



FINCARE
Banking on More

Fincare Small Finance Bank

**Customer Grievance Redressal Policy
Version 5**

Contents

1. Applicability:2

2. Context:2

3. Policy Content:.....2

4. Objective:.....2

5. Approach:.....3

 5.1. Modes of registering complaints3

 5.2. Mandatory Display of Information3

 5.3. System to capture complaints:.....4

 5.4. Resolution of Complaints:5

 5.5. Liability of a Customer:.....5

 5.6. Reversal Timeline for Zero Liability/ Limited Liability of customer in the case of unauthorized electronic transactions6

 5.7. Escalation of Complaints:7

 5.8. Customer Touchpoint:.....7

 5.9. Regional Nodal Officer:.....7

 5.10. Principal Nodal Officer:.....7

 5.11. Banking Ombudsman:8

6.Review of customer grievances to enhance the quality of customer service:.....8

 6.1. Customer service committee of the Board :8

 6.2. Standing committee on Customer Service :9

 6.3. Branch/ Banking Outlet level Customer Service Committee:9

 6.4. Acting upon Customer feedback: 10

7. Customer Grievance Redressal Mechanism: 10

 7.1 Customer Complaint and Query Resolution Process: 10

 7.2. Customer Touch Points to register Complaints and Queries: 10

 7.3. Customer Service Committee of the Board:..... 11

 7.4. Locations of Principal and Regional Nodal Offices & Officers 12

 7.5. Strengthening of Grievance redress mechanism in Banks: 12

8. Glossary: 12

9. Review of the Policy:..... 13

1. Applicability:

1.1. Departments: All Departments

1.2. Product Lines: All Products

1.3. Function: All Functions

1.4. Staff: All Staff members

1.5. Geography: All

2. Context:

2.1. Compliance Context: This policy has been drafted on the basis of compliance obligations as detailed in Appendix I.

2.2. Governance Context:

2.2.1. Board: Applicable

2.2.2. Sub Committee of Board: Customer Service Committee of the Board

2.2.3. Management Committee: Standing Committee on Customer Service

3. Policy Content:

All personnel carrying out their duties with regard to the Customer Grievance Redressal function should ensure that they comply with the requirements of this policy. With reference to the RBI directions (Appendix I) related to customer grievance redressal the following guidelines will be adhered to by the Bank

For Frequently Asked Questions (FAQs) regarding the policies please refer to Appendix II.

4. Objective:

The objective of the bank to have this policy is to ensure that:

- All customers are treated respectfully, fairly and without bias at all times.
- All issues raised by customers are dealt with courtesy, efficiency and are resolved on time.
- Customers are made completely aware of their rights so that they can opt for alternative remedies if they are not fully satisfied with our response or resolution to their complaint.
- All employees will work in good faith and without prejudice to the interests of the customer.

5. Approach:

5.1. Modes of registering complaints

- Customer can register the complaint in written, verbal or electronic form.
- At the Banking outlets, customers can speak to officials for resolution of their issues or register their grievances through the complaint book available in physical or electronic mode in the touch points. Acknowledgment of the same will be given to the customer with the complaint number
- Customers can also contact our Customer Care officers over the phone for redressal of issues or write to our Customer Service at Fincare Small Finance Bank Limited, 5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Road, Bangalore – 560102
- Customers can also lodge a complaint using the Complaint Registration Form placed on the website.
- All customers registering a complaint will get an appropriate acknowledgement of the same from the Bank depending on the channel through which the complaint is received.
- Customers are educated to register for SMS and Email alerts for all banking transactions.
- Fincare Small Finance Bank provides customers with 24x7 access to website for reporting un-authorized transactions that have taken place and/ or loss or theft of payment instrument such as card
- Immediately on receipt of report of an un-authorized transaction from the customer, the bank would initiate immediate steps to prevent further un-authorized transactions in the account.

