

प्रधान कार्यालय HEAD OFFICE

ग्राहक उत्कृष्टता शाखा बैंकिंग विभाग / CUSTOMER EXCELLENCE BRANCH BANKING DEPT

Customer Acceptance Policy

Introduction:

In today's competitive environment, excellence in customer service is of paramount importance. Induction of new customers and retention of existing customers can only happen if prompt customer service is provided. Apart from qualitative customer service, the Bank should adopt a policy of customer protection, which is an integral aspect of customer confidence and reliability.

Bank is required to design a policy for comprehensive coverage and implementation of Customer Acceptance Policy in the Bank. Through this Policy Bank shall ensure that relevant regulatory and other requirements are implemented in letter and spirit.

Customer Relations - Scope:

- i) Our Bank welcomes new relationship/ extension of existing relationship in all areas of Bank's business (Deposits, Advances, Credit Cards, Third Party Products, etc.). At the time of starting a new relationship/ extending existing relationship with customers, our Bank shall evaluate profits to and from the applicant, in line with extant regulatory as well as internal guidelines.
- ii) The Bank shall upfront intimate all applicable terms and conditions, charges/ fees etc. at the beginning of a new relationship. Customers' consent shall be obtained in the form of a written agreement/ on the application form/ terms and conditions. Wherever applicable, copies of the agreement shall be provided to the customers for reference.
- iii) Bank shall provide the most important documents in the prescribed format as per the guidelines and shall take customer agreement in writing as applicable for the relevant products.
- iv) In the event of the Bank not being able to enter into a relationship with the applicant for whatsoever reason, the same shall be communicated to the applicant within a reasonable timeframe, along with the reason for the same.
- v) Bank shall take into account the special requirements of Senior Citizens, Physically Challenged Persons, Women, students, teachers, armed forces/ services and such other class/ segment of Customers while designing products and services for such target groups. Besides smooth accessibility by way of ramp, wherever feasible, shall be provided in the Branches /ATMs to facilitate ease of banking for physically challenged persons and Senior Citizens.
- vi) Bank shall also take into account the requirements of branches spread over different geographic locations / different categories of branches such as rural/ semi-urban/ urban/ metropolitan branches.

The Bank shall ensure that these policies are further detailed in the form of operational guidelines/ procedures/ instructions, as applicable and that these are widely communicated to all customers and other staff to facilitate satisfactory services to customers.

Classification: **Internal**



- viii) Bank shall ensure clear guidelines for recruitment/ placement of staff for specialized units such as Customer Service/ Customer Care Departments. Bank shall put in place well defined mandatory training programmes for Induction and Refresher Training through Classroom Training, Online Courses, and On-the-Job Training etc. This shall take into account the sensitivity of soft skills and communication skills needed for customer interaction and to render the highest degree of professional care to customer care and related requirements.
- ix) Our Bank shall always strive to accord priority to customer centric attitude. This will include the entire gamut of activities starting from recruitment, training, customer interaction, customer education, customer relationship management, audit and compliance, etc.
- x) Our Bank shall ensure protection of customer rights in order to enhance customer confidence and reliability.
- xi) **Bank shall cover aspects of customer protection more specifically the mechanism of creating customer awareness on the risks and responsibilities involved in electronic banking transactions and customer liability in such cases of unauthorised electronic banking transactions.**
- xii) **Bank shall in a transparent and non-discriminatory way stipulate the mechanism of compensating the customers for the unauthorised electronic banking transactions and shall also prescribe specific timelines for effecting such compensation as per the extant regulatory guidelines.**
- xiii) **The burden of proving customer liability in cases of unauthorised electronic banking transactions shall lie on the Bank.**

Chapter – A
Policy Framework around Customer Acceptance

In terms of RBI guidelines, the Customer Acceptance Policy (CAP) is one of the four parameters which broadly defines the KYC/AML/CFT guidelines. The CAP guidelines are given extensively in another policy of the Bank viz. 'Policy on Know Your Customer (KYC) Norms/ Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT)' uploaded on website by Transaction Monitoring Department. The norms in the said Policy will prevail for the purpose of Customer Acceptance.

