



# **POLICY FOR REDRESSAL OF CUSTOMER GRIEVANCES**

**September 2023**

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### **1. Introduction**

Customer complaints are part of the business life of any corporate entity. This is more so for Banks because Banks are service organizations. As a service organization, customer service and customer satisfaction is the prime concern of the Bank. The Bank believes that excellence in customer service is its prime motto; providing prompt and efficient service should get paramount importance in its business policies.

This Policy document aims at minimizing instances of customer complaints and grievances through proper service delivery and review mechanism and to ensure prompt redressal of customer complaints and grievances. The review mechanism is aimed at helping identification of shortcomings in product features and service delivery. Bank is fully aware that customer dissatisfaction would spoil Bank's name and image. The Bank's Policy on grievance redressal follows the under noted principles.

- ❖ Customers be treated fairly at all times.
- ❖ Complaints raised by customers are dealt with courtesy and on time.
  
- ❖ Customers are fully informed of avenues to escalate their complaints/grievances within the organization and their rights to alternative remedy, if they are not fully satisfied with the response of the Bank to their complaints.
- ❖ Bank will treat all complaints efficiently and fairly as they can damage the Bank's reputation and business if handled otherwise.
- ❖ The Bank employees must work in good faith and without prejudice to the interests of the customer.

In order to make Bank's redressal mechanism more meaningful and effective, a structured system has been built up towards such end. Such system would ensure that the redressal sought is just and fair and is permissible within the given framework of rules and regulation. The Policy document would be made available at all branches. The concerned employees shall be made aware about the Complaint handling process.

#### **1.1 The customer complaint arises due to;**

- a. The attitudinal aspects in dealing with customers.
- b. Inadequacy of the functions/ arrangements made available to the customers or gaps in standards of services expected and actual services rendered.

The customer is having full right to register his complaint if he is not satisfied with the services provided by the Bank. He can give his complaint in writing, orally or over telephone. If customer's complaint is not resolved within the prescribed time or if he is not satisfied with the solution provided by the Bank, he can approach Reserve Bank Integrated Ombudsman with his complaint or other legal avenues available for grievance redressal.

### **2. Internal Machinery to handle Customer complaints/ grievances**

#### **2.1 Customer Service Committee of the Board**

The Customer Service Committee of the Board shall be responsible for this policy for redressal of customer grievances and will examine issues having bearing on the quality of service rendered by the Bank.

While the top management is responsible for expeditious implementation of the awards of the Reserve Bank Integrated Ombudsman Scheme, the Service Quality Department (SQD) shall,

- a) place all the awards given by the Reserve Bank Integrated Ombudsman before the Customer Service Committee to enable them to address issues of systemic deficiencies existing in banks, if any, brought out by the awards; and
- b) place all the awards remaining unimplemented for more than three months with the reasons therefor 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.

## **2.2 Standing Committee on Customer Service**

Executive Director of the Bank will chair the Standing Committee on Customer Service. Besides two to three senior executives of the Bank, the committee would also have two to three eminent non- executive(s) drawn from the public as members. The committee should have two customers of the branch as members out of which one should be a senior citizen. The committee would have the following functions.

- ❖ Evaluate feedback on quality of customer service received from various quarters. The committee would also review comments/feed-back on customer service and implementation of commitments in the Code of Bank's Commitments to Customers received from BCSBI.
- ❖ The Committee would be responsible to ensure that the Bank is undertaking timely and effective implementation of all regulatory instructions regarding customer service. Towards this, the committee would obtain necessary feedback to evaluate the actions from regional managers/ functional heads.
- ❖ The committee also would consider unresolved complaints/grievances referred to it by functional heads responsible for redressal and offer their advice.
- ❖ The committee would submit report on its performance to the customer service committee of the board , at quarterly intervals reviewing the practice and procedure prevalent in the Bank and initiate correction action , covering areas reviewed, procedure/practice identified and simplified/introduced.

## **2.3 Nodal Officer and other designated officials to handle complaints and grievances**

The Executive Director of the Bank in charge of the Service Quality Department shall be the Principal Nodal Officer to handle complaints and grievances.

