



EDBS/KH/C/23/2020
8th March, 2020

The Chief Executive Officer

All Retail Banks
Manama
Kingdom of Bahrain

Dear Sir/Madam,

Directive: Prohibiting the Practice of Blocking Accounts upon Loss of Employment

It has been noted by the Central Bank of Bahrain (“CBB”) that certain licensees have a practice of blocking customer accounts if they come to know that the customer has lost his or her employment or who have retired if that customer has a financing arrangement with that licensee. The purpose of this blocking, we understand, is get the customer to repay the outstanding financing amount. This practice has resulted in customers, who are already in a difficult situation, facing further hardship by losing access to their funds.

The CBB, therefore, prohibits such practice, regardless of whether or not contractually a licensee has the right to take such action.

Yours faithfully,


Khalid Hamad

cc: Bahrain Association of Banks