

The Language Barrier in Banking Documents

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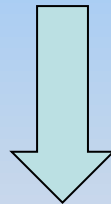
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Banking Documents

Contextual complexity

Linguistic complexity

Presentation complexity



Obstacles for customers wishing to perform
a bank transaction

.3 Interest

- 1.3.1 Any debit balance in an account in relation to a Credit Line granted at the request of the customers, shall incur variable interest on the daily balances, at a rate agreed with the customers, in the Request to Allocate a Credit Line.
- 1.3.2 A debit balance in an account in relation to a unilateral credit line, should such a credit line be granted to the customers, shall incur variable interest on the daily balances, as follows: the interest rate agreed with the customers in the last Request to Allocate a Credit Line, if any. In all other cases, the highest rate of interest customary in the Bank from time to time, in respect of debit balances of the type of the Credit Line.
- 1.3.3 Those sums from the debit balance in the Account which for any reason exceed the Credit Line, and in addition any debit balance in the customer's account in the event that they have not been granted a Credit Line in the Account, shall incur variable interest on the daily balances from the first day upon which the debit balance remains unpaid until it has been paid in full, as follows:
- If a maximum interest rate in respect of debit balances in excess of the Credit Line (hereinafter – "maximum excess interest") has been agreed in the last Request to Allocate a Credit Line, such interest rate shall apply.
- If the customers do not have a valid Credit Line, the maximum interest as defined in Clause 41 shall apply (The maximum excess interest shall also hereinafter be referred to as "maximum interest").
- 1.3.4 The interest in accordance with sub-clauses 1.3.1 – 1.3.3 above, shall be calculated each month or other period, as shall be customary at the Bank from time to time (hereinafter "the calculation period"). Interest calculated as aforesaid for any calculation period, shall be paid by the customers or debited from the Account and shall be added to the principal on the first business day of the following calculation period, and shall itself incur interest as aforesaid.
- 1.3.5 All interest on the Account, including maximum interest, shall be calculated in accordance with the number of days upon which there was a debit balance in the Account."

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The Linguistic Problems

- Long sentences
- Archaic language
- Professional bank terminology
- Common words bear a special professional meaning
- Multiplicity of referential expressions
- Passive voice
- Multiple alternatives
- Mathematical formulas delivered verbally

The Bank's Obligations

1. The obligation to provide any banking agreement in writing.
2. The obligation to highlight certain details in the contract.
3. The obligation to translate the text.
4. The obligation to provide a full oral explanation.
5. The obligation to ensure the customer's complete understanding.

Bank – Customer Relationship

- Huge inequality of power
- The bank has control over the customer's financial affairs
- The bank possesses information, technology and special skills, that are not available to the average customer
- The customer is dependent on the bank
- Customers bestow special confidence in the bank
- Blind reliance on the bank's advice

Conclusion

The bank should be subject to a special responsibility to ensure that, despite linguistic failures, the customer fully understands the meaning of the transaction and its repercussions.