

EFT13 Liability of the Bank of Account

- A. The bank of account shall be liable for erroneous, unauthorized or fraudulent use of the EFT account unless the bank of account can demonstrate its own use of reasonable care and that the account holder's negligence or fraud substantially contributed to the erroneous, unauthorized, or fraudulent act. Account holder negligence exists if the bank of account can demonstrate, for example, that:
1. Account holder carelessness about the security of the personal identification code thereby permitted the transaction to occur;
 2. The account holder, knowing that the card is lost or stolen or that the security of his personal identification code has been compromised, neglects to report the facts and to confirm the same in writing within a reasonable amount of time to the Card Issuer or its designee and the neglect causes the loss; or
 3. Unreasonable account holder delay in reporting unauthorized transactions that appear in his statement permits further loss to occur.
- B. The bank of account shall be liable for any direct monetary loss, but not for consequential losses, occurring as a result of any tampering, malfunction or manipulation of a communications facility unless the account holder authorizes or performs such acts.

Amended Effective November 30, 2006

Amendment necessary due to passage of HB06-1042, which amended or repealed provisions of the Colorado Bank Electronic Funds Act.

Amended Effective May 2, 2005

Amendments correct minor grammatical and technical errors.

Amended Effective May 3, 2004

Statutory reference amendment to conform Rule to recodified statutes; update terminology to conform to recodified statutes; formatting changes to comply with Colorado Secretary of State guidelines.