



Ujjivan Small Finance Bank

Customer Grievance Redressal Policy

February 2017

Table of Contents

1. Introduction	2
2. Objectives of the Policy	2
3. Governance Structure	2
3.1 Customer Service Committee of the Board.....	2
3.2 Standing Committee on Customer Service	3
3.3 Branch Level Customer Service Committees	3
4. Role of Branches & Unbanked Rural Centres (URCs) in Customer Grievance Redressal .	4
5. Role of Controlling Offices and Head Office in Customer Grievance Redressal	5
6. Complaints Handling and Resolution Process.....	5
6.1 Types of Complaints	5
6.2 Registration & Tracking of Complaints.....	6
6.3 Resolution of Complaints / Grievances.....	6
6.4 Escalation of Complaints	7
7. Customer Compensation	8
8. Reporting Requirements	8
9. Policy Review & Updates	9

1. Introduction

Ujjivan Small Finance Bank (hereinafter referred to as “the Bank”), being a service industry player, needs to have a focused and pinpointed approach towards customer service. Moreover, the competitive market scenario makes it imperative for the Bank to have a robust mechanism in place to resolve/ address customer complaints in a timely and effective manner and for compensating customers for financial losses, if any. The Bank will strive to provide the highest quality of customer service to ensure continued customer satisfaction, retention and sustained growth of products and services.

A customer complaint may be genuine or may be a result of misunderstanding about the product or service. To facilitate the customers to raise their grievances, the Bank has put an appropriate mechanism in place for redressal of customer grievances.

2. Objectives of the Policy

The Bank, through a comprehensive Customer Grievance Redressal Policy, intends to put in place systems, procedures and review mechanism for minimizing instances of customer dissatisfactions and to ensure prompt redressal of customer complaints and grievances. Additionally, the key objectives of this policy are as under:

- Ensure unbiased and fair treatment to all customers
- Put in place a formal grievance redressal mechanism for customers
- Ensure speedy and efficient resolution of customer issues with adherence to basic principles of courtesy, transparency and integrity
- Protect customers against fraud, deception or unethical practices
- Educate the customers about alternate escalation mechanisms within and outside the Bank, for resolution of the complaints / issues if they are not satisfied with the Bank’s response
- Ensure that there is a mechanism for compensating customers expeditiously for any financial loss incurred by them on account of deficiencies in services
- Consistently assess the impact of services in order to serve clients better

3. Governance Structure

In line with RBI guidelines, the Bank will have governance of grievance redressal mechanism at three levels i.e. the Board, Senior Management and Branches. The Customer Service Committee at the Board level shall assess and review the overall implementation of customer service policies and the functioning of the grievance redressal mechanism. The Standing Committee on Customer Service at Senior Management level shall serve as a micro level executive committee for driving the implementation of customer service policies and grievance redressal mechanism. The Standing Committee will act as a bridge between the various departments / functional units of the Bank and Customer Service Committee of the Board. The Branch Level Customer Service Committee shall act as a formal channel of communication between the customers and the Bank at the branch level. The detailed responsibilities of each of the aforesaid Committees are elaborated as under:

3.1 Customer Service Committee of the Board

The Committee shall be chaired by the designated independent director of the Board and report to the Board of the Bank. The Committee shall comprise the Managing Director of the Bank and the Heads of key functional areas as its permanent members:

The Committee shall include experts and representatives of customers as invitees and may also invite the Chairman of the Board to attend the meetings as and when such need arises. The Committee shall meet at least four times in a year to review customer service/ customer care aspects, and to understand difficulties faced by the customers and to get feedback on ways to improve customer service.

The primary responsibilities of the Committee are as under:

- Review and approve Comprehensive Deposit Policy (including matters such as treatment of death of a depositor for operations in such accounts) and Customer Grievance Redressal Policy of the Bank
- Take regular inputs on customer experience and service delivery from the Standing Committee on Customer Service, which in turn shall obtain inputs from Branch Level Customer Service Committees and give suitable recommendations on key areas of improvement.
- Review product approval process with respect to suitability and appropriateness for the customers
- Review the audit findings on quarterly basis of the services rendered to the customers
- Review results of on-going survey of customer satisfaction and provide recommendations for improvements in quality of customer service
- Review Banking Ombudsman (BO) awards on a periodic basis, address systemic deficiencies brought out by these

3.2 Standing Committee on Customer Service

The Standing Committee on Customer Service will be chaired by the Managing Director and will include Head of Service Quality, three to four executives from the Senior Management and Business Verticals as its members. The Standing Committee on Customer Service shall meet at least on a bi-monthly basis to review the implementation of customer service initiatives across the Bank.