5.2. Mandatory Display of Information

As per Para No. 16.5 of RBI Circular No. DBR No.Leg.BC.21/09.07.006/2015-16 dated 1st July 2015, following information shall be displayed by Fincare Small Finance Bank:

Branch Display

- Names, complete address and contact details of the officials who can be contacted for redressal of complaints.
- Name and other details of the concerned Nodal Officer/Principal Nodal Officer appointed under the Banking Ombudsman Scheme, 2006.
- Details of Banking Ombudsman Scheme, name and address of the Banking Ombudsman is to be displayed in the branch premises.
- These details will be updated periodically.

Website Display

- Names and other details of the officials at the Head Office/Regional Offices/Zonal Offices who can be contacted for redressal of complaints including the names of the Nodal Officers/Principal Nodal Officers. The details of the Principal Nodal Officer will be prominently displayed in the portal of the Bank website.
- A direct link for lodging the complaints, with specific option to report un-authorized electronic transactions has been provided by the bank on the home page of its website.

5.3. System to capture complaints:

- As per RBI circular No. DBR No.Leg.BC.21/09.07.006/2015-16 dated 1st July 2015, Fincare Small Finance Bank has ensured that a suitable mechanism for receiving and addressing complaints is put in place. The Customer Relationship Management (CRM) module is a robust system which is being used to record all the complaints received from customers through different mediums.
- Branches and ATM's are provided with Complaint box, where the customers can register their complaints. The branch operations head maintains the complaint register which is available for the customer, the customer can record the complaint in the register and will be given acknowledgement for the same, and immediate action shall be taken to ensure customer complaints are resolved well on time leading to customer delight.
- All complaints from the customers, shall be logged into Helpdesk/CRM software/ mailed to Customer Service ID. With this the Bank shall not only ensure that all the complaints received are recorded and resolved, but also ensure effective monitoring/ escalation mechanism to the senior functionary responsible so as to make sure that none of the complaints remain unresolved.

- The internal mechanism for recording and resolution of complaints shall function efficiently at all times and shall be monitored on daily basis. The staff too will be trained for handling complaints efficiently.
- The system will also be used to deal with the issues relating to services provided by Outsourced Agencies/ Business facilitators and the Bank will ensure that the respective outsourcing service providers resolve customer issues expeditiously and effectively.
- The system will also be available for resolving issues related to any third-party product distribution undertaken by the Bank as a certified corporate agent.

5.4. Resolution of Complaints:

- The complaints shall be analyzed from all possible angles. Complaints shall be resolved in a proper and time bound manner, as per the defined turnaround time for different types of grievances. In case the resolution needs time, a suitable interim response shall be communicated to the customer.

5.5. Liability of a Customer:

A customer shall be entitled to zero liability where the un-authorized transaction occurs in the following events:

- I. Contributory fraud/ negligence/ deficiency on the part of the bank (irrespective of whether or not the transaction is reported by the customer).
- II. 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 communication from the bank regarding the un-authorized transaction.

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

- I. In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the un-authorized transaction to the bank. Any loss occurring after the reporting of the un-authorized transaction shall be borne by the bank provided, the customer is not guilty of negligence
- II. In cases where the responsibility for the un-authorized 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 the communication from the bank) on the part of the customer in notifying the bank of such a transaction, the per transaction liability of the customer shall be limited to the transaction value or the amount as mentioned in the table below , whichever is lower.

Table 1

Maximum Liability of a Customer
--

	Type of Account	Maximum liability (₹) within 3 working	Maximum liability (₹) for 4 to 7 working
•	BSBD Accounts	Zero Liability	5,000
	All other SB accounts		
	Current/ Overdraft Accounts of MSMEs		
•	Current Accounts/ Overdraft Accounts of MSMEs, Individuals with annual average balance (during 365 days preceding the incidence of fraud)/limit upto Rs.25lakhs	10,000	
•	All other Current/ Over-draft Accounts	25,000	

Further, if the delay in reporting by the customer is beyond **seven working days**, the customer’s liability shall be 100%

Overall liability of the customer in third party breaches, as detailed above where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system shall be as detailed below:

Table 2

Summary of Customer’s Liability	
Time taken to report the fraudulent transaction from the date of receiving the communication	Customer’s liability (₹)
Within 3 working days	Zero liability
Within 4 to 7 working days	The transaction value or the amount mentioned in Table 1, whichever is lower
Beyond 7 working days	100% liability on Customer

The number of working days shall be counted as per the working schedule of the home branch of the customer excluding the date of receiving the communication.