Chapter - B
Policy Framework around Customer Care

In line with the Master Circular on Customer Service issued by RBI and various Model Policies issued by IBA, our Bank has already adopted and implemented various policies pertaining to customer service/ care. These Policies have been designed keeping in mind Customer Care/ Service and most of the Policies are placed on the Bank's website for ready reference of the Customers. These policies are:

1. Model Compensation Policy
2. Cheque Collection Policy



Classification: Internal



3. Grievance Redressal Policy
4. Quality Policy
5. Model Policy – Bank’s Deposit
6. Model Policy – Deceased Customer
7. KYC – AML – CFT Policy
8. Policy on Customer Acceptance & Customer Rights

These policies provide in detail the guidelines for dealing with the Customer Service/ Care requirements under relevant situations and towards ensuring fair treatment to customers in transacting with Bank in normal course in all types of dealings/ interaction with the Bank. The above referred policies are reviewed periodically and updated as per directions of Reserve Bank of India. We give below details of the Action points taken by the Bank for Customer Care:

i) Grievance Redressal Mechanism and its Review:

- a. Our Bank clearly recognizes Grievance Redressal as a vital component of customer service and has put in place a well-defined Board Approved Grievance Redressal Policy.
- b. In addition to implementing the approved Grievance Redressal Policy, our Bank shall ensure implementation of the following key elements with regard to effective Grievance Redressal across channels.
- c. Our Bank has Customer Relationship Management (CRM NEXT) module in place, through which complaints are received, recorded and tracked for faster resolution. Complainants can give their feedback on the resolution provided by the Bank. Confirmation of closure of the complaint should be obtained from the customer and are to be randomly vetted by the Inspection & Audit Department.
- d. The Bank shall ensure that the CRM NEXT system and related processes are implemented to resolve grievances raised by customers as well as non-customers. Our Bank shall ensure this by creation of proper Customer Care Channels which work in an integrated manner across channels like – Branches, Call Centers, IVR, Internet and Mobile, to provide assistance to customers and non-customers alike. The personnel working at the Call Centers, who receive queries/ complaints/ service requests etc., shall be made well equipped to furnish relevant information to the customer and shall also be empowered to help the customers through bank's officials posted at the Call Centre.
- e. Our Bank shall ensure that CRM NEXT system not only allows well defined mechanism for recording and resolving customer complaints, but also allows enough intelligence availability with respect to the type of complaints at the Bank level (which is presently taken out of the CRM NEXT). This shall ensure timely and faster Closure of complaints. Using this intelligence, our Bank shall continuously strengthen its internal redressal mechanism, thereby reducing the extent of escalations to external forum and regulatory bodies.
- f. Bank shall put in place a clear escalation mechanism if complaints are not resolved at the first customer touch point. Bank shall also give wide publicity to the escalation mechanism available to the customer through posters/ website and various collaterals used for customer communication.



Classification: Internal



- g. Bank shall have an Internal Ombudsman, an independent authority not below the rank of Chief General Manager / General Manager or equivalent of another Bank/ Financial Sector Regulatory Body, as an additional layer of grievance redressal to act in the same manner as existing RBI appointed Reserve Bank - Integrated Ombudsman (RB-IO).
- h. Bank shall ensure well set mechanism which allows review, by the Top Management of our Bank, of the quality of the customer service rendered, which would include quality and timelines of resolution.
- i. Our Bank shall ensure analysis of frequent areas of complaints and root cause, and remedial steps are tabled before the Customer Service Committee of the Board for review, guidance and conclusive implementation.
- j. In order to infuse greater customer confidence, the Bank shall provide wide visibility to the Reserve Bank - Integrated Ombudsman (RB-IO) Scheme and its applicability by way of pamphlets giving its salient features, campaigns and communication through multiple channels.
- k. In line with the Reserve Bank - Integrated Ombudsman (RB-IO) Scheme, the Bank shall appoint Nodal Officers at various locations. Bank shall appoint senior officials to handle the important role of Nodal Officer and will give due empowerment to these officials, to facilitate them to act as a key link between our Bank, our customers and the office of the Reserve Bank - Integrated Ombudsman (RB-IO).
- l. The Bank will analyze every RB-IO Award for process gap, accountability action and table the same to the Standing Committee and to the Board.
- m. Our Bank shall collaborate with consumer organizations across regions, with a view to understand customer issues and for disseminating customer education.