The primary responsibilities of the Committee shall be as under:

- Ensure timely and effective compliance of the RBI instructions on customer service
- Obtain independent feedback on the quality of customer service to ascertain if the action taken by the other departments are in tune with the spirit and intent of such instructions
- Review existing practices and procedures which may lead to frequent customer complaints, and initiate necessary corrective action on an ongoing basis to improve these procedures
- Review the functioning of grievance redressal mechanism at all levels, the types and status of customer complaints received and actions taken thereof.
- Review the status of complaints against the Bank with the BO offices and recommend actions for speedy resolution of pending complaints
- Submit a report on the areas reviewed, procedures/ practices identified and simplified to the Customer Service Committee of the Board on a periodic basis
- Examine the quarterly reports submitted by the Branch Level Customer Service Committees and provide relevant feedback to the Customer Service Committee of the Board.

3.3 Branch Level Customer Service Committees

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 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.

The Branch Level Customer Service Committees will also submit quarterly reports giving inputs/ suggestions to the Standing Committee on Customer Service thus enabling the Standing Committee to examine them and provide relevant feedback to the Customer Service Committee of the Board for necessary policy/ procedural action.

4. Role of Branches & Unbanked Rural Centres (URCs) in Customer Grievance Redressal

The customer service framework will be embedded into the Bank's culture across the Head Office, Regional offices, branches, URCs and Business Correspondents (BCs) in order to drive the larger objective of creating an intuitive customer experience. Each customer touch point within the Bank will strive towards creating a lasting and an enduring impression in the customers' mind through prompt, fair, transparent and courteous services, ease and convenience of accessibility, faster resolution of grievances and its communication to customers.

Every branch of the Bank will follow the below mentioned measures with respect to the customer grievance handling which may arise either at the Branch / URCs or through usage of technology:

- All branches will have "Enquiry" or "May I Help You" counters either exclusively or combined with other duties, located near the entry point of the banking hall. Such counters manned by Customer Care Representatives (CCRs) will facilitate redressal of customer queries and complaints pertaining to day-to-day operations.
- All customer grievance issues related to a particular URC shall be dealt with and addressed both at the centres and the base branches.
- In respect of the customer grievances/ complaints received at URCs, the Branch Manager will promptly attend to the same and ensure effective resolution of the complaints to the satisfaction of customers. And, the Branch Manager will also report the details of such complaints and actions taken for resolution thereof to the base branch for its information and review.
- Branch Manager will ensure employees' timely response to customer requests at branch/ URC.
- The branches will hold Customer Service meetings to interact with different cross sections of customers especially senior citizens, for identifying action points to upgrade the customer service. .
- The display of information including the grievance redressal mechanism in the branches will be done in English and the concerned regional language.
- The branches will maintain a complaint/ suggestion box and display a notice requesting the customer to approach the Branch Manager if the complaint is not redressed.
- A complaint book with perforated copies in each set, as per the format prescribed by IBA, will be maintained at each of the branches of the Bank to register complaints of the customer.

5. Role of Controlling Offices and Head Office in Customer Grievance Redressal

The Bank's Service Quality Department at its Head Office shall oversee the implementation of the customer complaint handling mechanism for the entire bank. This Department shall be headed by a Principal Nodal Officer (PNO). The Bank shall also have a Regional Nodal Officer for each of the Regions to ensure smooth resolution of customer grievances. The Principal Nodal Officer and Regional Nodal Officer at Head Office and Regional Office levels shall be the point of contact with whom the BO, Indian Banks' Association (IBA) and RBI can liaise for resolution of customer complaints.

Service Quality Department will ensure regular trainings of branch staff are conducted to assist them in handling customer queries and complaints during normal course of operations and ensure that relevant information is provided fully, correctly and honestly.

The SQD shall ensure that following details are displayed in the branch and on the website of the Bank as applicable.

- Names of officials who can be contacted for redressal of complaints along with direct telephone number, fax number, complete address and email address
- Details of Regional Nodal Officer and Principal Nodal Officer
- Display names and other details of MD & CEO and other business heads on website to enable customers to approach them if required
- Contact details of the BO Offices of the respective areas
- Detailed Grievance Redressal Mechanism

6. Complaints Handling and Resolution Process

A 'complaint' means a representation in writing or through electronic means containing a grievance alleging deficiency in banking service as mentioned in clause 8 of the Banking Ombudsman Scheme, 2006.

