



Legal

Dr. Ivan Mifsud LLD PHD

The right to a bank account

*Although this case may not appear to be related to the work of a Construction Project Manager, it is being included because it is useful to know one's rights and to know about where one can seek one's rights should they be breached. Hence the inclusion of a case dealt with by the Arbiter for Financial Services (<https://www.financialarbiter.org.mt/>) who deals with complaints against banks, insurance companies, investment service providers and other entities in the financial services industry. **Complaints must be lodged within two years from when the individual first got to know about the subject matter.** Complainants must first write to the financial services provider and allow them time in which to reply, before complaining formally to the Arbiter.*

On this particular occasion (Ref: Case ASF 016/23) a seventy-six year old man subject to criminal charges under anti-money laundering legislation, whose only source of income at that time was a government pension of around €1,000 per month, found himself in a fix when his banks (the two largest in Malta who we shall refer to as Bank A and Bank B in this article) decided that this individual, facing criminal charges, was beyond their risk appetite. Bank A closed all his accounts, so this individual gave instructions to the pensions department to pay his monthly pension into Bank B. All went well until Bank B also closed his account, leaving him with no bank account at all. He approached other banks, but they refused to allow him to open a bank account with them, while the

government insisted that he must provide them with a bank account in which to pay his pension. He complained to the Arbiter, who ruled that every individual had a right to a basic payments bank account (i.e. a bank in which one can deposit money into, and withdraw money therefrom, and the right to a debit card to facilitate withdrawals and with which to pay). While Bank B queried why it should carry this burden and not Bank A, on the basis that this individual did most of his banking throughout his life with Bank A, the Arbiter ruled that when Bank A had terminated its relationship with him it has not breached this basic right because there was still Bank B, but when Bank B did the same it breached his rights because there was no other bank for him to turn to.

The Arbiter also observed that an elderly man cannot be expected to carry amounts of cash with him, wherever he goes, because of the risk he would be incurring, but ruled that in this bank account, to make monitoring easy for Bank B, he would only be able to deposit his government pension thus eliminating any risk of anti-money laundering or suspicious transactions.



Looking for a Construction Project Manager or a Site Manager?

Reach out to our chamber and we will help you find the right professional for the job!



E: info@mccm.org.mt
W: www.mccm.org.mt
T: +356 7711 6778