

# **AU Small Finance Bank Limited**

## **CUSTOMER GRIEVANCE REDRESSAL**

### **POLICY**

**April 2019**

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## 1. Introduction

This Policy document lays down a clear and transparent Policy which aims at minimizing the instances of Customer complaints and grievances by providing proper service and having a comprehensive review mechanism to ensure prompt redressal of the same. This Policy gives the model code of conduct which the Bank staff need to follow while dealing with Customer grievances. The Bank will lay stress on improving its Customer service continuously in order to achieve high Customer satisfaction. The review mechanism will help the Bank with valuable feedback regarding the shortcomings in the product features and service delivery.

## 2. Guiding Principles

Customer service has great significance in the banking industry. The Bank will follow a comprehensive Policy on Customer Grievance Redressal which will govern the redressal procedure for handling Customer complaints. The Policy is based on the following general principles:

- Ensure visibility and accessibility of complaint handling process to all complainants
- Provide access to grievance redressal policy to customer • Handle Complaints professionally & in a transparent manner
- Customers are treated fairly at all times.
- Ensure Objectivity in the complaint handling process
- Provide Prompt & Responsive Complaint Resolution to the Customers.
- Ensure confidentiality of Complainants information unless required for addressing the complaint
- Ensure clear accountability for resolution and reporting of complaints
- Ensure adherence to all relevant Regulatory & Statutory requirements as mandated by RBI and mentioned in the Grievance redressal policy
- Continually improve its processes & systems by taking inputs from customers, employees and other interested parties
- Ensure adherence to the Compensation policy as defined by the Bank

## 3. General

Under normal circumstances, the Customer complaints may arise due to:

- Inadequate functions/arrangements/services made available to the Customers or gaps in standards of services expected and actual services provided.
- Attitudinal aspects in dealing with the Customers.

In case any of these circumstances is encountered by the Customer, the Customer has a right to register a complaint with the Bank. The complaint may be given in writing, orally or over telephone. In case the complaint is not resolved within the given time, or if the Customer is not satisfied with the

resolution, the Customer can approach the Banking Ombudsman or any relevant higher authority for grievance redressal.

### 3.1. A Customer will be defined as:

- A person or entity that maintains an account and/or has a business relationship with the Bank.
- One on whose behalf the account is maintained (i.e. the beneficial owner).
- Beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants etc. as permitted under the law.
- Any person or entity connected with a financial transaction which can pose significant reputational or other risks to the Bank.

### **Complaint**

A complaint may be defined as "An expression of dissatisfaction made to an organization, related to its products and services, or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected".

A few examples of complaints:

- Cheque deposited at branch not reflecting (outside TAT)
- Delay/ non- receipt of Welcome kit (outside TAT)
- Address change request given at branch not done
- Delay in closure of account
- Cash not dispensed/ less cash dispensed at ATMs

### **Query**

A query can be defined as a question, often expressing doubt about something or looking for an answer from an authority

A query is:

- A form of questioning, in a line of enquiry
- In nature of a request for information or guidance
- Where there is an expectation from the customer for data / clarification. •  
Checking of status/ progress for service/deliverables

Examples of queries:

- Delay/ non- receipt of card/PIN (within TAT)
- Delay/ non-receipt of statement (1st time)
- Charges applied as per schedule
- Query on application status

### 3.2. Registration of complaints

The Customers can lodge/register their complaints for any product/service offered by the Bank through any one of the following channels:

- **Telephonic Channel:**
  - Customers may contact the Customer Care over the phone at the numbers displayed at the branch.
  - The customer may call the Customer Care Centre 7 days a week, 24 hours a day.
- **Branch Channel:** ○ Customers can lodge their complaint with the branch officials or file their grievances in the complaint book/register (during working hours of the branch).
  - In each of our branches we have displayed the name and contact details of officers whom the customer can contact for raising your complaints.
- **Electronic Channel:**
  - The customer may register their complaint through the Online Complaint Form at [www.aubank.in](http://www.aubank.in) ○ he/she can also send an e-mail at: [customercare@aubank.in](mailto:customercare@aubank.in)

The customer may also write to us and send letters at addresses displayed at the branches.

