



**NKGSB Co-operative
Bank Ltd.** (Multi-State Scheduled Bank)

CUSTOMER GRIEVANCE REDRESSAL POLICY

FY 2024-25

Grievance Redressal Unit

APPROVAL MATRIX

	Policy Name	Customer Grievance Redressal Policy 2024-25	Original Approval Date and IC Ref No.	31/05/2024 IC_____/GRU/2024-25 dated 07.06.2024
	Policy Version	<u>1.00</u>		
	Policy Owner: Grievance Redressal Unit		HOD: Mr. Laxmikant Desai, AGM,Principal Nodal Officer Reporting Authority: Mr. Santosh Borkar- General Manager	
	Date of first Policy Approval:		Placed on: 16/02/2024 Placed by: Name & Designation: Mr. Laxmikant Desai, AGM Principal Nodal Officer Mr. Santosh Borkar General Manager Approved on : 31/05/2024 Approved by : Board of Directors	
Policy Version	Particulars	Placed By	Reviewed By	Recommended By
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	Date	12/02/2024	13/02/2024	16/02/2024

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CUSTOMER GRIEVANCE REDRESSAL POLICY

A. Preamble

In the present competitive age, excellence in customer service is the most important factor coupled with technological advancement for sustained business growth. Customer complaints are part of the business life of any corporate entity and just cannot be avoided even after rendering the highest level of service. Banking being the service industry and our Bank being from cooperative sector, customer service and customer satisfaction should be the prime concern. The Bank believes that providing prompt and efficient service is essential not only to retain existing customers but also to attract new ones since existing customers are our brand ambassadors. As such, there is need for efficient and effective framework to resolve the customer grievances.

Until now, the Bank was referring to Customer Grievance Redressal Policy (Electronic Banking), which was a part of Information Security Management System (ISMS) Policies. However, in the said policy, a thrust was given mainly on electronic banking. As such, a need was felt to have a comprehensive policy which will cover a wide spectrum of banking services offered by our Bank to different categories of customers. Accordingly, this separate policy on Grievance Redressal has been framed.

B. Reference to Regulatory Circulars / Guidelines

- Master Circular on 'Customer Service in Banks' bearing reference no. RBI/2014-15/72DBOD No.Leg.BC.21/09.07.006/2014-15 dated July 1, 2014

C. Applicability and coverage of the Policy:

This policy is applicable to all branches, offices, all personnel, including outsourced employees working at various locations of NKGSB Bank as well as covers third party product distributed/referred by Bank.

Policy is intended to specify the framework of Grievance Redressal mechanism of the Bank and regulatory reporting thereof etc.

D. Objective

- The objective of the policy is to specify the framework for Grievance Redressal in the Bank in conformity with RBI's guidelines.
- This policy aims at outlining the process flow to ensure redressal of customer complaints and grievances in timely manner and moreover effectively leading to 'win-win' situation.
- To provide review mechanism to identify shortcomings in product features and service delivery by way of root cause analysis

- To assign top priority to customer grievance resolution since customer dissatisfaction is associated mainly with Reputational Risk and Operational Risk.
- To make Bank's redressal mechanism more meaningful and effective so that the solution offered is just and fair and within the given frame-work of rules and regulations of the Bank and Regulators.

E. Guiding principles

- Speedy resolution
- Transparency
- Ease of access
- Ease of escalation
- Continuous improvement
- Customer education

F. Definition of Complaint, Request and Enquiry:

Complaint: A lapse or gap in service delivery vis-a-vis the standard expectations as per banking rules and regulations as well as RBI guidelines. Complaints could be on account of breach in committed turnaround time (TAT), non-fulfillment of admissible request placed with the bank.

Request: The act of asking for something admissible/ lawful that the customer asks for in regards to his relationship with the bank. Requests will have specific turnaround time (TAT) depending on its nature.

Enquiry: Any information that the customer seeks regarding the product or service.