The Bank's grievance redressal mechanism provides for a comprehensive framework for registration, tracking, resolution and analysis of customer complaints. A robust review mechanism will assist the Bank in identifying and resolving gaps in the customer service, product features and the delivery of the products through its own branches, URCs and BCs.

6.1 Types of Complaints

- **Transaction related:** Deposit/ cash related/ opening or transfer or closure of account/ miss-selling/ erroneous charges/ claims on deceased depositors' accounts/ TDS related /service charge related, cheque clearance related, etc.
- **Branch related:** Basic facilities to customers/ ambience/ customer service area/ long queue, etc.
- **Staff related:** Alleged harassment, misbehaviour/ use of rude language, alleged bribery etc.
- **Lending related:** Delayed disbursals, loan modifications, excessive follow-up for collections, discrimination based on gender, caste, religion, loan frauds and such other lending related complaints
- **Technology related:** Disputed ATM transaction/ POS transaction/ Internet banking transaction/ Mobile banking transaction/ RTGS/ NEFT etc.

- **Business Correspondent related:** Misbehaviour/ use of rude language, mis-selling of products, levy of fees/ commission/ additional charges, technology related issues at BC outlets, non-availability of the BC agents at field level, denial of services to customers, etc.

6.2 Registration & Tracking of Complaints

1. The customer will be able to register the complaint through multiple channels which may include:
 - a. Complaint book/ suggestion box at the branches/ URCs
 - b. Complaint calls to CCR of Branches, Branch Manager, Customer Care Number/ Regional Nodal Officer
 - c. Grievances received through post, emails or through internet or mobile banking
 - d. A Complaint Form, along with the name of the Regional Nodal Officer/ Principal Nodal Officer for complaint redressal, will be provided on the website to facilitate complaint submission by customers
 - e. Complaints received through Banking Ombudsman & other external avenues
2. The customer will be given an acknowledgement on same day for complaints received at branches/ URCs by way of a reference number. All customer complaints received through digital channels and phone calls will be acknowledged through emails/ SMS as applicable. Complaints received through post by regional & head offices will be replied with an acknowledgement letter within 2 working days.
3. A copy of the complaint registered will be sent to the Regional Office of the Bank electronically through an advanced computerized complaint tracking system along with remarks by the CCR or Branch Manager mentioning a suitable time frame for resolution of the complaint. The Branch Manager & CCR shall ensure that the complaints are resolved within the stipulated timelines, if the complaints are received through complaint/ suggestion box or complaint book. For any customer complaints received through alternate channels such as customer care numbers, website, or emails or through external channels such as BO, the respective Regional Nodal Officer of the region shall ensure that the complaints are assigned to the respective branch/ business and functional units responsible for resolution.
4. An advanced computerized solution will be implemented for registering and tracking all complaints received across multiple channels, which shall also be accessible to the branches/ URCs and Regional Offices who can monitor and update the status of the complaint. Each of these complaints will be assigned a unique tracking number which will be shared with the customer for future reference and monitoring purpose. The system will also facilitates auto escalation of complaints to supervisors and Regional Nodal Officers based on severity of complaints and when a complaint breaches predefined resolution timeline.

6.3 Resolution of Complaints / Grievances

1. The CCR of the branch URC is primarily responsible for resolving the customer complaints and Branch Manager will monitor the resolution of complaints pertaining to his/ her Branch, complaints received through alternate channels and complaints pertaining to BCs within his/her branch's area of operation and ensure that these complaints are not escalated.

2. The Bank will put in place appropriate procedures along with timelines to redress the complaints received for transactions undertaken through various channels such as branches, internet banking, mobile banking and BCs.
3. The customer grievance escalation mechanism will be displayed in the branches and on the website.
4. The timeframe for resolution of complaint will be communicated to the customer and in case additional time is required for redressing the grievance, an interim response will be sent to the customer.
5. A dedicated Service Quality Department at the Head Office will review the quality of the classification and assignment of complaints and check whether the resolution is complete and appropriate.

