



T301 Questions and Answers

What happened?

We wrote to customers as we charged Government Stamp Duty ('GSD') incorrectly on some personal and business credit card accounts when we closed the card.

Normally, when we close a credit card account, we have to charge Government Stamp Duty tax. In some instances, the tax should not be charged and we discovered that we made an error when charging some of the following:

- Customers with a billing address outside of the Republic of Ireland for the full tax year are not liable for the charge.
- Customers who opened and closed a credit card without ever using it are not liable for the charge.
- Some customers were charged the wrong amount of Government Stamp Duty, we charged them more than we should have.

What is Government Stamp Duty?

The Bank is required to charge credit card accounts with Government Stamp Duty annually. The tax year for credit cards runs from 2 April to the following 1 April. We charge Government Stamp Duty on the 1 April in arrears (you're paying for the previous 12 months). If you close your card during the year, we charge you Government Stamp Duty at closure.

There are some exceptions when the tax is not chargeable.

Who does this affect?

The issue affects some personal and business credit card customers who closed their credit card accounts between 2 April 2007 to 28 October 2022.

How have we put this right?

We've refunded customers directly to their AIB current account or by cheque, and we've made changes to make sure that this doesn't happen again.

Have you told the Central Bank about this?

Yes, we have told the Central Bank of Ireland. We have kept them up to date about everything we are doing to put this right for our customers.