The nodal department for customer service shall be SQD and Head of SQD shall be the Deputy Nodal Officer in charge of the customer service in the Bank. Each Zonal Office, an officer shall be designated as nodal officer by the Principal Nodal Officer. Regional Heads and Branch Heads shall act as nodal officers in the respective regions and branches.

The name and contact details( complete address, telephone/fax number and email address) of nodal officer(s) will be displayed on branch, Website and notice boards. Zonal Managers shall be Customer Relation Officers at Zonal Offices to handle complaints and grievances in respect of branches under their control. Further, the Bank will designate Nodal Officers wherever necessary, considering the Geographical grouping of branches, either consisting of different States in a Single zone, or different Zones in a single State. For the purpose of this policy, FedServ offices shall be treated as offices of the Bank.

## **2.4 Internal Ombudsman**

Under the Internal ombudsman scheme the Bank had appointed Internal Ombudsman (IO). The Scheme is introduced with the object of enabling a proper and speedy resolution of complaints of Bank customers at the Bank level by an independent apex level authority within the Bank thereby minimizing the number of cases referred to Ombudsman. The IO scheme provides a settlement which may be acceptable to the Bank as well as customer. The customer, if not satisfied with the settlement offer, will however be at liberty to appeal to the Banking ombudsman of Reserve Bank of India.

All the complaints coming under the jurisdiction of the Internal Ombudsman (IO) will be rejected partly or wholly by Bank only after consultation/concurrence of IO. The complaints which do not fall under the jurisdiction of IO is mentioned as below which do not need intervention of IO for rejection by Bank

- Complaints related to frauds/misappropriation etc. except in respect of deficiency of service if any on the part of the Bank.
- Complaints/references relating to (a) Internal administration (b) Human Resources (c) pay and emoluments of staff etc.
- References in nature of suggestions/requests for concessions in interest rate charged, rejection of loan proposal, modifications in terms & conditions of sanction , enhancement in credit limit, waiver / write-off of loans, etc. which are primarily in the nature of commercial decisions.
- Complaints which have been decided by or are already pending with other forums such as consumer courts, debt recovery tribunals, etc.

## **2.5 Complaints/suggestions box**

Complaints/suggestions box is provided at each office of the bank. Further, at every office of the bank a notice requesting the customers to meet the branch manager is displayed regarding grievances, if the grievances remain unredressed.

## **2.6 Complaint Book /Register**

Complaint book with perforated copies in each set is maintained at each Branches, designed so as to instantly provide an acknowledgement to the customers

Complaint received in any form, ie, in writing/email/social media, including those in the complaints register are registered/entered in Centralized Complaint management application/portal

All Branches are maintaining a separate complaint register in the prescribed format given for entering all the complaints/grievances received by them directly or through their Head Office/Govt. These registers are maintained irrespective of the fact whether a complaint is received or not in the past.

The complaints registers maintained by branches is scrutinised by the concerned Regional Manager/Zonal Head during his periodical visit to the branches and his observations/comments recorded in the relative visit reports.

## **3. Mandatory display requirements**

Bank shall provide –

- ❖ Appropriate arrangement for receiving complaints and suggestions.
- ❖ The name, address and contact number of Nodal Officer(s)
- ❖ Code of Bank's commitments to customers/Fair Practice code

Bank will display the following in Branches:-

Names of the officials who can be contacted for redressal of complaints, together with their direct telephone number, fax number, complete address (not Post Box No.) and e-mail address, etc., for proper and timely contact by the customers and for enhancing the effectiveness of the redressal machinery. Further we will display the Details of Integrated Ombudsman scheme and contact details in English, Hindi and regional language at the respective location of the branch/office and be made available the copy of the scheme for customer reference.

Bank will display the following in Website

The names and details of the officials at their Head Office / Zonal Offices who can be contacted for redressal of complaints including the names of the Nodal Officers / Principal Nodal Officers. Contact details including name, complete address, telephone / fax number, email address, etc. The complaint form provided hereafter on this policy will be displayed on the homepage along with the details of the Nodal officers and the complaint lodging portal of the Banking Ombudsman.

