

JANATA SAHAKARI BANK LTD., PUNE

(Multi-state Scheduled Bank)

**CUSTOMER RIGHTS POLICY
2017 -2018**

CUSTOMER RIGHTS POLICY

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CUSTOMER RIGHTS POLICY

1. Background

1.1 The Customers Rights Policy enshrines basic rights of Customers of Janata Sahakari Bank Ltd., Pune and the responsibilities of the bank. The policy applies to all the products and services offered by the bank, whether provided across the counter, over phone, by post, through interactive electronic devices, on internet or by any other method.

1.2 Customer Rights Policy comprising the following basic customer rights enshrined in the Charter of Customer rights:

- 1) Right to Fair Treatment
- 2) Right to Transparency and Honest Dealing
- 3) Right to Suitability
- 4) Right to Privacy
- 5) Right to Grevance Redress and Compensation

The Policy is framed based on the Model Customer Rights Policy issued by IBA.

2. Who is the Customer?

A customer is a person who is utilizing one or more of the services provided by the bank.

3. Objective

The main objectives of this policy are to ensure that:

2.1 Both the customer and the bank have a right to be treated with courtesy. The customer will not be unfairly discriminated on the grounds such as gender, age, religion, caste and physical ability when offering financial products.

2.2 The contracts or agreements that the bank frames are transparent, easily understood and well communicated to the common person. The product's price, associated risks, terms and conditions that govern use over the product's life cycle and the responsibilities of the customer and the bank is clearly disclosed. The customer will not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of the banker- customer relationship, the bank will not threaten the customer with physical harm, exert undue influence or engage in blatant harassment.

2.3 The products offered to the customer are appropriate to the needs of the customer and based on the assessment of the customer's financial circumstances and understanding.

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2.4 Personal information of customers are kept confidential unless they are 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 (viz. To credit information companies). Customers will be informed upfront about likely mandated business purposes. To protect customers' right from all kinds of communications, electronic or otherwise, which infringe upon their privacy.

2.5 The customers' 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 bank will communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or delays in performance, whether caused by the bank or otherwise. Rights and duties of the customer will be laid out in the policy.

3. Philosophy and Policy

3.1 The Bank's Customer Right Policy is aimed at achieving the above objectives of having a transparent and comprehensive document setting out the rights of the customers.

3.2 The bank's philosophy is in extending quality customer service and to retain them for a long and mutually beneficial business relationship.

4. Customer Rights

4.1 Right to Fair Treatment

In pursuance to the Right to Fair Treatment, the Bank will;

- i.** Promote good and fair practices by setting minimum standards in all dealings with the customers.
- ii.** Promote fair and equitable relationship between the bank and the customer.
- iii.** Train the staff attending to customers, adequately and appropriately.
- iv.** Ensure that staff members attend to customers and their business promptly and courteously.
- 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.
- 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.

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While the bank shall endeavor to provide its customers with hassle free and fair treatment, customers are expected to behave courteously and honestly in their dealings with bank.

Customers are encouraged to approach the bank's internal grievances redressal machinery with their grievances for resolution. After exhausting all their remedies, customers are encouraged to approach alternate fora with their grievances.

4.2 Right to Transparency, Fair and Honest Dealing

The Bank will;

- i.** Ensure complete transparency so that the customer can have a better understanding of what he/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 the products and services, terms and conditions, interest rates and service charges in simple and easily understandable language and with sufficient information to enable the customer to make an appropriate and informed choice of products.
- iv.** Ensure that all terms and conditions are fair and set out the respective rights, liabilities and obligations clearly 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 associated with the product or service will be clearly brought to the notice of the customer while offering the product.
- vi.** Provide information on interest rates, fee and charges on the Notice Board and display on the website. A copy will be made available to customers for perusal.
- vii.** Give details of all charges in the Schedule of Charges, as applicable to the products and services chosen by the customer.
- viii.** Inform the customer any change in the terms and conditions through a letter, email or SMS as agreed by the customer, at least one month prior to the revised terms and conditions becoming effective.

- ix.** Ensure that such changes are made only with prospective effect after a month's notice. Changes made without giving such notice, which is favourable to the customer, 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.
- x.** 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.
- xi.** Display on the bank's website the bank's Policies on Deposits, Cheque Collection, grievance Redressal, Compensation and Collection of Dues and Security Repossession.
- xii.** Make every effort to ensure that the staff dealing in a particular product is properly trained to provide relevant information to customers fully, correctly and honestly.
- xiii.** Ensure to communicate to the applicant the time period 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.