5.6. Reversal Timeline for Zero Liability/ Limited Liability of customer in the case of unauthorized electronic transactions

On being notified by the customer, the bank shall credit the amount involved in the un-authorized electronic transaction to the customer's account within 10 working days from the date of such notification by the customer as applicable in the above clauses.

Fincare Small Finance Bank shall endeavor to:

- I. Resolve the complaint and liability of the customer, if any, is established within such time, as may be specified in the bank's Board approved policy, but not exceeding 30 days from the date of receipt of the complaint, and the customer is compensated as above.
- II. In case of debit card / bank account, the bank shall ensure that the customer does not suffer any loss of interest.

5.7. Escalation of Complaints:

Fincare Small Finance Bank shall ensure that all complaints are resolved, and the resolution is communicated to the Customers. The bank has a robust system a Customer Relationship Management (CRM) in place which is used to lodge and monitor customer complaints.

Customers shall also be provided detailed information on how to escalate the matter further in case the redressal is not found to be adequate or appropriate. The escalation matrix as given below will be provided to the customers.

5.8. Customer Touchpoint:

In case a customer is not satisfied with the resolution provided by the above mentioned Customer Touchpoints or, there is a delay beyond the stipulated Turnaround Time (TAT), the customer has the option to register/escalate the complaint through electronic modes to the Customer Service Team. However, it is to be noted that the Bank branch is the first point of contact for complaint resolutions. The Branch Manager shall be the first point of contact.

5.9. Regional Nodal Officer:

The Bank has appointed Nodal officers at various locations in terms of Clause 15 (3), chapter IV, of the Banking Ombudsman scheme 2006 and a list of state wise nodal officers of the bank is available on the bank's website and is also displayed at the Branches. The same shall be updated periodically. The Regional Nodal officer will be the second level escalation if the query is not resolved or not resolved to the Customer's satisfaction.

5.10. Principal Nodal Officer:

The Bank has appointed a Principal Nodal Officer at the Corporate Office for the implementation of customer service and complaint handling for the entire Bank. It is the responsibility of the

Principal Nodal Officer to ensure that internal machinery for handling complaints/ grievances operates smoothly and efficiently at all levels. She will give feedback on training needs of staff at various levels to the HR Dept.

Customers are provided an option of escalating to the Principal Nodal Officer if they are not satisfied with the resolution provided. The Principal Nodal Officer shall be the third level of escalation if the query is not resolved to the satisfaction of the customer. All the queries/complaints must be resolved at this level within 1 month from lodging the complaint. If the query/complaint resolution has not been satisfactory or the query/complaint has continued to be unresolved after 1 month, then the customer can escalate the same to the Banking Ombudsman.

All complaints/queries received from the Banking Ombudsman, RBI, Government of India or the BCSBI at the Corporate Office will be handled by the designated Principal Nodal Officer. The Compliance Officer will ensure that they liaise and ensure that the customer's grievance is redressed and then close the complaint/query with the customer and the concerned official body.

5.11. Banking Ombudsman:

The Customer may approach the Banking Ombudsman only if the complaint is not resolved at the bank level within 30 days. Similar information on the details of Banking Ombudsman will be displayed in the branch notice board to indicate the name and address of the Banking Ombudsman.

Additionally, If the Customer is not satisfied by the response given by the Principal Nodal Officer or doesn't receive a response within 30 days of making the complaint, he/she can contact the Banking Ombudsman.

6.Review of customer grievances to enhance the quality of customer service:

6.1. Customer service committee of the Board :

As per the RBI guidelines vide Circular No. DBR No.Leg.BC.21/09.07.006/2015-16 dated 1st July 2015, Bank has constituted a Customer Service Committee of the Board. The members of the committee includes experts and representatives of the customers as invitees. The Customer Service Committee will oversee the implementation of various customer service guidelines as mandated by Reserve Bank of India and Banking Codes and Standards Board of India. The Bank will place before the Customer Service Committee of the Board, all the awards given by the Banking Ombudsman and all the awards remaining unimplemented for more than three months with the reasons thereof. This Committee will also review the functioning of Standing Committee on Customer Service.

