

CORRECTION AND CANCELLATION OF ENTRIES
BY CREDIT CARD COMPANIES

Introduction

1. This regulation specifies the procedures governing the way credit card companies should follow in correcting entries in their customers' accounts. There are three types of corrections:
 - (a) Erroneous entries for which the credit card company is responsible;
 - (b) Other debits which must be corrected under the Debit Cards Law, 5746–1986 (henceforth, the law);
 - (c) Transactions implemented abroad by customers and cancelled by them.

Definitions

2. **“Correction of entry”** -
 - (a) Debit or credit of a customer arising from an error by a credit card company;
 - (b) Correction to the credit of customers' accounts, in accordance with the law, constituting “unauthorized revision” (section 6a of the law) or “transaction without documentation” (section 9 of the law).

“Credit card company” - An auxiliary corporation that issues (alone or jointly) debit cards and/or clearance with suppliers;

“Debit cards” - }
“Customer” - } As defined in the law;

- “Libor interest”** - The London Inter Bank Offered Rate customary at the banking corporation that controls the credit card company;
- “Prime interest”** A basic interest rate customary at the banking corporation that controls the credit card company.

Correction of entry

3. Correction of an entry in a customer’s local-currency account shall be equivalent to the amount in the entry that requires correction, *plus* the prime interest that is appropriate for the period between the date of the entry and the date of its correction.

4. (a) Correction of an entry in foreign currency, which was debited from the foreign-currency account of the holder of the debit card, shall be at the amount recorded in foreign currency requiring correction *plus* the Libor interest that is appropriate for the period between the date of the entry and the date of its correction;
- (b) Despite the aforesaid in subsection (a), a credit card company may make the correction in accordance with the Libor interest known on the first day of the month in which the correction was made;
- (c) Correction of an entry for foreign currency that was converted into local currency and debited in local currency to the account of the credit card holder, shall be made as specified in section 3.

5. (a) Section 3(a) of Banking (Service to Customers) (Ways of Calculating Interest) Regulations, 5751-1990 shall also apply to interest calculation as stated in sections 3 - 4 above;
- (b) Despite the aforesaid in sections 3–4 above, correction of an entry that is a debit of a customer’s account arising from an erroneous credit to the customer, shall not bear interest.

Canceling a transaction abroad at a customer's initiative

6. When a customer has been credited due to the cancellation of a transaction to purchase goods and/or services abroad, if the credit was made in local-currency, the relevant exchange rate shall be the (high) rate of transfers and checks for the US dollar at the time of the credit, as is customary in the bank that controls the credit card company.

Notice to customer

7. (a) If a credit card company has corrected an entry in a customer's account, it shall inform the customer of this. The notice shall include details regarding the date of the correction, the amount corrected, and the amount of interest;
(b) A notice as specified in subsection (a) may also be submitted in the monthly statement of credit card transactions.

Claim for additional financial loss

8. Nothing in this regulation impairs the rights of the customer or the credit card company to recourse under law, and the customer should not be required to waive his rights against payment of interest in accordance with this regulation.

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