G. Channels / Modes to lodge a complaint / grievance:

The various channels available to customers for registering the complaints are as follows:

- (i) **Customer Care Centre:** Customers can call 24x7 on Bank's toll free number at 022-28602000 or send an email at customercare@nkgsb-bank.com
- (ii) **Branch:** Customers can register their complaints at any branch, either by personal visit or over the telephone or through their registered e-mail ID. Complaint Register will also be made available at all branches for recording of the complaints.
- (iii) **Bank's Website:** Customers can use 'Feedback' or 'Grievance Redressal' option available under 'Contact us' tab on the homepage of Bank's website www.nkgsb-bank.com to lodge their complaint.
- (iv) **Email:** Customers can directly send their complaints at our dedicated email IDs gru@nkgsb-bank.com or pno@nkgsb-bank.com

Escalation to Regulator - Reserve Bank of India under Banking Ombudsman Scheme:

If the customer's complaint is not resolved or if he/she is not satisfied with the resolution provided by the Bank, then the said customer can further approach Banking Ombudsman with his/her complaint. Details of the Banking Ombudsman are already displayed at branches and on Bank's website.

H. Recording and tracking of Complaint/ Grievance:

Branch/ GRU / Customer Care Centre should first classify the communication received from the customer as 'Enquiry' or 'Request' or 'Complaint'.

All the complaints received by the Bank across channels must be recorded and tracked for end-to-end resolution. Any complaint received - either verbally, via email, Online Web Form or in writing - from the customers, will be logged in the Customer Grievances Monitoring System (CGMS) within 3 working days

The Branches / Departments / GRU or Customer Care Centre whoever receives the complaint has to immediately update the complaint in the CGMS system and provide the Complaint reference Number to the customer.

Each channel/Business unit will have a robust internal mechanism to closely track the open complaints related to their department/ Channel and must accord top most priority to resolve customer issues in a timely manner.

I. Bank has four level structure for complaint handling as follows :

Level 1 - Branch / Concern Department,

Level 2 - Customer Care Centre,

Level 3 - Grievance Redressal Unit & Nodal Officer

Level 4 - Principal Nodal Officer

J. Internal mechanism for Resolution of Customer complaints/grievances :

Roles & Responsibilities:

➤ Branch/Concern Department➔

Branch Managers are responsible for the resolution of complaints/grievances in respect of their customers. They should ensure closure of all complaints received at the branches within specified TAT. It is their foremost duty to see that the complaint should be resolved completely to the customer's satisfaction within the ambit of Bank's policy and RBI guidelines. If branches feel that it is not possible at their level to solve the problem/issue the matter would be escalated immediately to the Zone / department under a copy marked to GRU. The GRU will co-ordinate to get the speedy resolution.

➤ **Customer Care Centre (CCC) →**

Customer Service Executive from CCC has to enter the complaint in CGMS as well as Customer Care Call Monitoring System Software immediately while on call. An executive should first verify the identity of the customer by duly authenticating the customer basis his information available in Bank's record. Then, he/she shall collect all the information about issue faced by the complainant carefully. He/she shall issue the system generated Complaint Reference Number to the complainant over the call. Further, they should assign it to respective Branch / Department for resolution. CCC Executive has to do necessary follow-up with concerned Branch / Department for speedy resolution and also communicate the complainant by an e-mail/ over the phone once the issue is resolved. Since the complaint is received at CCC, the complaint resolution response should be provided by them only. If CCC feels that it is not possible at their level to solve the problem/issue the matter would be escalated immediately to the Zone under a copy marked to GRU. The GRU will further co-ordinate with respective stakeholders to get the speedy resolution of the complaint.

➤ **GRU & Nodal Officer →**

Bank shall have a Nodal Department/Official for Customer Service at the Head Office with whom customers can approach for solution of their grievances. Nodal Officer will serve as a first level of Grievance Redressal Mechanism. There can be more than one Nodal Officer. Depending upon the number of complaints, Bank may appoint more than one Nodal Officer based on Zones or Area wise classification.

Nodal Officer will act as an intermediary between the customer and branches/department and will co-ordinate for getting effective resolution of customer complaints within the TAT.

Nodal Officer will report to Principal Nodal Officer.