Bank shall review customer service / customer care aspects in the bank and submit a detailed memorandum in this regard to the Board of Directors, once every six months and initiate prompt corrective action wherever service quality / skill gaps have been noticed.

The composition, agenda and terms of reference of Customer Service Committee of the Board has been defined in detail in the Customer Service Committee Charter.

6.2. Standing committee on Customer Service :

A Standing Committee on Customer Service will be set in place, which shall be chaired by the CEO/ COO- Operations of Fincare Small Finance Bank. Besides two or three senior management team members, the committee will also include eminent members drawn from the public to enable an independent feedback on quality of customer service rendered by the Bank. The Committee will focus on building and strengthening customer service orientation in the Bank through initiating various measures including simplifying processes for improvement in customer service levels. The Committee will hold quarterly review meetings to discuss service updates, ongoing projects specifically targeted towards improvement of customer service and appropriate actions arising from discussions.

The Committee shall also periodically review the general banking related complaints as also complaints pertaining to un-authorized electronic banking transactions reported by the customers or otherwise, as also the action taken thereon, the functioning of the grievance redressal mechanism and initiate appropriate measures to improve the systems and procedures.

All un-authorized electronic banking transactions shall also be reviewed periodically by the bank's internal auditors.

The composition, agenda and terms of reference of the Standing Committee on Customer Service has been defined in the Customer Service Committee Charter.

6.3. Branch/ Banking Outlet level Customer Service Committee:

In order to encourage a formal channel of communication between the customer and the Bank at the branch level, the Bank will create branch level committees with greater involvement of customers. The branch level committees will include the Bank's customers as well. Further, as senior citizens usually form an important constituent in Banks, a senior citizen will also be preferably included therein. The branch level Customer Service Committee will meet at least once a month to study the complaints / suggestions, cases of delay, difficulties faced / reported difficulties faced / reported by customers / members of the Committee and evolve ways and means of improving customer service. The branch level committees will also submit quarterly reports giving inputs/ suggestions to the Standing Committee on Customer Service thus enabling the Standing Committee to examine them

and provide relevant feedback to the Customer Service Committee of the Board for necessary policy/ procedural action.

6.4. Acting upon Customer feedback:

- The Bank recognizes that customer's expectations/ requirements/ grievances can be better appreciated through personal interaction with customers by the Bank's staff. The structured customer meets will (i) give a message to the customers that the Bank cares for them (ii) the Bank values customer feedback/ suggestions (iii) increase awareness of Banking services (iv) help customers appreciate Banking services better and (v) provide a valuable input for revising its product and services to meet customer requirements.
- Customer feedback will be pro-actively collected to ensure that products/ processes are designed and fine-tuned, and grievances are pre-emptively handled. Employees will be given adequate training to ensure that customer complaints are efficiently handled.
- The Bank will also conduct periodic analysis of customer complaints to identify changes / improvements required in its systems, processes and procedures.
- The Bank will also conduct periodic checks to ensure that resolutions have been provided satisfactorily.

7. Customer Grievance Redressal Mechanism:

7.1 Customer Complaint and Query Resolution Process:

An Effective grievance redress shall be an integral part of the business strategy of the bank. A structured and robust internal mechanism for recording and resolving complaints and queries shall be established. In this direction, the Bank shall establish an exclusive Customer Care Unit to monitor on a regular basis the complaints/queries logged in the Helpdesk/CRM software. Complaints and queries shall be resolved in a proper and time bound manner with a detailed response to the customer. In case the resolution needs time, an interim response, acknowledging the complaint/query shall be issued/sent.

7.2. Customer Touch Points to register Complaints and Queries:

The following are the various touch points through which customers can lodge complaints and queries.

A. Branch :

The complaints/queries made at the Branch are logged. If the solution can be provided by the Branch team they resolve the issue and communicate the same to Customers. If the Branch is unable to resolve the complaint it flows to the respective department who resolve and update the branch. Also Customer Complaints / Suggestions Box is made available at all the Branches Such Complaints which are resolved by the branch gets reported to the HO and the Standing committee on Customer service.