#### **4. Resolution of grievances**

Branch Manager is responsible for the resolution of complaints/grievances in respect of customer service by the branch. He would be responsible for ensuring closure of all complaints received at the branch. It is his foremost duty to see that the complaints are resolved completely to the customer's satisfaction and if the customer is not satisfied, then he should be provided with alternate avenues to escalate the issue. If the branch manager feels that it is not possible at his level to solve the problem he can refer the case to Zonal Office/Nodal Officer for guidance. Similarly, if Zonal office/Nodal Officer finds that they are not able to solve the problem such cases may be referred to the Principal Nodal Officer.

In accordance with the Bank's Loan Policy, all complaints relating to loans advances will be resolved in a judicious and expeditious manner.

In the case of debit/credit card related grievances, the Bank shall also compensate the complainant for the loss of his/her time, expenses, financial loss as well as for the harassment and mental anguish suffered by him/her for any issues arising due to the fault of the Bank and where the grievance has not been redressed in time. Claims received from the cardholder in this context shall be reviewed and final decision on compensation taken in accordance with the delegated authority levels in the Bank

#### **4.1 Time frame**

Complaint shall be seen in the right perspective because they indirectly reveal a weak spot in the working of the Bank. Complaint received shall be analyzed from all possible angles. Specific time schedule is set up for handling complaints and disposing them at all levels including branches, Zonal and head office. Branch manager shall try to resolve the complaint within specified time frames, decided by the Bank.

Communication of Bank's stand on any issue to the customer is a vital requirement. Complaints received, which would require some time for examination of issues involved, shall

invariably be acknowledged promptly.

While the Bank shall endeavor to reduce all complaints in the shortest possible time, it is recognized that longer time would be required to resolve complaints relating to Point of Sales (POS) and e-commerce. This is due to the dependency on external parties. Such complaints will be resolved within a period of 45 days.

If in any case additional time is need for resolution, Bank will inform the reason for delay in resolution and will provide expected timeline for resolution

Complaints received by the Bank directly from customers that relate to third party products will be forwarded to the relevant third party providers by the Service Quality Department. The Department will liaise with the third party providers to ensure satisfactory resolution. Such complaints will be resolved within a period of maximum 30 days.

## **5. Interaction with customers**

The Bank recognizes that customer's expectation/requirement/grievances can be better appreciated through personal interaction with customers by Bank's staff. Structured customer meets, say once in a month 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. Banks will give wide publicity to the grievance redressal machinery through advertisements.

## **6. Sensitizing operating staff on handling complaints**

Staff shall be properly trained for handling complaints. We are dealing with people and hence difference of opinion and areas of friction can arise. With an open mind and a smile on the face, we shall endeavor to win the customer's confidence.

Imparting soft skills required for handling irate customers, will be an integral part of the training programs. Nodal Officer shall ensure that internal machinery for handling complaints/grievances operates smoothly and efficiently at all levels. He shall give feedback on training needs of staff at various levels to the HR Dept.

## **7. Grievances Redressal Mechanism**

The Bank has, at present, put in the following structured mechanism for redressal of customers' complaints:

1 In case a customer feels that there is deficiency in the service provided to him or Bank has not provided any of the services as promised, the customer has two primary options:

i) Call our 24 hour customer care on 1800 425 1199/ 1800 420 1199

The customers will be contacted by the executives of the customer care centre and the issue will be redressed at the earliest.

ii) Contact your Branch.