Employee Recruitment/ Training/ Education around Customer Service:

The Bank shall ensure clear guidelines towards recruitment of staff for specialized units such as customer service/ customer care departments. Bank shall put in place well defined mandatory training programs for Induction and Refresher Training through Classroom Training, Online Courses, On-The-Job training, etc. This shall take into account the sensitivity of soft skills needed for customer interaction and to render the highest degree of professional care to customer care and related requirements.

The Bank shall always strive to give priority to customer centric attitude. This will include the entire gamut of activities starting from recruitment, training, customer interaction, customer education, customer on-boarding, customer relationship management, audit and compliance, etc.

ii) Review of Customer Service Framework:

The internal inspection/ audit of the bank will address attributes on customer service and complaints management to give due representation to these elements in the final audit rating.



Classification: Internal



In terms of RBI Circular No. RBI/2017-18/89 DBR.No.Leg.BC.96/09.07.005/2017-18 dated 09.11.2017 our Bank has adopted the Doorstep Banking Services for basic banking services to Senior Citizens of more than 70 years of age and Differently Abled or Infirm Persons (having medically certified chronic illness or disability) including those who are Visually Impaired, subject to certain terms and conditions.

Chapter - C **Policy Framework around Customer Severance**

- The bank shall ensure implementation of the well laid guidelines and processes in relation to Customer Severance situations e.g. account closure, loan termination, loan foreclosure, etc. The relevant processes for account closure shall be followed in letter and spirit in all possible instances e.g. either customer induced or bank induced.
- In case of customer induced account closure the bank shall, as a prudent practice, attempt to understand the underlying issues, if any, leading to the separation. The Bank shall make all reasonable efforts to retain the customer by eliminating the product/ service issues, if any. This shall be used to bridge gaps in process and service, if any.
- Under all circumstances, the Bank shall honour the customer's free will and ensure hassle-free closure of account within the framework of extant regulatory guidelines.

The bank shall carry out review of relationship at regular frequency. In the event customer's account behavior is in contravention to the extant regulatory guidelines e.g. AML, transaction pattern not matching with the profile, etc., the bank shall take necessary steps to intimate the customer with a request to provide evidences in support of transaction pattern/ account behavior, etc. In the event that the customer is unable to provide appropriate evidences or the customer is not traceable beyond a reasonable time-frame, bank will take steps to cease the relationship by obtaining due internal approvals and by issuing notice as per the laid down guidelines to this effect.

The Bank shall ensure comprehensive implementation of the above policy as well as annual review of the same through Customer Service Committee of the Board and the Board of Directors. This shall ensure strengthening the framework of Customer Acceptance, Customer Care, Customer Severance & Customer Rights.

Chapter – D **Policy Framework around Customer's Rights**

The objective of Policy on Customers Rights is to enshrine basic rights of the customers of the Banks regulated by the Reserve Bank of India, as the interest and rights of the customers assume greater importance to make relationship between both the parties cordial, based on mutual trust and transparency. With a view to exhibiting



Classification: Internal



transparency, the Bank has come up with this Policy framework on Customer Rights. They are fully described in the following policy statements and spell out the rights of the customer and also the responsibilities of the Bank.