- All the complaints received through the below mentioned channels shall be handled centrally by the Customer Service Team of the Bank.
  - Reserve Bank of India complaints received at Corporate Office
  - Government of India complaints received at Corporate Office
  - Complaints received from other regulatory bodies at Corporate Office
  - Consumer Forum complaints received at Corporate Office
- A Complaint Reference Number shall be provided immediately to the customer on registration of complaints.
- Complaints from/ for outsourced vendors

Any complaint forwarded to the Bank from an outsourced vendor/ lodged by the customer regarding an outsourced vendor shall be handled in accordance with the terms of this policy document.

## 4. Resolution of Grievances

### 4.1. Internal Machinery to handle Customer complaints / grievances

#### 4.1.1. Branch Level Customer Service Committee

The Branch Level Customer Service Committee will be responsible for strengthening of customer service at branch level through interaction with diverse set of customers. This committee will conduct monthly meetings with customers including depositors and borrowers, at the branch level to study customer grievances, cases of delay and other difficulties faced by the customers. It will also provide a forum for the customers to provide their feedback/suggestions and help the Bank in evolving ways to improve customer service.

#### 4.1.2. Standing Committee on Customer Service

The Standing Committee on Customer Service may be chaired by the MD & CEO and will include two to three executives from the Senior Management and invited customers, if any as its members.

The Customer Service Policy illustrates the responsibilities of the Standing Committee on Customer Service.

#### 4.1.3. Customer Service Committee of the Board

The Bank shall constitute a Customer Service Committee of the Board which will be chaired by the designated independent director of the Board and will report to the Board of the Bank and shall comprise of the Heads of various departments. The Committee shall include experts and representatives of customers as invitees and may also invite the Managing Director (MD) & Chief Executive Officer (CEO) and the Chairman of the Board to attend the meetings as and when such need arises.

The Customer Service Policy illustrates the responsibilities of the Customer Service Committee of the Board.

#### 4.1.4. Nodal Department/official for Customer Service

The Bank will appoint a nodal department/official for customer service in the Head Office, who will be responsible for implementation of customer grievance redressal mechanism and complaint handling. Such an official will also act as a liaison between the Bank and RBI/Banking Ombudsman.

#### 4.2. External Machinery to handle Customer complaints/ grievances

In case Customer's complaint is not being resolved within the given time period or if the Customer is not satisfied with the redressal provided by the Bank, the Bank will provide information on how the Customer can escalate his complaint further to the Banking Ombudsman or other relevant regulatory body.

#### 4.3. Banking Ombudsman

The Banking Ombudsman Scheme provides an expeditious and inexpensive way to Bank Customers for resolution of complaints regarding the services provided by the Bank. The Banking Ombudsman is a

senior official appointed by the RBI for redressal of Customer complaints against deficiency in certain banking services.

The contact details of the Banking Ombudsman officers are available on RBI website which is updated from time to time. The details of Banking Ombudsman shall also be displayed at respective branches. The Customer may lodge a complaint with the Banking Ombudsman in case no reply is received from the bank within a period of one month after the bank concerned has received a representation from the customer, or the bank rejects the complaint, or if the complainant is not satisfied with the reply given by the bank.

The Customer can file a complaint with the Banking Ombudsman either online or through letters or by sending an email etc. in the format as shared by RBI from time to time.

#### 4.4. Timeframe / Escalation matrix for Customer complaints / grievances

The Bank will analyze complaint received, undertake a redressal process as soon as a complaint is registered with the Bank. The Bank will setup specific time schedules for proper handling and redressal of the complaints at all levels viz. branch, regional and head office. The official responsible for grievance redressal shall ensure that the complaint is resolved within the specified time frames as defined in this policy from time to time.

The Bank will communicate the details of grievance redressal to the customer. Further, it will promptly acknowledge complaints which will require some time for examination. The Branch and Regional office will send out a monthly report detailing the actions taken for Customer complaints received to the Head office.

The Branch Managers will be responsible for closure of all complaints received at the branches. Apart from that, they will also ensure that the Customers are guided about the proper procedure to escalate their complaints in case they are not satisfied with the resolution at Branch level.

The Bank will follow the following escalation matrix for the resolution of all complaints:

<b>Level</b>	<b>Office</b>	<b>Official</b>	<b>Number of Working Days</b>
First	Branch Office	Branch Manager	7
Second	Regional Office	Regional Nodal Officer	7
Third	Head Office	Principal Nodal Officer	7

In case the Customer's complaint is not resolved within one month or the Customer is not satisfied with the redressal, the Customer will be provided information on how to take the complaint to the Banking Ombudsman or the relevant regulatory authority. In such a case, the concerned branch shall forward a copy of the complaint to the Nodal Officer. The Branch shall also ensure that the Nodal Officer is kept updated regarding the status of complaint.

