

## Mistaken Internet Banking Payments

### Incorrect Account Numbers in Internet Banking Transfers

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#### 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 CCLS 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 enter 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.

Banks are not currently required to check that the account numbers you have entered match the account name. So, 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 [BSB Search Tool](#). 

#### How can I report a mistaken internet payment?

Most banks subscribe to the [ePayments Code](#). The ePayments Code regulates electronic payments and provides that banks must have a process for users to report mistaken internet payments, which should be free or for the cost of a local call only.

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

The ePayments Code lays out the process the bank must follow when you report a mistaken internet payment.

Firstly, your bank must investigate.

Following investigation, if your bank and the receiving bank are satisfied that a mistaken internet payment has occurred, and there are sufficient funds available in the unintended recipients account, your ability to recover the funds and the time frames applicable to the bank's actions may depend on the time you have taken to report the mistaken internet payment.

The following is the process where you report a mistaken internet payment within **10 business days**.

<b>Bank's Actions</b>	<b>Time Frame</b>
If your bank is satisfied that a mistaken internet payment has occurred, they must notify the receiving bank and request a return of the funds.	Within 5 days of receiving your report.
The receiving bank must acknowledge the request for a return of the funds and advise your bank whether there are sufficient funds available in the account of the unintended recipient.	Within 5 days of receiving your bank's request.
If there are sufficient funds available, and if it is satisfied that a mistaken payment occurred, the other bank must return the funds to your bank.  Even if the other bank is not satisfied that the payment was mistaken, they can request the consent of the unintended recipient to return the funds to you.	Within 5 business days of receiving your bank's request. However, if 5 days is not practicable, it will be acceptable to take a maximum of 10 business days.
Your bank must then return the funds to you.	As soon as practicable.

The following process applies where you report a mistaken payment between **10 business days and 7 months** after making the payment.

<b>Bank's Actions</b>	<b>Time Frame</b>
The receiving bank must complete an investigation into the reported mistaken payment.	Within 10 business days of receiving notification from your bank.
The receiving bank must also prevent the unintended recipient from withdrawing the funds for a 10-day period and inform the unintended recipient that if an entitlement to the funds is not established by them, the funds will be withdrawn from the account.	Within 10 business days of receiving notification from your bank.
If the unintended recipient cannot prove it is entitled to the funds, the receiving bank must return the funds to your bank.	Within 2 business days of the expiry of the 10-day period the unintended recipient could not access the funds.
If the other bank is not satisfied that a mistaken payment has occurred, it can seek the consent of the unintended recipient to return the funds to you.	

The following is the process where you make a report **7 months or more** after the mistaken payment.

Bank's Actions	Time Frank
If satisfied that a mistaken payment occurred, the receiving bank must seek the consent of the unintended recipient to return the funds to you.	As soon as practicable.
If not satisfied that a mistaken payment occurred, the other bank may still seek the consent of the unintended recipient to return the funds to you.	
If the unintended recipient consents to the return of the funds, then the receiving bank must send the funds to your bank. Your bank must then return the funds to you.	

If your bank is not satisfied that a mistaken internet payment has occurred, then it is not required to take further action.

Both sending and receiving banks must keep records to evidence the steps they took to comply with the ePayments Code.

### 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 using the contact details available on. If you are not satisfied with the outcome of your complaint, you can make a complaint to the Australian Financial Complaints Authority (**AFCA**). Contact details for AFCA are below.

<b>For further information contact/review</b>
Consumer Credit Legal Service Website: <a href="http://www.cclswa.org.au">www.cclswa.org.au</a> Advice line: (08) 9221 7066
Australian Financial Complaints Authority Website: <a href="http://www.afca.org.au">www.afca.org.au</a> Phone: 1800 931 678
<a href="#">ePayments Code</a>