Complainthas to be looked upon in the right perspective because they indirectly reveal a weak spot in the working of the bank. Complaint received should be analyzed from all possible angles. GRU department will conduct Root Cause Analysis in case of complaints of repetitive nature or large number of complaints / trends of complaints if identified in respect of particular issue.

GRU can avail the legal advice, if required; from Bank's Legal department in case of any Legal Notice is received from the customer. In such case, it is the responsibility of the Legal Department to ensure that the reply is filed within the stipulated TAT.

All complaints received by Senior Management at the Central Office or at the Chairman / Managing Director's desks shall be forwarded to GRU Department. The GRU team will also look in to the Complaints received from RBI on CMS portal.

➤ **Principal Nodal Officer (Internal Ombudsman)**

The Bank shall appoint Principal Nodal Officer (PNO) who will act as an Internal Ombudsman. PNO will be the next escalation level after Nodal Officer.

PNO will ensure that the customer grievances /complaints received in the Bank are closed effectively within the TAT. He / She will also do liaisoning with Banking Ombudsman at RBI for effective closures of the Bank's complaints and its related coordination.

As per RBI directive, Bank will be internally escalating all cases to the PNO / Internal Ombudsman for final decision. PNO will review all the cases of customer grievances impartially and will give the decision to give justice. The decision of the PNO will be binding on the Bank in the capacity of Internal Ombudsman.

If the grievance is not resolved within a month from date of receipt of the complaints at the Bank level then the customer may choose to refer the matter to Banking Ombudsman. The details of the same are available at our Bank's website 'www.nkgsb-bank.com' in the Grievance Redressal Section.

PNO will also review the Root Cause Analysis of complaints received and will direct the respective departments/branches for taking remedial actions for further improvements. PNO will also share his recommendations if any change needs to be done in any of the policies to give fair treatment to all the customers keeping in mind the regulatory guidelines.

K. Regulatory / Senior Management Reporting:

➤ **Periodic review of MIS related to Customer Complaints by Bank's Top Management:**

As per RBI guidelines -

- Banks are required to constitute a Customer Service Committee of the Board. The Committee should play a more pro-active role with regard to complaints /grievances resolved by Banking Ombudsman.
- Bank should place all the awards given by the Banking Ombudsman before the Customer Service Committee to enable them to address issues of systemic deficiencies existing in Bank, if any, brought out by the awards;
- Bank should place all the RBI awards remaining unimplemented for more than three months with thereasons before the Customer Service Committee to enable the Customer Service Committee to report to the Board such delays in implementation without valid reasons and for initiating necessary remedial action.
- Bank should place a statement of complaints before the Board/Customer Service Committees along with an analysis of the complaints received.

The complaints should be analyzed as follows-

- (i) To identify customer service areas in which the complaints are frequently received
- (ii) To identify frequent sources of complaint

- (iii) To identify system deficiencies
- (iv) For initiating appropriate action to make the grievance redressal mechanism more effective.

➤ **3 tier structure of review mechanism:**

In view of the above, Bank has adopted 3 tier structure of review mechanism as follows -

(i) Operations Committee of the Board

This Committee would also serve as Standing Committee on Customer Service and will examine any issue having a bearing on the quality of customer service rendered.

A monthly consolidated report of various customer complaints received during the month at all interfaces like GRU, Customer Care Centre, branches/departments and RBI-Ombudsman will be placed before the Operations Committee by GRU Department along with detailed analysis of TAT, nature of complaints, Root Cause Analysis, complaints related to staff behavior and action taken thereof, measures to be taken for improvement, etc.

GRU department will place all the awards given by the Internal Ombudsman as well as RBI - Ombudsman before the Customer Service/Operations Committee of the Board, to enable them to address issues of systemic deficiencies existing in the Bank, if any, brought out by the awards.

Customer service / Operation Committee will recommend the necessary changes.

ii) Board of Management :

This Committee will review the monthly report placed by GRU department and the recommendations given by Customer Service/Operations Committee and will provide their advice so as to streamline various functional areas requiring further improvements to augment the customer service. Recommendations if any, will be further placed before the Board of Directors for final approval.

iii) Board of Directors :

Board will take review of all the complaints received including those complaints for which awards have been passed on by Banking Ombudsman along with the suggested measures of improvements in the system as a outcome of RCA (Root Cause Analysis).

