

ASSEMBLY BILL No. 1320

CHAPTER 453

An act to amend Section 2103 of, and to add Section 2107 to, the Financial Code, relating to financial institutions.

[APPROVED by Governor 2021-10-04 Filed with Secretary of State October 04, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1320, Money transmission: customer service.

Existing law establishes the Money Transmission Act to protect the interests of persons in this state who use money transmission services. The act prohibits a person from engaging in the business of money transmission in the state, as specified, unless the person is licensed or exempt from licensure. The act places various requirements on licensees, including requiring each licensee to give a customer a receipt containing specified information at the time of a money transmission transaction, and to post a notice on their premises informing individuals where complaints relating to money transmission activities at the location may be directed.

This bill would, starting July 1, 2022, require a licensee to display on its internet website a toll-free telephone number through which a customer may contact the licensee for customer service issues and receive live customer assistance, and would specify the days and time that telephone line must be operative. The bill would require that telephone number to be included among the information contained in a receipt given to a customer at the time of a money transmission transaction.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 2103 of the Financial Code is amended to read:

2103. (a) In the case of money received for transmission, the licensee or its agent shall give the customer a receipt at the time of the transaction.

(1) The receipt shall contain the following information, as applicable:

(A) The name of the sender.

(B) The name of the designated recipient.

(C) The date of the transaction, which is the day the customer funds the money transmission.

(D) The name of the licensee.

(E) The amount to be transferred to the designated recipient, in the currency in which the money transmission is funded, using the term "Transfer Amount" or a substantially similar term.

(F) Any fees and taxes imposed on the money transmission by the licensee or its agent which are payable or have been paid by the sender, in the currency in which the money transmission is funded, using the terms "transfer fees" for fees and "transfer taxes" for taxes, or substantially similar terms.

(G) The total amount of the transaction, which is the sum of subparagraphs (E) and (F), in the currency in which the money transmission is funded, using the term "total" or a substantially similar term.

(H) The exchange rate, if any, used by the licensee or its agent for the money transmission, rounded consistently for each currency to no fewer than two decimal places and no more than four decimal places, using the term "exchange rate" or a substantially similar term.

(I) For all transmissions, other than transmissions related to e-commerce transactions, the amount that will be received by the designated recipient, in the currency in which the funds will be received, using the term "total to recipient" or a substantially similar term. For transmissions related to e-commerce transactions, the amount that will be received by the designated recipient before any fees, taxes, or other amounts payable by the designated recipient are deducted, using the term "total to recipient" or a substantially similar term. These fees, taxes, or other amounts shall be disclosed to the designated recipient. The disclosure of fees, taxes, or other amounts payable by the designated recipient, which need not be disclosed to the sender, shall be disclosed as part of a separate written agreement between the licensee and the designated recipient.

(J) For receipts issued on or after July 1, 2022, a telephone number through which the customer may contact the licensee pursuant to Section 2107.

(2) (A) In addition to the disclosures set forth in paragraph (1), the receipt shall either include or have attached a conspicuous statement as follows:

"RIGHT TO REFUND

You, the customer, are entitled to a refund of the money to be transmitted as the result of this agreement if _____ (name of licensee) does not forward the money received from you within 10 days of the date of its receipt, or does not give instructions committing an equivalent amount of money to the person designated by you within 10 days of the date of the receipt of the funds from you unless otherwise instructed by you.

If your instructions as to when the moneys shall be forwarded or transmitted are not complied with and the money has not yet been forwarded or transmitted, you have a right to a refund of your money.

If you want a refund, you must mail or deliver your written request to _____ (name of licensee) at _____ (mailing address of licensee). If you do not receive your refund, you may be entitled to your money back plus a penalty of up to \$1,000 and attorney's fees pursuant to Section 2102 of the California Financial Code."

(B) The right to refund statement set forth in subparagraph (A) is not required to be included on receipts involving e-commerce transactions where the customer sends a payment for goods or services.

(3) The receipt required by this section shall be made in English and in the language principally used by that licensee or that agent to advertise, solicit, or negotiate, either orally or in writing, at that branch office, if other than English. For transactions that do not occur in a branch office, the receipt shall be made in English and in the language principally used by that licensee or that agent to advertise, solicit, or negotiate money transmission, either orally or in writing.

(4) The receipt required by this subdivision may be provided electronically for transactions that are initiated electronically or in which a customer agrees to receive an electronic receipt.

(5) Disclosures in the receipt required by this subdivision shall be in a minimum 8-point font, except for receipts provided via mobile phone or text message.

(b) If window and exterior signs concerning the rates of exchange for money received for transmission are used, they shall clearly state in English and in the same language principally used by the licensee or any agent of the licensee to advertise, solicit, or negotiate, either orally or in writing, at that branch office if other than English, the rate of exchange for exchanging the currency of the United States for foreign currency. If an interior sign or any advertising is used that quotes exchange rates, it shall, in addition to clearly stating the rates of exchange for exchanging the currency of the United States for foreign currency, also state all commissions and fees charged on all such transactions.

(c) At each branch office, there shall be disclosed the exchange rates, fees, and commissions charged in English and in the same language principally used by the licensee or any agent of the licensee to advertise, solicit, or negotiate, either orally or in writing, with respect to money received for transmission at that branch office. At each branch office, there shall be signage clearly identifying the name of the licensee as well as any trade names used by the licensee at that branch office. In the event that a licensee or agent conducts money transmission activity via an internet website or mobile application that is not in a branch office, the commissioner may authorize an alternative disclosure meeting the requirements of this section. Any internet website through which a licensee conducts money transmission shall clearly identify the name of the licensee as well as any trade names used by the licensee on the internet website.

(d) If the customer does not specify at the time the money is presented to the licensee or its agent the country to which the money is to be transmitted, the rate of exchange for the transaction is not required to be set forth on the receipt. If the customer does specify at the time the money is presented to the licensee or its agent the country to which the money is to be transmitted but the specified country's laws require the rate of exchange for the transaction to be determined at the time the transaction is paid out to the intended recipient, the rate of exchange for the transaction is not required to be set forth on the receipt.

SEC. 2. Section 2107 is added to the Financial Code, to read:

2107. (a) A licensee shall prominently display on its internet website a toll-free telephone number through which a customer may contact the licensee for customer service issues and receive live customer assistance.

(b) The telephone line shall be operative at least 10 hours per day, Monday through Friday, excluding federal holidays.

(c) This section shall become operative on July 1, 2022.