The policy is based on domestic experience and global best practices brought out to enhance customers' protection. The policy applies to all products and services offered by the Bank or its agents, whether provided across the counter, over phone, by post, through interactive electronic devices, on internet or by any other method. It covers five basic rights of customer such as;

- ✓ Right to Fair Treatment,
- ✓ Right to Transparency, Fair and Honest Dealing,
- ✓ Right to Suitability,
- ✓ Right to Privacy; and
- ✓ Right to Grievance Redressal and Compensation.

1. Right to Fair Treatment

Both the customer and the Bank have right to be treated with courtesy. The customer should not be unfairly discriminated against on grounds such as gender, age, religion, caste and physical ability when offering and delivering financial products.

In pursuance of the above Right, Bank will –

- i) Promote good and fair banking practices by setting minimum standards in all dealings with the customers;
- ii) Promote a fair and equitable relationship between the Bank and the customer;
- iii) Train bank staff attending to the customers, adequately and appropriately;
- iv) Ensure that staff members attend to customers and their business promptly and courteously. Also provide considerate and sympathetic customer service to the pensioners, especially to those pensioners who are of old age.
- v) Treat all customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, economic status, physical ability, etc. Bank may, however, have special schemes or products which are specifically designed for members of a target market group or may use defensible, commercially acceptable economic rationale for customer differentiation. Bank may also have schemes or products as part of an affirmative action such as for women or backward classes. Such schemes/products will not tantamount to unfair discrimination. The rationale for such special schemes or terms will be explained by Bank wherever required. However, in terms of RBI Circular No. RBI/2017-18/89 DBR .No.Leg.BC.96/09.07.005/2017-18 dated 09.11.2017 our Bank has implemented the Doorstep Banking Services for basic banking services to Senior Citizens of more than 70 years of age and Differently Aabled or Infirm Persons (having medically certified chronic illness or disability) including those who are Visually Impaired, subject to certain terms and conditions.
- vi) Ensure that the above principle is applied while offering all products and services;

vii) Ensure that the products and services offered are in accordance with relevant laws and regulations.



Classification: Internal



While it shall be the endeavor of the bank to provide the customers with hassle free and fair treatment, bank would expect its customers to behave courteously and honestly in their dealings with the bank.

It shall also be the bank's endeavor to encourage the customers to approach the bank's internal grievance redressal machinery and approach alternate fora after exhausting all the remedies under bank's internal grievance mechanism.

2. Right to Transparency, Fair and Honest Dealing

The Bank should make every effort to ensure that the contracts or agreements it frames are transparent, easily understood by and well communicated to, the common person. The product's price, the associated risks, the terms and conditions that govern use over the product's life cycle and the responsibilities of the customer and Bank, should be clearly disclosed. The customer should not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the Bank cannot threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.

In pursuance of the above Right, the bank will –

- i) Ensure complete transparency so that the customer can have a better understanding of what he or she can reasonably/ fairly expect from the bank;
- ii) Ensure that the bank's dealings with the customer rest on ethical principles of equity, integrity and transparency;
- iii) Provide customers with clear information about its products and services, terms and conditions, and the interest rates/ service charges in simple and easily understandable language, and with sufficient information so that the customer could be reasonably expected to make an appropriate and informed choice of product;
- iv) Ensure that all terms and conditions are fair and set out the respective rights, liabilities and obligations clearly and as far as possible in plain and simple language;
- v) Make known the key risks associated with the product as well as any features that may especially disadvantage the customer. Most Important Terms and Conditions (MITC) associated with the product or service will be clearly brought to the notice of the customer while offering the product.

In general, it will be ensured that such terms will not inhibit a customer's future choice.