6.4 Escalation of Complaints

The Bank adopted a four-tier approach for handling escalation of complaints/ grievances by the customer. Escalations of customer complaints/ grievances will be handled in a structured manner as mentioned below:

Level of Escalation	Official to be approached	Channel to be followed
First Level	Customer Care Representative/ Branch Manager	In-person/ Call/ In writing
Second Level	Regional Nodal Officer	In writing i.e. email/ physical letter/ Call
Third Level	PNO (National Manager- Service Quality)	In writing i.e. email/ physical letter/ Call
Fourth Level	Managing Director/ Heads of Business Verticals	In writing i.e. email/ physical letter
Fifth Level	Banking Ombudsman	Call/ In writing/ Internet (through portal)

1. The branches shall inform the customer that if his complaint is not resolved to his satisfaction at branch level, he may approach the Regional Nodal Officer, whose details are displayed in branches and on the website. If the complaint is still not satisfactorily resolved, the Bank shall inform the customer to approach the Principal Nodal Officer in the Head Office for resolution of the complaint. The Bank will ensure that appropriate efforts are made to resolve the escalated complaint within the Bank itself. In case of inability to resolve the complaint within the Bank, appropriate reasons will be documented for non-resolution of such complaints.
2. The Bank will inform the customer to approach BO if he doesn't receive a response from the Bank for his complaint within the period of 1 month from the date of his complaint. The customer can also approach BO if the Bank rejects the complaint, or if he is not satisfied with the resolution provided by the Bank for his complaint. The bank will inform customers that the first point for redressal of complaints is the Bank itself and that complainants may approach the Banking Ombudsman only if the complaint is not resolved at the bank level within a month.

The Bank shall put in place operational guidelines to handle escalation of customer complaints through external entities such as Banking Ombudsman.

7. Customer Compensation

The Bank will compensate the customer for financial losses, if any, only after proper verification in the following cases:

- Erroneous/ unauthorized debit to customer account
- Failure to execute direct debit/ ECS debit instructions
- Payment made under cheque after acknowledging stop payment instructions
- Delayed collection of local/ outstation cheque
- Lost cheques/ instruments while in transit, during clearing or at the Branch
- Delay in credit for failed ATM transactions
- Mis-selling of third party products
- Delay in credit to customer's account
- Direct losses on account of internet banking security breaches
- Incorrect authorisation or decline of transactions through Digital channels that result in inconvenience to customers

The procedure for the pay-out of compensation amount shall be in line with the Bank's Customer Compensation Policy. The pay-out of compensation shall be approved as per the approval matrix outlined in the Delegation of Financial Authority approved by the Board.

8. Reporting Requirements

The following matters should be reported to the Customer Service Committee:

- Audit findings on quarterly basis of the services rendered to the customers
- Results of annual survey of customer satisfaction
- Statement of complaints along with an analysis of the complaints to:
 - identify customer service areas in which the complaints are frequently received;
 - identify frequent sources of complaint;
 - identify systemic deficiencies;
 - for initiating appropriate action to make the grievance redressal mechanism more effective
- Position of pending complaints against the Bank with the BO offices/ Consumer Courts/ Courts
- Any customer service impact due to downtime of IT systems or failure of business continuity plans
- Borrower complaints emanating out of improper behaviour of recovery staff/ agents if any

The Committee shall report to the Board, on a periodic basis, the following key aspects of customer service:

- Gaps in implementation of customer service guidelines
- Changes required in products/ services/ procedures to improve customer service
- Instances of mis-selling of products
- Position of complaints against the Bank with BO & Consumer Courts
- Root cause analysis of the top five complaints category for each quarter

The Committee shall present to the Board a detailed memorandum to the Board on a half-yearly basis on the customer care aspects.

The Bank will also disclose the following brief details along with financial results:

A. Customer Complaints

- (a) No. of complaints pending at the beginning of the year
- (b) No. of complaints received during the year
- (c) No. of complaints redressed during the year
- (d) No. of complaints pending at the end of the year

B. Awards passed by the Banking Ombudsman

- (a) No. of unimplemented Awards at the beginning of the year
- (b) No. of Awards passed by the Banking Ombudsmen during the year
- (c) No. of Awards implemented during the year
- (d) No. of unimplemented Awards at the end of the year

9. Policy Review & Updates

This Board approved policy will be reviewed as and when required or at least on an annual basis for incorporating changes and regulatory updates, if any, in overall grievance redressal mechanism, to improve customer experience and satisfaction. Bank reserves its right to change or to modify the policy or any of its provisions from time to time.

