

## Consumer VICTORY for Chee as court upholds RM250 cap on lost credit cards

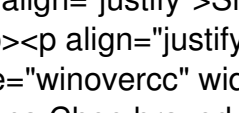
Written by 3K Admin

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Sheila Rahman

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WHEN Diana Chee braved the potential clients wanting to pick up cheap fares at last year's Matta Fair, she was hoping to supplement her income as a part-time travel salesperson.

Little did she bargain for a legal journey that would take her to the courts - but one which yesterday ended with a victory. Not just for her but also for millions of other credit card holders in the country.

In a landmark decision, the Kuala Lumpur High Court declared that the terms and conditions of Citibank credit cards that allowed it to charge the card holder more than RM250 in cases where the card was stolen, were illegal.

Chee's credit card was stolen when her handbag was pickpocketed during her visit to the Matta Fair and she only discovered the theft the next day. She then promptly reported the loss to the bank.

The bank, however, debited her account by RM1,859.01 for charges made to the card. Despite her request, the bank refused to waive the charges and relied upon the terms and conditions on their printed form.

Justice Datuk Mohamed Apandi Ali held that Bank Negara Guidelines on Credit Cards issued to all such companies in Malaysia "had the force of law". He also held that the guidelines limited the liability of the cardholder to only RM250 where loss is reported promptly.

Apandi held that "the bank's attempt to modify these guidelines and to remove this protection was contrary to law and public policy".

The decision of the High Court also declared the bank to be in contravention of the Payments Systems Act that could subject the organisation to a maximum penalty of RM500,000 and a further fine of RM1,000 per day as long as the offence continues.

Datuk Vijay Kumar Natarajan appeared for Chee while the bank was represented by Robin Lim.

Chee, 25, said she was relieved and grateful that her ordeal was over as the charges would have amounted to almost her entire month's salary.

She was also thankful that a senior counsel had agreed to take up her case and refer the matter to the High Court for a ruling.

"I lodged a complaint with Bank Negara but no action was taken by the Central Bank to enforce the guidelines it had issued," Chee told Malay Mail. "I also didn't receive any conclusive reply to my complaint."

Chee said she was adamant not to give in and had no alternative but to seek redress from the court. However, legal cost was a worry for her. "I am thankful that my counsel agreed to take up the case. I sincerely hope that Bank Negara will now ensure that card issuers follow the guidelines and take all necessary action to protect consumers like me."

"There are many cases one can read about over the Internet - and many have been made to pay thousands when they should not have paid more than RM250."

Consumer activists such as the Consumer Association of Penang long been pushing for the enforcement of the guidelines since they were issued in March 2003.

There had been numerous reports of cardholders being penalised and facing hardship in having to pay for goods that had been bought on their stolen cards. Many were forced into paying, sometimes discounted amounts which were much more than RM250.

With yesterday's ruling, the general public can breathe a sigh of relief as there have been hundreds of such cases brought up in the past. Efforts to obtain a more sympathetic approach from the banks, especially in cases where the cards were stolen, had not achieved much success.

Source: <a

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