Xiv. Communicate unambiguously the information about:

- a) Discontinuation of particular products.
- b) Relocation of our office.
- c) Changes in working hours.
- d) Change in telephone numbers.
- f) Closure of any office or branch.

- with advance notice of at least 30 day. The bank will ensure that disclosure of information is an on-going process through the cycle of the product/ relationship and will be diligently followed. The bank will ensure that information on all changes are made known to the customer upfront.

XV. 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.

- xvi. When approached by the customer for availing a product or service, the staff shall 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.
- Xvii. Not terminate a customer relationship without giving reasonable or contractual prior notice to the customer.
- Xviii. 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.
- Xix. Ensure that all marketing and promotional material is clear and not misleading.
- Xx. Not threaten the customer with physical harm, exert influence or engage in bheaviour that would reasonably be construed as unwarranted harassment. The bank will ensure adherence only to the normal appropriate business practices.
- Xxi. Ensure that the fee and charges of products/services and its structure are not unreasonable to the customer.

4.3 Right to Suitability

In pursuance of the right to suitability, the bank will;

Ensure that it has Management Committee/ Board approved policy for assessing suitability of products for customers prior to sale.

- i. 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 for records.
- ii. Sell third party products only if the bank is authorised to do so and after having a board apporved policy for marketing and distributing third party financial products.
- iii. 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 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 the bank to enable the bank to enable the bank to determine the suitability of the product to the customer.

4.4 Right to Privacy

In pursuance to the Right to Privacy, the bank will;

- i.** Treat customer's personal information as private and confidential (even when the customer is no longer banking with us) and NOT disclose such information to any other individual / institutions, including subsidiaries / associates, tie-up institutions etc. For any purpose, unless;
 - a) The customer has authorised such disclosure explicitly in writing
 - b) Disclosure is compelled by law / regulation
 - c) Bank has duty to the public to disclose i.e. in public interest.
 - d) Bank has to protect its interest through disclosure.
 - e) It is for regulatorily 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 to share customer's personal information for marketing purpose, unless the customer has specifically authorized it.

4.5 Right to Grievance Redress and Compensation

In pursuance to the Grievance Redress and Compensation Right, the bank will;

- i)** Deal sympathetically and expeditiously with all things that go wrong
- ii)** Correct mistakes promptly
- iii)** Cancel any charge that has been applied wrongly and by mistake.
- iv)** Compensate the customer for any direct financial loss that might have been incurred by the customer due to its lapses

The bank will also;

- i)** Place in public domain (website) the Customer Grievance Redressal policy, including the grievance redressal mechanism.
- ii)** Place on its website the Compensation Policy for delays / lapses in conducting/ setting customer transactions within the stipulated time and in accordance with the agreed terms of contract
- iii)** Ensure to have robust and responsive grievances redressal procedure and clearly indicate the grievance resolution authority who shall be approached by the customer
- iv)** Make grievances redressal mechanism easily accessible to customers.
- v)** Advise the customer about how to make a complaint, to whom such a complaint is to be made, when to expect a reply and what to do if the customer is not satisfied with the outcome.

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- vi) Display name, contact details of the Grievances Redressal Authority / Nodal Officer. The time of resolution of complaints will be displayed.
- vii) Inform the complainant of the option to escalate his complaint to the banking Ombudsman if the complaint is not redressed within the pre-set time.
- viii) Place in the public domain information about Banking Ombudsman Scheme.
- ix) Display at customer contact points the name and contact details of the banking Ombudsman under whose jurisdiction the branches falls.

Further the bank will;

- i) Acknowledge all formal complaints (including complaints lodged through electronic means) within three working days and work to resolve it within a reasonable period, not exceeding 30 days. The 30 days period will be reckoned after all the necessary information sought from the customer is received.
- ii) Provide the aggrieved customers with the details of the Banking Ombudsman Scheme for resolution of a complaint if the customer is not satisfied with the resolution of a report or with the outcome of the dispute handling process.

Additionally, the bank will;

- a) 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.
- b) Ensure the customer is refunded without delay and demur, if it cannot show beyond reasonable doubt to the customer on any disputed transaction.

5. Review

At a minimum, this policy will be reviewed annually.