The customers may contact the respective branch or the Branch Manager for immediate redressal. If the customer prefers to file a written complaint, it can be registered as per the format given at the end of this Policy. The Branch Manager shall record the complaint in the complaint register and shall strive to redress the complaint. If redressed, it would be noted in the complaints register. He can refer to Head Office/Zonal Office, in case he wants interference of higher authorities. The branch shall respond to the Complainant within a maximum period of 10 days of receipt of the complaint. (Address and contact numbers of the branches are displayed in the Bank's web site.)

iii) Contact your Relationship Manager

The customers linked to different relationship banking managers under all relevant schemes may contact their respective Relationship Managers for immediate redressal of the complaints. The Relationship managers shall record the complaint and shall strive to redress the complaint within 10 days

- 2 If the complainant does not receive a response from the branch within 10 days or if the complaint is not redressed to the satisfaction of the customer, the matter may be taken up with the Zonal Level Nodal Officer at the respective Zonal office, name and address of whom is available with the branch. The Zonal level Nodal officers shall be the respective Zonal Managers. The Zonal level Nodal officer shall also register the complaint in the complaints register maintained at Zonal office and shall try to redress the complaint. The Nodal Officer at the Zonal office shall respond to the complainant within a maximum period of 10 days of receipt of the complaint.
- 3 The Executive Director in charge of Service Quality Department would be Principal Nodal Officer for redressal of customer complaints. If the complainant does not receive a response from the Nodal Officer at the Zonal office within 10 days or if the complainant still feels unsatisfied with the response received, he/she can address the complaint to the Principal Nodal Officer of the Bank with full details of the case in the following address:

Executive Director  
CEO's Secretariat  
Federal Towers, Bank Junction,  
Aluva, Kerala- 683 101

Or

Customers also have the option to register their complaints on line through the Bank's Website. There is also a dedicated e mail id for sending grievances to the Principal Nodal Officer ([support@federalbank.co.in](mailto:support@federalbank.co.in)).

The complaints received at Head office would be probed by the Service Quality Department and suitable measures would be taken to redress the grievance. Service Quality Department shall also examine the nature of complaints and should initiate necessary corrective measures to prevent recurrence of such complaints. All Offices of the Bank shall attend to correspondence on matters related to customer complaints with utmost promptness and help redressal of the complaints). The Principal Nodal Officer at Head office shall respond to the Complainant within a maximum period of 10 days of receipt of the complaint.

Bank has a system of acknowledging the complaints, where the complaints are received through letters / forms. The redressal of complaints emanating from rural areas and those relating to financial assistance to Priority Sector and Government's Poverty Alleviation programmes will also part of above mentioned mechanism

In case the issue is still not resolved to the satisfaction of the customer, he/she may approach the Reserve Bank Integrated Ombudsman as per Integrated Ombudsman scheme 2021

For the information of customers, we furnish below the stipulations for filing a complaint with Reserve Bank Integrated Ombudsman.

- i. The complainant, before making a complaint to the Reserve Bank Integrated Ombudsman, should have made a written representation to the Bank, and the Bank should have either rejected the complaint, or the complainant had not received a reply within a period of one month after the complaint was received by the Bank, or the complainant was not satisfied with the reply given by the Bank.
- ii. The complaint is made not later than one year after the complainant received Bank's reply to his/her representation or where no reply is received, not later than one year and one month after the date of the representation to the Bank.
- iii. The complaint is not in respect of the subject matter, which was settled or dealt with on merits by the Reserve Bank Integrated Ombudsman in any previous proceedings, whether or not received from the same complainant or along with one or more complainants or one or more parties concerned with the subject matter.
- iv. The complaint does not pertain to the same subject matter for which any proceedings before any court, tribunal, arbitrator or any other forum is pending or a decree or Award or order has been passed by such court, tribunal, arbitrator or forum.
- v. The complaint is not frivolous or vexatious in nature.
- vi. The complaint is made before the expiry of the period of limitation prescribed under the Indian Limitation Act, 1963 for such claims.
- vii. The complainant provides complete information as specified in clause 11 of the Scheme.
- viii. the complaint is lodged by the complainant personally or through an authorised representative other than an advocate unless the advocate is the aggrieved person.

Procedure for Filing a Complaint with Reserve Bank Integrated Ombudsman:-

(1) The complaint may be lodged online through the portal designed for the purpose (<https://cms.rbi.org.in>).

