BANK OF CEYLON

Bankers to the Nation

Customer Rights Policy

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1. Introduction:

Customer protection is an integral aspect of any financial inclusion. The following comprehensive Customer Rights Policy based on domestic experience and global best practices is brought out to enhance such protection. The Customer Rights Policy enshrines basic rights of our customers. It spells out the rights of the customer and also our responsibilities. The Policy applies to all products and services offered by us, whether provided across the counter, over phone, by post, through interactive electronic devices, on internet or by any other method. The bank will always endeavor to adopt higher standards of banking practices to extend better customer service and achieve higher levels of customer satisfaction.

2. Right to Fair Treatment:

Both the customer and the financial services provider have a 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, our 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 with the customer;

iii) Train the staff attending to the customers, adequately and appropriately;

iv) Ensure that our 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. We 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. We 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 wherever required;

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;

While it shall be our endeavor to provide customers with hassle free and fair treatment, we would also expect our customers to behave courteously and honestly in their dealings with us. It shall also be our endeavor to encourage the customers to approach our internal Grievance Redressal machinery.(after exhausting the remedies under bank's internal grievance mechanism.)

3. Right to Transparency, Fair and Honest Dealing:

The financial services provider 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 financial service provider, 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 financial services provider cannot threaten the customer with physical harm, exert undue influence, or engage in blatant harassment. In pursuance of the above Right, we will -

i) Ensure complete transparency so that the customer can have a better understanding of what he or she can reasonably / fairly expect;

ii) Ensure that our 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, 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 customers. 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 Branch or website or through help-lines or help-desk and where appropriate the customer will be informed directly;

vii) Display the tariff Schedule on our website and a copy of it will be made available at the branch for customer's perusal. We will also display 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 the customer;

ix) Inform the customer of any change in the terms and conditions through a letter or Statement of Account, 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 changes were made without giving such notice which is favorable to the customer, we 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 our Banks' Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues and Security Repossession.

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 our 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 premises / offices
c. changes in working hours
d. closure of any office or branch

- with advance notice of at least 30 days. Also affirm that disclosure of information is an on-going process through the lifecycle of the product / relationship and will be diligently followed. Ensure to use all possible channels of communication, including web-site, to ensure that information on all changes is made known to the customer upfront;

xvi) Advise the customer at the time of selling the product of the rights and obligations embedded in the Law and / or Banking Regulation including the need to report any critical incidents that the customer suspect, discover or encounter;

xvii) Our 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 (except under circumstances where there is a Direction from a Court of Law or a competent statutory authority).

xix) Assist the customer in all available ways for managing their account, financial relationship by providing regular inputs in our 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 are clear and not misleading;

xxi) Not to threaten the customer with physical harm, exert influence or engage in behavior that would reasonably be construed as unwarranted harassment.

xxii) Ensure that the fees and charges on products / services and its structure are not unreasonable to the customer.

4. <u>Right to Suitability:</u>

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, we will -

i) Ensure that the suitability of the new products are duly approved by our Board prior to sale to the customers.

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 us.

iii) Sell third party products only if we are authorized to do so, and only after obtaining permission from our Board.

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 us to enable them to determine the suitability of the product to them;

5. Right to Privacy:

Customers' personal information should be kept confidential unless they have offered specific consent to the financial services provider 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 the likely mandated business purposes. Customers have the right to protection from all kinds of communications, electronic or otherwise, which infringe upon their privacy.

In pursuance of the above Right, we 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 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 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 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, 2010 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

6. Right to Grievance Redressal and Compensation:

The customer has a right to hold the financial services provider 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 financial services provider 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. In pursuance of the above Right, we 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 such lapses.

We will also –

i) Place in public domain our Customer Grievance Redressal Policy, including the Grievance Redressal procedure available for the customer; (The Policy is already available in our website, www.bankofceylon.in)

ii) Place in public domain the compensation policy for delays / lapses in conducting / settling customer transactions within the stipulated time and in accordance with the agreed terms of contract; (The Policy is already available in our website, www.bankofceylon.in)

iii) Ensure to have a robust and responsive grievance Redressal procedure and clearly indicate the grievance resolution authority who shall be approached by the customer;

iv) Make grievance 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;

vi) Display name, address and contact details of the Grievance Redressal Authority / Nodal Officer. The time limit for resolution of complaints will be clearly displayed / accessible at all service delivery locations.

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 public domain information about Banking Ombudsman Scheme; (The Scheme is already available in our website, www.bankofceylon.in)

ix) Display at customer contact points the name and contact details of the Banking Ombudsman under whose jurisdiction our branch falls.

Further, we 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 (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for grievance Redressal). The 30 day period will be reckoned after all the necessary information sought from the customer is received;

ii) Provide 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 dispute, or with the outcome of a dispute handling process;

In addition,

a) We are not liable for any losses caused by extraneous circumstances that are beyond reasonable control (such as market changes, performance of the product due to market variables, etc.).

b) We will ensure that the customer is refunded without delay and demur (along with interest / charges), if we are not able to clarify beyond reasonable doubt to the customer on any disputed transaction.