



AMBD's Response to 'Why was car repossessed without any notice?'
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1. Autoriti Monetari Brunei Darussalam (AMBD) would like to thank 'Unhappy' on the letter entitled "Why was car repossessed without any notice?" published in the Borneo Bulletin dated 30 January 2016 and takes note of the writer's concerns with the practices of an Islamic finance company in repossessing his/her deceased relative's car. First and foremost, AMBD would like to send our condolences to the family for their loss.
2. AMBD would like to share that under Section 15 of the Hire Purchase Order, 2006, the finance company shall not exercise any repossession without giving any advance notice to the hirer (customer). The notice requires the customer to settle any outstanding amount within the given time period. Failure to settle the outstanding amount before the deadline may result to repossession to take place. Once the goods have been repossessed, the goods shall not be sold to a third party without the consent from the customer. The customer may, by giving written notice, regain possession of the said goods upon payment of the outstanding amount due under the Hire Purchase Agreement including all other expenses incurred in carrying out the repossession.
3. AMBD would also like to share that under Section 12 of the Order, the customer may transfer the right and title to their personal representative by the operation of law in the case of inheritance, sale of good or change of new ownership. Whereas in the case of the death of a Muslim customer, his right and title is passed to his heirs according to *Hukum Syara'*, who shall comply with the provisions of the agreement, subject to Syariah Court jurisdictions.
4. Subject to an agreement between the new customer and the finance company, the title/ownership of the goods may be transferred over as long as the new customer can fulfill the requirement as an eligible new owner. In this regard, the writer is urged to visit their financing company to obtain further clarification and documents needed in regards to transferring title or ownership of goods.
5. AMBD, as the regulator of financial institutions in Brunei Darussalam, continuously works closely with the financial institutions to ensure that fair, consumer-centric and professional market conduct is upheld by their staff. It is reiterated that the public, as consumers, have the right to raise any disputes and seek resolution directly from a financial institution, should they believe that they have been treated unfairly.
6. Should the writer wish to further escalate the matter to AMBD, after clarifying the matter with the finance company, the writer can contact AMBD either by submitting the details of the circumstance through the AMBD App, which can be downloaded free of charge on both the 'App Store' for iPhone

users and 'Google Playstore' for Android users; by emailing corpcomms@ambd.gov.bn; or by writing to Corporate Communication Unit, Autoriti Monetari Brunei Darussalam, Level 14, Ministry of Finance Building, Commonwealth Drive, BB3910, Brunei Darussalam.

Corporate Communication Unit
Autoriti Monetari Brunei Darussalam

Why was car repossessed without any notice?

on: January 30, 2016 In: Opinion

I AM disappointed with one of our Islamic financing banks. The way it handles their customers, I must say, is not in line with its 'so-called' values and mission – “we will never let profits get in the way of doing what is right for our shareholders and customers”. I don't think it's so.

One of my relatives purchased a car using the bank's car financing facility where the bank directly deducts our salary. The person recently passed away.

In the event of death, it is common knowledge that the salary of the deceased will be put on hold until further notice from the relevant court.

As I understand, in the event of death, the bank, as it stated, will settle the outstanding obligations if one purchased certain protection from an authorised Takaful company. This means, the bank, through a car financing protection (aka Takaful scheme), will settle the outstanding obligations.

But, the bank repossessed the car without any official warning. They did not even give the family of the deceased any official letter or notice before they took the car away. When asked for clarification, the unprofessional bank staff could not provide any proper explanation or show any valid document. What is more saddening was that the payment was just a month overdue.

I know that the bank reserves the right to repossess or not repossess if there is a delay in payment. But still, it is in their discretion and they knew the situation that the family was in. Is this the right way to treat customers? When the family was mourning, the bank acted cruelly.

What are the rules for transferring a product bought by a salaried person through bank financing? Perhaps the relevant authorities could clarify?

– **Unhappy**