Detailed Escalation matrix is annexed as Annexure 1 to the policy.

#### 4.5. Technology related Customer grievances (ATM / Internet Banking / Mobile Banking)

Technology related customer grievances generally include disputed ATM transactions and disputed Internet/Mobile Banking transactions.

Disputed ATM transactions can be as follows:

Bank's Customer using Bank's own ATMs

- Transaction is unsuccessful, but Customer account is debited.
- Debit Card stuck into the ATM Machine & unable to retrieve.
- Transaction is successful but one of the following takes place:
  - Account debited but cash not dispensed
  - Account debited multiple times but cash not dispensed at all or only once
  - Cash partially dispensed but full amount debit to the account Bank's

Customer using other bank's ATMs.

Other bank's Customer using Bank's ATMs.

The time limit for resolution of Customer complaints related to failed ATM transactions will be 7 working days from the date of receipt of Customer complaint. In case the complaint has not been lodged within 30 days of failed transaction, the Customer will not be entitled for any compensation for delay in resolution of complaint. In case the grievance has not been redressed within the specified timeline or not up to the satisfaction of the Customer, the Customer is free to approach the Banking Ombudsman.

The grievances related to internet banking are as follows:

- Disputed debits
- Failed transaction but account debited
- Account debited but amount not credited to the beneficiaries account
- Account debited twice for the same transaction
- Features and services provided under internet banking not working properly

In case of any such query or grievance, Customers may lodge their complaints online after logging on to the Internet Banking website. Such complaints will be resolved by the concerned branch where the Customer holds the account. In case the complaint is not resolved to the



satisfaction of the Customer, the Customer will be free to escalate the complaint to the higher level.

The disputed transactions related to mobile banking are as follows:

- Disputed debits
- Account debited twice for the same transaction
- Account debited but amount not credited to the beneficiaries account
- Failed transaction but account debited
- Features and services provided under mobile banking not working properly • Customer ID disabled due to putting wrong password beyond the permissible limits.
- Transactions failed due to One-Time password (OTP) not received from the Bank.

The Bank will use the existing mechanism for handling customer complaints/ grievances for mobile banking transactions. However, the Bank shall set up a help desk and disclose the details regarding the help desk and escalation procedure for lodging the complaints on its website. The Bank shall ensure that such details are communicated to the Customer at the time of sign up.

#### 4.6. Transaction related Customer grievances

The Customer may face various transaction related grievances relating to:

- Opening of account
- Transfer of account
- Closure of account
- Deposit related
- Cash related
- Loans/advances related

In case of any difficulty faced relating to opening/closing and transferring of account or any of the above mentioned transactions, the Customer may approach the concerned branch officials. In case the grievance/difficulty is not resolved to the satisfaction of the Customer, the Customer can lodge a complaint with the Branch Manager of the concerned branch. If the grievance is still not resolved to the satisfaction of the Customer, the Customer may escalate the complaint to the higher authority.

#### 4.7. Branch/ Staff related Customer grievances

The various grievances which may arise due to Branch or Staff related factors are:

- Lack of basic facilities to the Customers.
- Improper Customer service area and/or long queue.
- Harassment by Bank staff including misbehavior/ use of rude language, • Alleged bribery

In case of the above mentioned grievances, the Customer can lodge a complaint with the Branch Manager of the concerned branch. The Bank will take the necessary actions and try to resolve such grievances in a reasonable time period. In case the Customers are not satisfied with the resolution of such grievances, they may escalate their complaint to higher levels.

## **5. Mandatory Display Requirements**

The Bank shall provide the following information mandatorily to the Customers and prospective Customers:

- Appropriate system for receiving complaints and suggestions.
- Name, address and contact details of the Nodal Officer
- Contact details of Banking Ombudsman of the area

The Bank shall display the following on its website:

- Contact details of the Regional/ Principal Nodal officer or any other authority as required by the regulations who can be contacted for redressal of complaints.
- The grievance redressal mechanism

## **6. Staff Awareness**

The Bank will ensure that the staff shall be properly trained for handling complaints. The Nodal officer will ensure that the internal machinery for handling Customer grievances and complaints functions properly and efficiently without any hindrance. Nodal officer will ensure that the Bank staff at all levels is given appropriate training in the areas of handling Customer disputes and redressal of their grievances. In this regard, the Nodal officer will also give feedback regarding training needs, if any, of the staff at various levels to the HR Department.