B. Call Centre:

The Bank has published a toll free (1800 313 313) on the Bank's website for customers to register their complaints/queries. Complaints/queries received telephonically are captured online and unique acknowledgement number is allotted. Further, it is referred to the appropriate unit for necessary timely resolution.

C. On line /E-Mail:

Web grievance form as Link is made available on Bank's Website for the Customer to lodge compliant. Such complaints are taken up for resolution centrally. www.fincarebank.com >> Support >> Grievances Form

(Direct link: <http://fincarebank.com/grievance.php>)

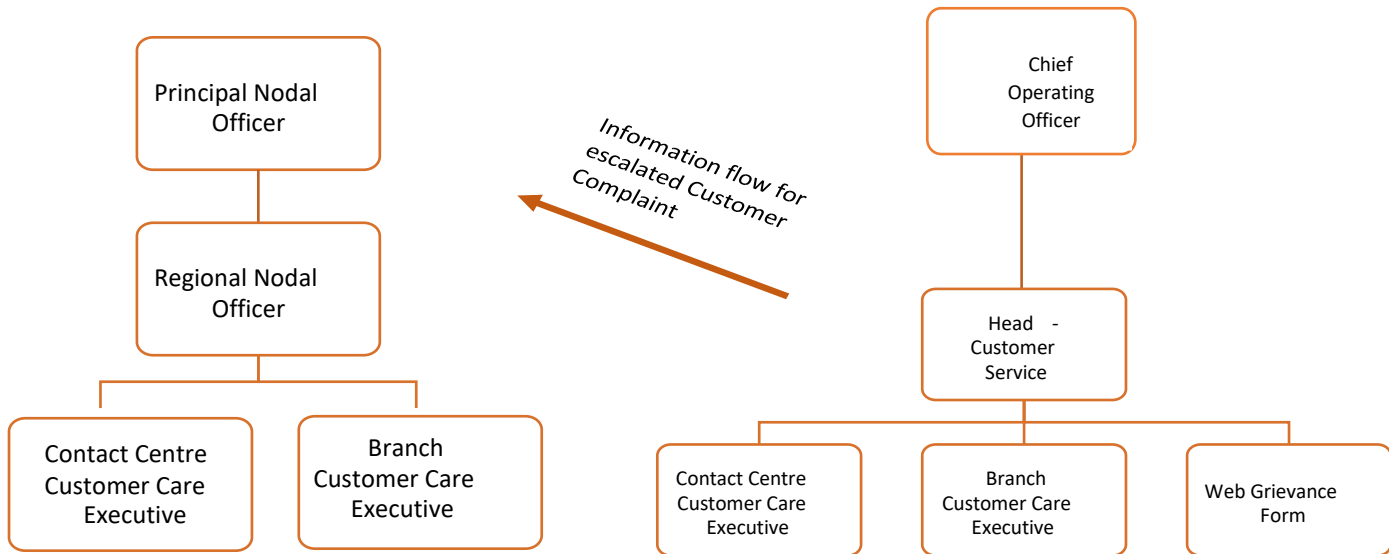
A mail also can be sent to the below mentioned mail ID.

customerservice@fincarebank.com

7.3. Customer Service Committee of the Board:

The Customer Service Committee of the Board will meet to review/modify the recommendations of the Standing Committee and ensure that the decisions taken are in line with the policy approach of the Bank.

Diagram 1: Internal Escalation Matrix



7.4. Locations of Principal and Regional Nodal Offices & Officers

Bank has appointed the following Senior Executives as the **Regional Nodal Officers**, who are responsible for the implementation of Customer Service and complaint handling at Regional Level. Please refer the link below for the list of regional nodal officers.

<https://www.fincarebank.com/sites/default/files/2021-07/Nodal-Officer-20july2021.pdf>

Further Bank has appointed the following Senior Executive as the **Principal Nodal Officer**, who is responsible for the implementation of Customer Service and Complaint handling for the entire bank at Corporate Level. The details of the Nodal Officers and Principal Nodal Officer is available in the below mentioned link.

