Frequently Asked Questions

Electronic payments

INTRODUCTION

Bank of Uganda (BoU) is the Central Bank of the Republic of Uganda and is the banker to commercial banks and the government.

Bank of Uganda licenses and supervises financial institutions, including Payment Services Providers, Payment Systems Operators and Issuers of Payment Instruments. These entities support the execution of digital payments through electronic money, which most people know as mobile money. In doing so, Bank of Uganda ensures the safety and efficiency of the National Payment Systems.

FREQUENTLY ASKED QUESTIONS (FAQS)

1) What is a dormant account, and how can someone claim money from a dormant account (Mobile money account)?

A dormant account is one that has not had any activity for a period of nine consecutive months; therefore, the service provider will designate such an account as a dormant account.

However, the service provider must give the customers at least one month's notice before an account is declared dormant.

2) How do I access money from deceased relatives' mobile money or bank accounts?

To enable you to fully appreciate this, let's first consider the process that a dormant account goes through;

- Upon being declared dormant, a mobile-money account is immediately suspended, and no transactions are permitted on it until it is reactivated.
- The customer is then notified that the account is suspended or blocked, and no transactions shall be permitted until the account is reactivated.

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1 *"To develop, maintain and promote safe, efficient and inclusive payment systems in Uganda"*

- If such an account is not reactivated within six months after being suspended/blocked, the account is closed, and the balances transferred to the central bank.
- For the funds received in this regard, Bank of Uganda has an obligation to refund the balances if a request is received within seven years after the amount was transferred to Bank of Uganda.
- In case the seven years lapse without a claim for refund, the amounts are transferred to the Government account at Bank of Uganda (consolidated fund).

Therefore, if somebody dies, their legal representative can claim the funds as part of the deceased's estate at any of the above stages

Procedure of claiming money from a dormant mobile money account.

- The customer submits a request for a refund of unclaimed balances to the respective mobile money service provider.
- The mobile money service provider reviews the request and conducts a customer due diligence, and if satisfied, forwards the claim to the Bank of Uganda for processing.
- The request should include copies of the customer identification documents and an active alternative telephone number or account number where the money can be sent.

3)What measures can be taken to safeguard against unauthorized access to your mobile money or bank account?

- Safeguard your payment instruments such as cards, phones, laptops, etc.
- Never share PINs or other personal financial information with anyone.
- Customers should also be careful not to talk about their financial transactions in public.
- Personally follow up with your financial service provider when replacing a lost or damaged card, or when seeking advice on access to a digital financial service.
- Immediately report to your financial service provider as soon as a mobile gadget is lost.
- Ensure that your contact details registered with the financial service provider are up to date.
- Understand the various costs or charges of using a given digital financial service. Ask your digital financial service provider about the various costs and implications.

When conducting online transactions such as shopping through websites:

- You should deal with reputable shopping platforms.
- Check the payment options and use the ones that are verified and trustworthy.
- Never give out your personal information on online shopping sites
- Buy from trusted websites, known websites are a great place to start.
- Shop from sites that have an 'https' on the URL and that have a padlock icon on the address bar. These are indicators of a secure website.
- Never click on pop up ads, and email/whatsapp message attachments that you do not expect or from sources you are not sure of. Some of these are phishing schemes that aim to steal your access credentials.

- Protect your gadgets with passwords.
- Take time to review your financial transactions – for example periodically review the transactions on your bank account even when you use digital channels.
- Check your mobile money transactions periodically.

4) What steps should be taken to recover funds in the event of losing a phone or SIM card?

Here is a general guide on how to recover your money

1. Act Immediately

As soon as you realize you've lost your SIM card, contact your mobile network operator's customer service team immediately. This is the first and most critical step, by reporting the loss, you can request that they block or freeze your mobile money account to prevent any unauthorized transactions.

2. Prepare Your Documents

To get a new SIM card (a "SIM swap" or "SIM replacement"), you will need to provide proof of identity and ownership of the mobile money account. The required documents typically include:

- Your original National ID (for Ugandan citizens).
- A valid passport, a refugee ID, or other official identification (for foreigners/refugees).
- A police letter stating the loss of your SIM card may also be required, depending on the operator.

3. Visit a Service Centre

Go to your mobile network operator's nearest service centre or authorised outlet with your documents. The process cannot be completed at a regular mobile money agent shop.

4. SIM Replacement Process

At the service centre, a customer service representative will guide you through the SIM replacement process. They will verify your identity with the documents you've provided and link your old number and mobile money account to a new, blank SIM card.

5. Access Your Account

Once the SIM replacement is complete, you can insert the new SIM card into your phone and regain access to your mobile money account with your existing PIN. All your contacts and mobile money balance will be restored.

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5) How and where can a customer submit complaints related to mobile money or bank inquiries?

1) Complaints should be channelled to the service provider, e.g the mobile money company or bank where the account is held.

2) If the issue has not been resolved within 14 (fourteen) days or if the response is considered unsatisfactory, the customer can forward the matter to Bank of Uganda.