- vi) Provide information on interest rates, fees and charges either on the Notice Board in the branches or website or through help-lines/ help-desk/ Call Centre and wherever appropriate, the customer will be informed directly;
- vii) Display the tariff Schedule on Bank's website and a copy of it will be made available at every branch for customer's perusal. Also will display in branches a notice about the availability of the Tariff Schedule at the branch;

- viii) Give details, in the Tariff Schedule, of all charges, if any, applicable to the products and services chosen by customer;
- ix) Inform the customer of any change in the terms and conditions through Bank's web site, a letter or Statement of Account, SMS or email as agreed by the customer at least one month prior to the revised terms and conditions becoming effective;
- x) Ensure that such changes are made only with prospective effect after giving notice of one month. If the bank has made any change without giving such notice which is favorable to the customer, it will notify the change within 30 days of such change. If the change is adverse to the customer, prior notice of minimum 30 days will be provided and the customer may be provided options, to close the account or switch to any other eligible account without having to pay the revised charge or interest within 60 days of such notice;
- xi) Provide information about the penalties leviable in case of non-observance/ breach of any of the terms and conditions governing the product/ services chosen by the customer;
- xii) Display on public domain the Banks' Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues, Security Repossession and Limiting Liability of Customers in unauthorized electronic transactions.
- xiii) Make every effort to ensure that staff dealing in a particular product is properly trained to provide relevant information to customers fully, correctly and honestly;
- xiv) Ensure to communicate to the applicant within a reasonable time period as decided by the bank about the acceptance/ non-acceptance of applications submitted for availing a product/ service and convey in writing the reasons for not accepting/ declining the application. Such period will be notified in the bank's website and also in the application of the particular product or service.
- xv) Communicate unambiguously the information about —
 - a. discontinuation of particular products,
 - b. relocation of offices
 - c. changes in working hours
 - d. change in telephone numbers
 - e. closure of any office or branch
 - with advance notice through web site or any other mode of at least 30 days. Also affirm that disclosure of information is an on-going process through the life-cycle of the product/ relationship and will be diligently followed by them. Ensure to use all possible channels of communication, including web-site, to ensure that information on all changes are made known to the customer upfront;
- xvi) Advise the customer at the time of selling the product, of the rights and obligations embedded in law and/or banking regulation including the need to report any critical incidents that the customer suspect, discover or encounter;



Classification: Internal



- xvii) The bank's staff members shall, when approached by the customer for availing a product or service, provide all relevant information related to the product/ service and also provide direction to informational resources on similar products available in the market with a view to enable the customer to make an informed decision;
- xviii) Not terminate a customer relationship without giving reasonable or contractual prior notice to the customer;
- xix) Assist the customer in all available ways for managing his/her account, financial relationship by providing regular inputs in the bank's realms such as account statements/passbooks, alerts, timely information about the product's performance, term deposits maturity etc.;
- xx) Ensure that all marketing and promotional material is clear and not misleading;
- xxi) Not threaten the customer with physical harm, exert influence or engage in behavior that would reasonably be construed as unwarranted harassment. Ensure adherence only to the normal appropriate business practices.
- xxii) Ensure that the fees and charges on products/ services and its structure are as per the prevailing banking norms and specific risk appetite.
- xxiii) In case of any unauthorized electronic transaction in the account of the customer, Bank will compensate the customer as per the Bank's Customer Protection Policy & Compensation Policy, and upon reporting of the same by the customer, take immediate steps to prevent further loss due to unauthorized transactions in the account.

3. Right to Suitability

The products offered should be appropriate to the needs of the customer and based on an assessment of the customer's financial circumstances and understanding.

In pursuance of the above Right, the bank will –

- i) Ensure that it has a Board approved policy for assessing suitability of products for customers prior to sale;
- ii) Endeavour to make sure that the product or service sold or offered is appropriate to the customer's needs and not inappropriate to the customer's financial standing and understanding based on the assessment made by it. Such assessment will be appropriately documented in its records.
- iii) Sell third party products only if it is authorized to do so, after putting in place a Board approved policy for marketing and distributing third party financial products;



Classification: Internal



- iv) Not compel a customer to subscribe to any third party products as a quid-pro-quo for any service availed from the bank;
- v) Ensure that the products being sold or service being offered, including third party products, are in accordance with extant rules and regulations;
- vi) Inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by bank to enable them to determine the suitability of the product to the customer.