<https://www.fincarebank.com/sites/default/files/2021-07/Nodal-Officer-20july2021.pdf>

7.5. Strengthening of Grievance redress mechanism in Banks:

In line with RBI notification EPD.CO.PR.D.Cir.No.01/13.01.013/2020-21 dated January 27, 2021 on Strengthening of Grievance Redress Mechanism in Banks, bank will ensure to strengthen the customer grievance redressal mechanism and will also ensure the enhanced disclosure is made by the bank on complaints and grievance redressal in its annual report.

8. Glossary:

Banking Ombudsman- Banking Ombudsman is a quasi-judicial authority functioning under India's Banking Ombudsman Scheme 2006, and the authority was created pursuant to a decision made by

the Government of India to enable resolution of complaints of customers of Banks relating to certain services rendered by the Banks.

CRM- Customer Relationship Management

BCSBI- Banking Codes and Standards Board of India

9. Review of the Policy:

Revision of this policy is the principal way of formalizing changes and adjustments in the Customer Grievance Redressal process at Fincare Small Finance Bank. Such revisions provide flexibility to the Customer Grievance Redressal process at the Bank and ensure that the Policy remains relevant at all times.

This policy should be reviewed every year unless some changes occur in the Customer Grievance Redressal process which requires immediate changes to be made in the Policy. Any changes in the RBI regulations in relation with the policy will be applicable for the Bank and will be followed Mutatis Mutandis and will not require specific Board approval.

The Compliance Department will review change requests and either recommend / reject any proposed revisions. The Compliance Department Head / Committee / Board will review the recommendation and either accepts / rejects the proposed revision. If accepted, the Compliance Department will ensure that appropriate revisions are incorporated and a new version is circulated to relevant users.

10. Appendix II:

Frequently Asked Questions:**On what grounds can a Banking Ombudsman receive complaints?**

- a. The Banking Ombudsman can receive and consider any complaint relating to the following deficiency in banking services (including internet banking):
- non-payment or inordinate delay in the payment or collection of cheques, drafts, bills etc.;
 - non-acceptance, without sufficient cause, of small denomination notes tendered for any purpose, and for charging of commission in respect thereof;
 - non-acceptance, without sufficient cause, of coins tendered and for charging of commission in respect thereof;
 - non-payment or delay in payment of inward remittances ;
 - failure to issue or delay in issue of drafts, pay orders or bankers' cheques;
 - non-adherence to prescribed working hours ;
 - failure to provide or delay in providing a banking facility (other than loans and advances) promised in writing by a Bank or its direct selling agents;
 - delays, non-credit of proceeds to parties accounts, non-payment of deposit or nonobservance of the Reserve Bank directives, if any, applicable to rate of interest on deposits in any savings, current or other account maintained with a Bank complaints from Non-Resident Indians having accounts in India in relation to their remittances from abroad, deposits and other Bank-related matters;
 - refusal to open deposit accounts without any valid reason for refusal;
 - levying of charges without adequate prior notice to the customer;
 - non-adherence by the Bank or its subsidiaries to the instructions of Reserve Bank on ATM/Debit card operations or credit card operations;
 - non-disbursement or delay in disbursement of pension (to the extent the grievance can be attributed to the action on the part of the Bank concerned, but not with regard to its employees);
 - refusal to accept or delay in accepting payment towards taxes, as required by Reserve Bank/Government;
 - refusal to issue or delay in issuing, or failure to service or delay in servicing or redemption of Government securities;
 - forced closure of deposit accounts without due notice or without sufficient reason;
 - refusal to close or delay in closing the accounts;
 - non-adherence to the fair practices code as adopted by the Bank or non-adherence to the provisions of the Code of Bank's Commitments to Customers issued by Banking Codes and Standards Board of India and as adopted by the Bank ;
 - non-observance of Reserve Bank guidelines on engagement of recovery agents by Banks; and
 - any other matter relating to the violation of the directives issued by the Reserve Bank in relation to banking or other services.
- b. The Banking Ombudsman may also deal with such other matter as may be specified by the Reserve Bank from time to time.