



MISTAKEN INTERNET PAYMENTS FACT SHEET

INCORRECT ACCOUNT NUMBERS IN INTERNET BANKING TRANSFERS

Disclaimer: Consumer Credit Legal Service (WA) Inc. produced this information as a general guide only. The information is not legal advice. You may ring us on (08) 9221 7066 for more help.

CASE STUDY

Adam uses online banking to send \$2,000 to a friend's bank account. However, when he called his friend the next week, he said he never received the money. Adam went back to double check the transfer and saw that one digit was incorrect in the account number. Unsure what to do, he calls CCLSWA for advice. Adam is told that he should contact his bank immediately and explain the situation. His bank can attempt to have the mistaken payment returned.

Internet banking is a convenient and common method for transferring money from one bank account to another. If you are using internet or mobile banking to transfer money to another account you should be careful to make sure **all** the details you give the bank are correct.

What is a mistaken internet payment?

A mistaken internet payment is a payment made through internet banking where money is paid into the account of an unintended recipient. This is usually because the user has incorrectly entered the BSB ('Bank State Branch') and / or account number.

We recommend you double check that the BSB number and account numbers are correct every time you make an internet payment. To check the BSB you can use the Australian Payments Clearing Association's [Search BSB tool](#).

How can I report a mistaken internet payment?

Banks are required to have a process for users to report mistaken internet payments, which should be free or for the cost of a local call only. However, each bank may have its own process so you should contact your bank for more information on this.

What happens after I report that I have made a mistaken internet payment?

Firstly, the bank which sent the money (**your bank**) investigates whether a mistaken internet payment has occurred. If they are satisfied of this then they will send the bank who received the money (**the other bank**) a request for the return of the money.

Secondly, within 5 business days, the other bank must acknowledge the request from your bank and advise your bank whether there are sufficient funds in the account of the other party.

Your ability to recover the funds depends on the time taken to report the mistaken internet payment and whether or not there are funds available in the account of the other party. The timeframe the bank has to return the funds from the date it receives the request depends on which criteria is met. This is summarised in the table below.

Timeframe the bank has to return the funds	Criteria
5 to 10 business days	<ul style="list-style-type: none">• You report the mistaken internet payment within 10 business days of making the payment• There are sufficient funds available in the other party's account; and• Your bank and the other bank are satisfied that it is a mistaken internet payment.
42 business days	<ul style="list-style-type: none">• You report the mistaken internet payment between 10 business days and 7 months of making the payment;• There are sufficient funds available in the other party's account; and• Your bank and the other bank are satisfied that it is a mistaken internet payment.
As soon as practicable	<ul style="list-style-type: none">• You report the mistaken internet payment after 7 months of making the payment;• There are sufficient funds available in the other party's account;• Your bank and the other bank are satisfied that it is a mistaken internet payment;• The other bank has sought the consent of the other party to return the funds; and• The other party consents to the return of the funds.

What if the other party does not have the funds in their account?

The other bank is only required to use reasonable endeavours to recover the funds from the other party. Reasonable endeavours can include setting up repayments by instalments.

What if you are not happy with the bank's attempts to recover the money?

You can make a complaint to your bank's internal dispute resolution department about how the request was dealt with. If you are still not satisfied with the outcome of this complaint, you can then make a complaint to your bank's external dispute resolution scheme, the Australian Financial Complaints Authority (**AFCA**). Contact details for AFCA are below.

For further information contact:

Consumer Credit Legal Service (WA) Inc.

Website: www.cclswa.org.au

Advice line number: (08) 9221 7066

Australian Financial Complaints Authority

Website: www.afca.org.au

Email: info@afca.org.au

Telephone number: 1800 931 678