

BITS

FINANCIAL SERVICES
R O U N D T A B L E

For Immediate Release

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BITS PUBLISHES GUIDELINES FOR COLLECTIONS IN THE FINANCIAL SERVICES INDUSTRY

Washington, D.C. March 9, 2004 — BITS, a nonprofit consortium of 100 of the largest financial institutions in the US, today announced the publication of guidelines aimed at helping consumers recover from fraudulent use of their personal checks and reducing financial institutions' exposure to losses related to check fraud. The *BITS Voluntary Guidelines for Collections in the Financial Services Industry* is the latest BITS publication promoting best practices and successful strategies in the financial services industry.

The *BITS Voluntary Guidelines for Collections* were created by members of the BITS Collections Working Group. The group's participants include representatives from nineteen of the nation's largest financial services companies, including Bank of America, The Bank of New York Company, J.P. Morgan Chase & Co., Wachovia Corporation, and Wells Fargo & Company.

The mission of the BITS Collections Working Group is to improve the experience of consumers who fall victim to check fraud, specifically fraud related to altered checks and forged endorsements, and to reduce institutions' exposure to check-fraud losses. The group was created to identify financial institution practices proven to be effective in resolving check fraud claims expeditiously and providing a fair, accurate, and consistent experience for customers. The *BITS Voluntary Guidelines for Collections* are the culmination of the group's collaboration.

"Check fraud is a persistent and growing industry problem," said BITS Chairman James E. Rohr, Chairman and Chief Executive Officer of The PNC Financial Services Group. "The *BITS Voluntary Guidelines for Collections in the Financial Services Industry* will help financial institutions of all sizes to better serve their customers and combat this kind of fraud."

"These BITS voluntary guidelines—like our white papers on identity theft and Internet fraud—help improve the customer experience while disseminating best practices that can help financial institutions manage their risk," said Catherine A. Allen, CEO of BITS.

To complement the *BITS Voluntary Guidelines for Collections*, the Working Group created a Collections Contact List. This list provides participating institutions' collections department representatives with contact information for their counterparts at other institutions. By facilitating communications among collections representatives, the list helps improve communication among participating financial institutions and supports the escalation process. Using the list, collections departments at different financial institutions can collaborate to resolve check fraud cases. The Collections Contact List is available to any institution that contributes its contact information.

“The BITS’ Fraud Reduction Program promotes effective practices for reducing fraud losses in the financial services industry,” said Shirley Insoe, Senior Vice President at Wachovia Corporation. Ms. Insoe serves as co-chair of the BITS Fraud Reduction Steering Committee, the member body responsible for the vision and direction of nine BITS working groups focused on reducing fraud in the financial services industry. “The *BITS Voluntary Guidelines for Collections in the Financial Services Industry* and Collections Contact List are key tools in resolving check fraud and stemming resulting losses.”

Bob Jones, Director of Operating Risk at FleetBoston Financial Corporation, and co-chair of the Fraud Reduction Steering Committee noted, “Years ago, BITS members decided that reducing fraud in the financial services industry is not a competitive issue. The members of BITS and The Financial Services Roundtable are committed to advancing the industry’s interests through efforts like this.”

James M. Regan, Vice President at The Bank of New York Company and chair of the BITS Collections Working Group, stressed the importance of collaboration as the key to the guidelines’ success. “We urge our colleagues to use the *BITS Voluntary Guidelines for Collections in the Financial Services Industry* and Collections Contact List. The more widespread their use—among both large and small institutions—the greater their impact will be.”

The *BITS Voluntary Guidelines for Collections in the Financial Services Industry* are available for free download at the BITS website, www.bitsinfo.org/wp.html.

About BITS

BITS was created in 1996 to foster the growth and development of electronic financial services and e-commerce for the benefit of financial institutions and their customers. A nonprofit industry consortium that shares membership with The Financial Services Roundtable, BITS seeks to sustain consumer confidence and trust by ensuring the security, privacy and integrity of financial transactions. BITS works as a strategic brain trust to provide intellectual capital and address emerging issues where financial services, technology and commerce intersect. For more information about BITS, go to www.bitsinfo.org.

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