## **7. General**

### **7.1 Dealing with complaints**

Complaints/Suggestion box

The Bank shall provide a complaints/suggestion box at each branch of the Bank. Also, the Bank may display a notice at every office of the Bank referring the Customer to the Branch Manager for any query or grievance they may have.

#### Complaint Book/ Register

The Bank shall ensure that all branches maintain a complaints register in the prescribed format given by IBA for recording all the Customer complaints/grievances received by them. Ensure that the complaint registers are kept at prominent place in their branches which would make it possible for the customers to enter their complaints. The Bank shall maintain such complaints register even if it has not received any complaint in the past. The Bank will ensure that the copy of the complaint is forwarded to the Head Office along with the comments of the Branch Manager. The complaint book will be so designed so that the complainant can be given an acknowledged copy instantly.

The complaint registers maintained by branches will be subject to periodical review by the Regional Manager.

#### Complaint Forms

The Bank may provide a complaint form, with the details of the Nodal Officer for complaint redressal on the home page itself to facilitate swift complaint submission by the Customers. The first level of complaint redressal will be the Bank itself and in case complainants obtain no solution for their grievances for a period of one month, they may contact the Banking Ombudsman. The Bank will also provide the contact details i.e. name, address and telephone numbers etc. of the Banking Ombudsman in all of its branches.

#### Complaints received through Email

Customer Complaints received through Emails shall be responded through Email Only. Bank's Customer Service Team shall be responsible to provide final resolution response to customers raising complaints via Email.

### 7.2 Disclosure of Complaints

The Bank shall place a statement of complaints before the Board/Customer Service Committee of the Board along with an analysis of the complaints received by the Bank. The statement of complaints will contain the following details:

- Customer service areas receiving frequent complaints.
- Frequent sources of complaints

- Initiating measures to make the grievance redressal mechanism more effective. • Details of awards received from Banking Ombudsman

The quality of customer service rendered by the Bank shall be reviewed/ examined by Bank’s Top Management at regular intervals. The same shall also be discussed in the meeting of the Standing Committee on Customer Service and will be reported to the Customer Service Committee of the Board of Directors.

### 7.3 Interaction with Customers

The Bank may undertake efforts to interact with the Customers for creating awareness amongst them about the various services offered by the Bank. This will also help the Bank to understand the Customer feedback on the existing grievance redressal mechanism and incorporating the feedback to improve the same.

### 7.4 Complaints for Unauthorized Electronic Banking Transactions

The customer is required to notify the Bank of such transactions on an immediate basis through IVR/ email/ SMS/ phone banking etc. On receipt of report of an unauthorized transaction from the customer, banks must take immediate steps to prevent further unauthorized transactions in the account and take necessary action for compensating the customer.

## 8. Glossary

Term	Definition
ATM	Used as an acronym for “Automated Teller Machine”
Bank	It refers to AU Small Finance Bank
CEO	Used as an acronym for “Chief Executive Officer”
CMD	Used as an acronym for “Chief Managing Director”
HR	Used as an acronym for “Human Resources”
IBA	Used as an acronym for “Indian Banks’ Association”
RBI	Used as an acronym for “Reserve Bank of India”

## Annexure 1: Escalation Matrix for Grievance Redressal

Level	Office	Official	Days available for Redressal	Contact Details
First*	Branch Office	Branch Manager	7	List of Branches and contact details of Branch Managers can be obtained from the Bank's Website and will also be displayed at the Branch
Second	Regional Office	Regional Nodal Officer	7	Contact details of Regional officials can be obtained from the Bank's website and will also be displayed at the Branch
Third	Head Office	Principal Nodal Officer	7	Contact details of Nodal Officer officials can be obtained from the Bank's website/ respective branches
Fourth	Banking Ombudsman	Banking Ombudsman	-	Contact details of Nodal Officer officials can be obtained from the Bank's website/ respective branches
Fifth	Reserve Bank of India	Deputy Governor, RBI	-	RBI Website

\*The Customer may file the complaint through any of the channels mentioned in 3.2.