L. Time Frame (Turn Around Time - TAT)

Specific turnaround time (TAT) is set as follows for handling complaints and disposing them at all levels considering the type of complaint and the time required to resolve the same under normal circumstances.

Generally, the Turnaround time (TAT) will be as below:

Sr. No	Type of Complaints	TAT (in working days)
1	Related to Passbook printing, mobile number/address/ PAN updation, Charges, FD related, Inward / Outward , SMS	3 days
2	<ul style="list-style-type: none"> • Related to Account opening, KYC, Interest application, TDS, DEAF, Loans, Recovery, Staff behavior, Shares, Dividend on shares, Death claim, FOREX, Travel Card, etc • Dispute in cash withdrawal from other than NKGSB ATM • Dispute regarding Net Banking / Mobile Banking / UPI /RTGS/NEFT / ECom / POS / Debit Card 	10 days
3	Related to CIBIL	21 days
4	Dispute regarding online transactions through Net Banking / Mobile Banking / UPI /RTGS/NEFT where chargeback on other Bank is required to be raised	35 days

M. Liability of Customer/Bank in case of unauthorised Transactions:

(a) Zero Liability of Customer

A customer's entitlement to zero liability shall arise where the unauthorized transaction occurs in the following events:

- Contributory fraud/negligence/deficiency on the part of the bank (irrespective of whether or not the transaction is reported by the customer).
- Third party breach where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, and the customer notifies the bank within three working days of receiving the system driven SMS from the bank regarding unauthorized transaction.

(b) Limited Liability of a customer

A customer shall be liable for the loss occurring due to unauthorized transactions in the following cases:

- In cases where the loss is due to negligence by a customer, for e.g. sharing of confidential details by customer i.e. payment credentials or any critical key parameters like his birth date, CIF Id, PAN, etc. which helped the fraudster to do the fraud OR clicking any unauthorized link by the customer OR installing any type of remote control software application/s on mobile handset, the customer will bear the entire loss until he reports the unauthorized transaction to the Bank. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the Bank. However, merely dropping an e-mail on branch or any other department e-mail id after office hours will not be considered as communication for reporting of unauthorized transaction on immediate basis. The said mail will be considered on next working day.

The Customer Care Centre (CCC) of the Bank is working 24x7 and the customers need to contact the same on the telephone number or an e-mail id of CCC through their mobile number or e-mail id registered with the Bank for reporting of unauthorised transactions.

- In cases where the responsibility for the unauthorized electronic banking transaction lies neither with the bank nor with the customer, but lies elsewhere in the system and when there is a delay (of four to seven working days after receiving system driven SMS from the bank regarding unauthorized transaction) on the part of the customer in notifying the bank of such a transaction, the transaction liability of the customer shall be limited to the transaction value or the amount as prescribed below, whichever is lower.
- Further, if the delay in reporting is beyond 7 working days, entire liability shall be of Customer

Overall liability of the customer in third party breaches, where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, is summarized below:

As per RBI's circular number RBI/ 2017-18/15 DBR No.Leg.BC.78/09.07.2017-18 dated 6th July 2017	
Time taken to report the fraudulent transaction from the date of receiving the communication from Bank	Customer's liability
Within 3 working days	Zero liability
Within 4 to 7 working days	
Basic Savings Bank Deposit (BSBD) Accounts	5,000
1. All other SB accounts	10,000
2. Pre- paid Payment Instruments and Gift Cards	
3. Current / Cash Credit/ Overdraft Accounts of MSMEs	
4. Current Accounts/ Cash Credit/ Overdraft Accounts of Individuals with annual average balance (during 365 days preceding the incidence of fraud)/ limit up to Rs.25 lacs	
5. Credit cards with limit up to Rs.5 lacs	
1. All other Current/ Cash Credit/ Overdraft Accounts	25,000
2. Credit cards with limit above Rs.5 lacs	
Beyond 7 working days	Entire Liability of Customer

On being notified by the customer, the bank shall credit the amount involved in the unauthorized electronic transaction to the customer's account within 10 working days from the date of such notification by the customer. The credit shall be value dated to be as of the date of the unauthorized transaction.