(2) The complaint may also be submitted through electronic or physical mode to the Centralised Receipt and Processing Centre as notified by the Reserve Bank. The complaint,



if submitted in physical form, shall be duly signed by the complainant or by the authorised representative. The complaint shall be submitted in electronic or physical mode in such format and containing such information as may be specified by Reserve Bank.

Please note that the first point for Redressal of complaints is the Bank itself. The complainants may approach Reserve Bank Integrated Ombudsman only if the complaint is not resolved at the Bank level within a month.

### **Grievance redressal mechanism for customer complaints at IBU.**

i..Customer can approach the Branch Head of IBU for complaint resolution.

ii. If the complainant does not receive a response from the Branch Head within 15 days or if the complainant still feels unsatisfied with the response received, he/she can address the complaint to the Treasury Head in charge of IBU with full details of the case in the following address:

Treasury head  
Treasury Department  
Bandra Kurla Complex,  
Mumbai, Maharashtra, India, 400051  
Email: [treasury@federalbank.co.in](mailto:treasury@federalbank.co.in)

iii.If customers are still not satisfied with resolution provided in first two levels they can address the complaint to the Principal nodal officer with full details of the case in the following address:

Executive Director  
CEO's Secretariat  
Federal Towers, Bank Junction,  
Aluva, Kerala- 683 101  
Email: [support@federalbank.co.in](mailto:support@federalbank.co.in)

iv. If the customer still remains unsatisfied, they can escalate the same to Banking Ombudsman as per the relevant scheme .

### **Grievance Redressal mechanism related to Third party products/Partners**

As the business of the Bank is expanding with the distribution of third-party products and with the engagement of Fintech and other service providers to market and manage the Bank's own products and services, the Grievance Redressal Mechanism of the Bank should build suitable framework to cover such third-party processes as well. All Business and Functional Departments engaging such third parties shall follow the below guidance, while conducting the due diligence on third parties, entering into agreements, and operationalising the product and services offer to the customers.

a. ) Complaints redressal on third party products distributed by the Bank:

The customers can raise the complaints related to Third party products distributed bank with the Bank or partner. Bank will ensure the partner has appropriate grievance redressal policy and process in place .All complaints received at Bank level will follow

the complaints management process. At partner level Bank will ensure the complaints are properly recorded and resolved within the timeframe prescribed by the regulator. Corporate review/analysis of all complaints reported at Bank/partner level will be done by Bank.

b) Complaints redressal on Products and Services offered in partnership with third parties or third party service providers

The customers can raise the complaints to the Bank or to the partner. Bank will ensure the partner has appropriate grievance redressal policy and process in place. Bank will ensure the complaints received at both the end are properly resolved and recorded within the timeframe prescribed by Bank's Grievance redressal policy. Corporate review/analysis of all complaints reported at Bank/partner level will be done by Bank. Annual performance review of third parties and audit carried out by the Bank shall cover the Grievance Redressal Mechanism of third party is satisfactory. Appropriate clauses on the obligations of third party in maintaining the grievance redressal mechanism to the satisfaction of the Regulator/ Bank shall be incorporated in the Legal Agreement/ Arrangement.

Service Quality Department shall also take corrective measures to avoid; systemic deficiencies noted, if any shall be immediately acted upon and brought to the attention of the Standing Committee on Customer Service and Customer Service Committee of the Board

## **8. Corporate Analysis and Disclosure of complaints**

Service Quality Department shall consolidate all the complaints received by Bank in Branches/offices periodically as per prevailing instructions.. Service Quality Department shall also take corrective measures to avoid such complaints in future; systemic deficiencies noted, if any shall be immediately acted upon and brought to the attention of the Standing Committee on Customer Service and Customer Service Committee of the Board.

Bank will critically examine on an on-going basis as to how Grievances Redressal Machinery is working and whether the same has been found to be effective in achieving improvement in customer service in different areas. Grievances/complaints relating to congestions in the banking premises should be examined by the bank's internal inspectors/auditors on a continuing basis and action taken for augmentation of space, whenever necessary, keeping in view the availability of larger accommodation in the same locality at a reasonable rent and other commercial considerations.