Bank of Uganda contact is 0312 392191 or fcem@bou.or.ug

6) How does one recover funds sent to a wrong account?

The process for recovering funds sent to the wrong mobile or bank account in Uganda depends on the type of transaction and the service provider. Here's a general guide:

Recovering Mobile Money

Some mobile money service providers in Uganda have established procedures for reversing mistaken transactions. Acting quickly is crucial for a successful reversal.

1. **Immediate Self-Reversal:** Some providers offer a self-service option to initiate a reversal. For instance, you can dial a specific USSD code and select the option to reverse your last transaction. This feature can block the recipient from withdrawing the funds if they haven't already.
2. **Contact Customer Care:** If a self-reversal is not possible or the funds have already been withdrawn, the next step is to contact your mobile network operator's customer care team. You can do this by:

- **Calling:** Dial their customer care hotline.
- **Visiting an Office:** Go to the nearest service Centre.
- **Using social media:** Some providers help through their official social media channels.

When you contact them, be prepared to provide the transaction details, including the exact amount, the wrong recipient's number, and the transaction ID. The customer care team will also usually contact the person to whom funds were sent before the reversal is executed. This is meant to protect bonafide beneficiaries who might also be defrauded.

3.**Direct Contact with the Recipient:** If you happen to know the person you sent the money to, the quickest way to resolve the issue is to contact them directly and ask them to send the money back.

Important Notes for Mobile Money:

- **Time is a factor:** Reversals are most successful when the recipient has not yet withdrawn the funds.

- **Disputes:** In cases where the recipient disputes the reversal, claiming it was a legitimate transaction, you may need to seek legal intervention.
- **Transaction Status:** The success of a reversal depends on whether the money has been withdrawn, transferred to a bank, or used for other services like paying bills. Once a transaction is "irrevocable," a reversal may not be possible and could only succeed after the dispute has been legally resolved.

Recovering Bank Transfer Funds

Recovering funds from wrong bank transfer is often more complex as it involves multiple parties.

1. Act Immediately: As soon as you realise the error, contact your bank. The sooner you report the mistake, the higher the chance of recovery.

2. Lodge a Complaint: Report on the issue to your bank's customer service. You will need to provide all the transaction details, including:

- Your account number.
- The date and time of the transaction.
- The amount transferred.
- The incorrect recipient's account number and bank.
- The transaction ID.

It's advisable to submit this information in writing, such as via email, to create a written record of your complaint.

3. Bank Intervention: Your bank will contact the recipient's bank to inform them of the mistaken transfer. However, banks cannot unilaterally reverse the transaction without the recipient's consent.

4. Recipient's Consent: The bank will try to reach out to the recipient on your behalf to request the return of the funds. The recipient must give their consent for the money to be returned.

5. Legal Action (Last Resort): If the recipient refuses to return the money, you may need to explore legal options. A lawyer can help you send a formal demand notice or pursue a civil case to recover the funds.

Important Considerations for Bank Transfers:

- **Bank's Liability:** A High Court of Uganda ruling has clarified that banks may not have a duty to reverse online payments made by a customer if the payment was made according to the customer's instruction. The bank's responsibility is to demonstrate that it processed the transaction as instructed.

- **Written Records:** Keep a record of all your communications with your bank regarding the incident.

7) What is the process for redeeming mutilated, soiled, or defaced banknotes?

- **Soiled or Worn-out notes:** These are notes that are dirty, limp, or worn-out but are still largely intact. These are not considered "mutilated" and should be accepted by commercial banks. They are then returned to the Bank of Uganda by the commercial banks for destruction and replacement.
- **Mutilated or Defaced notes:** These are notes that have been significantly damaged, to the extent that their value is questionable. This includes notes that are torn into pieces, burnt, shredded, defaced with writing or stamps, or damaged by water or chemicals.

Guidelines for redeeming mutilated banknotes

- For consideration of payment, there must be physical evidence and positive identification that the banknotes are, in fact, authentic. It should be at least three-quarters of the note with one full serial number, signature and the rightful denomination.
- Bank of Uganda does not redeem any mutilated banknotes that originate from criminal activities.
- Bank of Uganda will not redeem any banknote that has been deliberately mutilated.
- Redemption of mutilated notes can be done at any Bank of Uganda Branch and commercial banks.

Key Points to Remember

- **Willful defacement:** The public is advised against writing, stamping, decorating or otherwise defacing currency, as this can make the money lose its value and cease to be legal tender.
- **Counterfeits:** It is a criminal offence to keep or pass on a note you know is a counterfeit. If you suspect that you have a counterfeit note, you are advised to take it to the police or the Bank of Uganda as soon as possible.
- **Commercial Banks:** For notes that are simply soiled or worn from normal use, your first point of contact should be your commercial bank. They are equipped to handle and exchange these notes. The Bank of Uganda primarily deals with more seriously mutilated notes.