4. Right to Privacy

Customers' personal information should be kept confidential unless they have offered specific consent to the Bank or such information is required to be provided under the law or it is provided for a mandated business purpose (for example, to credit information companies). The customer should be informed upfront about likely mandated business purposes. Customers have the right to protection from all kinds of communications, electronic or otherwise, which infringe upon Bank's privacy.

In pursuance of the above Right, bank will –

- i) Treat customer's personal information as private and confidential (even when the customer is no longer banking with us), and, as a general rule, not disclose such information to any other individual/institutions including its subsidiaries/ associates, tie-up institutions etc. for any purpose unless
 - a. The customer has authorized such disclosure explicitly in writing;
 - b. Disclosure is compelled by law/ regulation;
 - c. Bank has a duty to the public to disclose i.e. in public interest;
 - d. Bank has to protect its interests through disclosure;
 - e. It is for a regulatory mandated business purpose such as disclosure of default to credit information companies or debt collection agencies.
- ii) Ensure such likely mandated disclosures be communicated immediately to the customer in writing.
- iii) Shall not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it;
- iv) Shall adhere to Telecom Commercial Communications Customer Preference Regulations, 2018 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

5. Right to Grievance Redress and Compensation

The customer has a right to hold the Bank accountable for the products offered and to have a clear and easy way to have any valid grievances redressed. The provider should also facilitate redressal of grievances stemming from its sale of third party products. The Bank must communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or delays in performance, whether caused by the provider or otherwise. The policy must lay out the rights and duties of the customer when such events occur.

- ii) Provide aggrieved customers with the details of the Reserve Bank Integrated Ombudsman for resolution of a complaint if the customer is not satisfied with the resolution of a dispute, or with the outcome of a dispute handling process;
- (d) In addition, the bank will –
 - (i) Clearly spell out, at the time of establishing a customer relationship, the liability for losses, as well as the rights and responsibilities of all parties, in the event of products not performing as per specifications or things going wrong. However, the bank will not be liable for any losses caused by extraneous circumstances that are beyond its reasonable control (such as market changes, performance of the product due to market variables, etc.).
 - ii) Ensure the customer is refunded without delay and demur, if it cannot show beyond reasonable doubt to the customer on any disputed transaction (along with interest/charges).

Designated Nodal Officers for Grievance Redressal Mechanism for effective monitoring and Oversight:

Oversight, monitoring and effective implementation of the Policy at all the Branches/Offices of the Bank is the responsibility of the Branch Manager for respective Branch and controlling authorities i.e. Zonal Manager/General Manager/Chief General Manager-FGMO|FCGMO//General Manager-HO for respective Zones/FGMOs/Head Office. The Branch Managers at Branch level, Zonal Managers at Zonal level, General Managers-FGMOs at FGMO level and General Manager, Customer Excellence Branch Banking Department at Head Office level will act as Nodal Officers for their respective Branches/ Zones/ FGMOs/FCGMOs/ Head Office. In this regard, Branch Managers (in case of branches headed by AGM & above), Zonal Managers and General Managers-FGMOs may nominate their second line Officer or any other Officer not below the rank of Chief Manager to act as Nodal Officer. However, the Zonal Managers of Zones which are tagged to respective 'Reserve Bank - Integrated Ombudsman (RB-IO)' Centre as per RBI's extant RB-IO Scheme 2021 will act as Zonal Nodal Officers for that purpose.

Periodicity of Review:

Frequency of the review of the policy will be One year from the date of approval by the Board. However, the policy will be reviewed before the expiry date if there is any change in the guidelines issued by RBI or the Bank during the operative period.