As per RBI circular dated 27th January 2021 related to Strengthening of Grievance Redress Mechanism in Banks. Enhanced disclosures on complaints and grievance redress has been implemented. The proforma of disclosure to be made by banks on complaints and grievance redress is as below and is part of Bank's Annual report.

Sl. No.	Particulars	Previous year	Current year
<b>Complaints received by the bank from its customers</b>			
1	Number of complaints pending at beginning of the year		
2	Number of complaints received during the year		
3	Number of complaints disposed during the year		
	3.1. Of which, number of complaints rejected by the bank		
4	Number of complaints pending at the end of the year		
<b>Maintainable complaints received by the bank from Offices of Ombudsman</b>			
5	Number of maintainable complaints received by the bank from Office of Ombudsman		
	5.1. Of which, number of complaints resolved in favour of the Bank by Office of Ombudsman		
	5.2. Of which, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman		
	5.3. Of which, number of complaints resolved after Passing of Awards by Office of Ombudsman against the bank	-	-
6	Number of Awards unimplemented within the stipulated time(other than those appealed)	-	-
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.			

**B) Top Five grounds of complaints received by the Bank from customers**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year</b>					
Ground 1					
Ground 2					
Ground 3					
Ground 4					
Ground 5					
Others					
<b>Total</b>					
<b>Previous Year</b>					
Ground 1					
Ground 2					
Ground 3					
Ground 4					
Ground 5					
Others					
<b>Total</b>					

Master list of grounds of complaints to be used for disclosure on the top five ground-wise receipt of complaints by banks is as below:-

1. ATM/Debit Cards
2. Credit Cards
3. Internet/Mobile/Electronic Banking
4. Account opening/difficulty in operation of accounts
5. Mis-selling/Para-banking
6. Recovery Agents/Direct Sales Agents
7. Pension and facilities for senior citizens/differently abled
8. Loans and advances
9. Levy of charges without prior notice/excessive charges/foreclosure charges
10. Cheques/drafts/bills
- 11 .Non-observance of Fair Practices Code
12. Exchange of coins, issuance/acceptance of small denomination notes and coins
13. Bank Guarantees/Letter of Credit and documentary credits
14. Staff behaviour
15. Facilities for customers visiting the branch/adherence to prescribed working hours by the branch, etc.
16. Others

This Policy shall be read in conjunction with the Customer Compensation Policy, Policy on Customer Protection - Limiting Liability of Customers in Unauthorized Electronic Banking Transaction and Policy on Collection of Cheque/Instruments which are all available at our website in the following location <https://www.federalbank.co.in/our-commitments>.

## 09. COMPLAINT FORMAT

A complaint form is provided to facilitate complaint submission by customers. The complaint form also indicates that the first point for redressal of complaints is the bank itself and that complainants may approach the Reserve Bank Integrated Ombudsman if the complaint is not resolved at the bank level within a month .The proforma of complaints form is as below:-

<b>1. Name of the Complainant</b>	
<b>2. Address in full (for correspondence)</b>	
<b>3. Age</b>	
<b>4. Tel. No.(landline and mobile)</b>	
<b>5. E-mail id if any (Please do not write any other person's e-mail id. Bank will not be responsible for any leakage of secrecy or for any consequences there upon for messages/letters through the given e-mail id)</b>	
<b>6. Name of Branch to which the complaint is related to</b>	
<b>7. Account Number (if any)</b>	

<b>8. Details of the complaint (Attach separate sheet if necessary)</b>	
<b>9. Whether you have already taken up with the Branch Manager, Regional Controller or any other Functionary/ Forum</b>	
<b>Place</b>  <b>Date</b>	<b>Signature of the Complainant</b>
<p>If you are not satisfied with the resolution of your complaint or with not received resolution within 30 days, you can approach Reserve Bank Integrated Ombudsman through the link <a href="https://cms.rbi.org.in/">https://cms.rbi.org.in/</a></p>	

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