the customer	<input type="checkbox"/>	Tokens sent to the customer	<input type="checkbox"/>
Indicate any other applicable					
4.3	Security mechanisms incorporated in digital channels	Inactivity time-out	<input type="checkbox"/>	Inactivity time-out	<input type="checkbox"/>
		Validation via SMS	<input type="checkbox"/>	Validation via SMS	<input type="checkbox"/>
		Indication of last login date	<input type="checkbox"/>	Indication of last login date	<input type="checkbox"/>
		Digital channel cipher/encryption	<input type="checkbox"/>	Digital channel cipher/encryption	<input type="checkbox"/>
		Data integrity in the digital channel	<input type="checkbox"/>	Data integrity in the digital channel	<input type="checkbox"/>
		Integrity of data stored in the institution's servers	<input type="checkbox"/>	Integrity of data stored in the institution's servers	<input type="checkbox"/>
Indicate any other applicable					
5. Other elements					
5.1	Standard European Consumer Credit Information template				
5.2	Draft credit agreement reporting date				
5.3	Product information sheet				

Filling-in instructions

This questionnaire is addressed to credit institutions and financial companies (hereinafter, 'institutions') that use digital channels to offer credit agreements covered by the provisions of Decree-Law No 133/2009 of 2 June 2009.

The questionnaire must be filled in when the contracting process for a credit product is started and concluded via digital channels (online channel or mobile channel), irrespective of whether the product in question is also sold via other channels.

Institutions must fill in one questionnaire for each credit product.

The questionnaire consists of the following sections: 1. Institution identification; 2. General information on the credit product; 3. Contracting process and provision of information to the customer; 4. Security; and 5. Other elements.

When multiple answers are available, all applicable options must be selected.

For the purposes of this questionnaire, the following should be considered:

Digital channel – includes the online channel and the mobile channel;

Online channel – customer's access channel to the banking products and services made available by the institution through the internet (browser);

Mobile channel – customer's access channel to the banking products and services made available by the institution through smartphone or tablet, in particular via apps;

Other channels – customer's access channels to the banking products and services made available by the institution other than an online channel or mobile channel (e.g. OTC, telephone);

General channel – platform enabling the customer's access to a wide range of banking products and services (e.g. homebanking);

Specific channel – exclusive platform for the provision of a specific digital product (e.g. mobile app exclusively intended for the provision of a specific credit product);

Timestamp – record of the time or date of occurrence of a particular event.