Bank should resolve a complaint within 90 days from the date of receipt of the complaint and should compensate the customer, if any, as per above mentioned provisions. If Bank is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation as prescribed above is to be paid to the customer.

N. Mandatory display requirements:

- Complaint Book / Register :

Complaint book with perforated copies in each set is to be kept at prominent place in each branch which are designed in a manner to instantly provide an acknowledgement to the customers.

All branches should maintain a separate complaints register in the prescribed format (Annexure I) given for entering all the complaints/grievances received by them directly orthrough their Head Office. These registers should be maintained irrespective of thefact whether a complaint is received or not in the past. In view of our Bank having computerized operations, branches should enter the data in CGMS system and generate the copy of the Register report electronically. The concern Zonal Head during his periodical visit to the branches should take review of the observations/comments recorded in complaints registers maintained by branches.

- Display the names of the bank officials like Nodal Officer and Principal Nodal Officer who can be contacted for redressal of complaints, together with their contact number, e-mail details andoffice address at prominent place on the notice board of branches. At the same time, name and address of the Banking Ombudsman (RBI) also to be displayed on the Branch notice board.
- Bank todisplay the above details on its website also.
- Bank shall display on its web-site, the name and other details of MD / CEO and also Line Functioning Heads forvarious operations to enable the customers to approach them in case ofneed, if necessary.

O. Disclosure of complaints / unimplemented awards of Banking Ombudsmen along with Financial Results:

The Committee on Procedures and Performance Audit on Public Services (CPPAPS) had recommended that banks should place a statement before their Boards analyzing the complaints received. CPPAPS had further recommended that the Statement of complaints and its analysis should also be disclosed by banks along with their financial results. Further, a suggestion has been received that unimplemented awards of the Banking Ombudsman should also be disclosed along with financial results.

In line with the recommendations of CPPAPS, Bank shall disclose the following brief details along with thefinancial 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 theyear
- (c) No. of Awards implemented during the year
- (d) No. of unimplemented Awards at the end of the year

Further, Bank shall place this information on the web-site for information of the general public at the end of eachfinancial year.

P. Interaction with customers

The Bank recognizes that customers' expectation/requirement/grievances can be better appreciated through personal interaction with customers by Bank's staff. Periodic customer meets will give a message to the customers that the Bank cares for them and values their feedback/suggestions for improvement in customer service. Many of the complaints arise on account of lack of awareness among customers about Bank services and such interactions will help the customers appreciate banking services better. As for the Bank the feedback from customers would be valuable input for revising its product and services to meet customer requirements. As such, all branches should arrange customer meets periodically and consistently with customers of different profiles. The record of such meets should be maintained by respective branches. Zonal Heads should ensure this and if possible should chair these meets.

Q. Sensitizing operating staff on handling complaints

Staff should be made aware of the importance as well as process of handling complaints efficiently and effectively. For this purpose, the Branch Managers should periodically conduct mentoring session with the front line staff under them and educate them on various facets of customer service. We are dealing with people and hence difference of opinion and areas of friction can arise. Considering this fact, the Branch Manager should intervene in such situations at right time and should try to bring win-win solutions. It would be the responsibility of the Zonal Head to ensure the quality service is offered to the customers at branches under them and the grievances, if any, are resolved amicably and in timely manner.

The PNO/NO shall forward the cases of complaints related to staff behaviour to HR department for further necessary action. HR department to analyze these complaints and make use of identified knowledge gaps for training needs identification of staff.

R. Policy Effective Date, Review Frequency:

- This Policy will be effective from 1st April, 2024.
- The policy document will be made available at all branches. The same will be also hosted on the Bank's website.
- The Policy will be reviewed annually by GRU Department.

These reviews shall consider the following:

- Internal factors such as changes in organizational structure or products and services offered
- External factors such as revised or new RBI guidelines, changes in legislation or technological innovation
- The results of audit, if any conducted during the year by internal / external/ auditors.
