

SVC Co-operative Bank Ltd

**CUSTOMER SERVICE
POLICY**

2023-2024

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1. Objective

Banking being a service industry, customer is the most essential ingredient for its successful operation. Reserve Bank of India, over a period of time has enunciated various regulatory directives, which is based on certain principles and practices. Customer Service is an important factor for survival for the banking sector. It is the responsibility of the Bank to provide best service to our customers and any kind of inefficiency is not acceptable. The quality of customer service in the Bank has to be high, meeting the legitimate aspirations of its customers to enable the Bank to maintain its image, create confidence, build a good relationship with its customers and attract funds comparatively at low cost in a competitive environment.

The policy on Customer Service is established to achieve the following:

- a. To care for and provide complete satisfaction to customers.
- b. To gain and sustain customer confidence by ensuring high ethical standards of service to suit all levels of our customer base.
- c. To establish prudent and acceptable practices in line with the Banking law under the Negotiable Instruments Act, 1881, Banking Regulation Act 1949 and other applicable laws.
- d. To motivate and enhance customer relationship management skills amongst the staff of the Bank.

2. Introduction

The quality of customer service in Bank has to be high as they are established primarily to fill the existing gaps in banking and credit needs in urban and semi urban areas. Meeting the legitimate aspirations of its customers will enable the bank to maintain its image, create confidence and attract funds comparatively at low cost in a competitive environment. Ensuring improvement in the customer service rendered by the banks has been the constant endeavour of Reserve Bank of India. The committee (established by RBI) vide RBI master circular on Customer Service had made various recommendations to ensure improvement in the customer service in the banks. The Committee on Procedures and Performance audit on Public Services (CPPAPS) had also made suggestions for improvement of customer service in banks.

In addition, the Reserve Bank has also issued various guidelines on the subject in general and on specific aspects relating to immediate credit for the outstation instruments sent for collection, payment of interest for delay in collection of instrument, adherence of time schedule in such matters as payment to customers, issue of DDs/TTs, issue of cheque books, etc.

3. Service at counter

3.1 Business and working hours

- i. All staff of the Bank should be at their seats at the commencement of business hours and attend to all the customers who are in the branch prior to the close of business hours.
- ii. Branch Managers should ensure that the shutters are open at the commencement of business hours and all staff members are at their appropriate seats ready to attend to the customers. For this purpose, staff

members are requested to report for duty 15 minutes prior to their working hours.

- iii. Branch Managers should also ensure that Day-open procedures are undertaken before the start of business hours so as to enable smooth functioning of banking operations and no delay is caused to any customer.

3.2 Display Time Norms

Branch Manager should ensure that time norms for specified business transactions is displayed prominently in the banking hall so that it attracts the customers' attention as well as that of the employees for adherence. Branches should ensure that all customers who enter the banking hall before the close of business hours should be attended to.

3.3 Extension of business hours for non-cash transaction

Staff at Branch counters may undertake the following transactions during the extended business hours (branches to indicate the timings):

(a) non-voucher generating transactions:

- Issue of passbook / statement of accounts
- Issue of cheque book
- Delivery of term deposit receipts / drafts
- Acceptance of share application form; and
- Acceptance of clearing cheques / bills for collection
- Acceptance of documents /papers for credit proposal
- Acceptance of stock/book debt statement

(b) voucher generating transactions:

- Issue of term deposit receipts (TDR)
- Acceptance of individual cheques for transfer credit/Locker Rent Due

3.4 Uninterrupted Service:

Banks may devise appropriate procedures to ensure that no counter remains unattended during the business hours and uninterrupted service is rendered to the customers by making adequate relief arrangements as may be necessary.

3.5 Guidance to Customers:

All branches, should have "Enquiry" or "May I help you" counters. Such counters may attend to enquiries or may be combined with other functions depending upon the requirement. As far as possible, such counters should be near the entry point to the banking hall.

3.6 Provision of ramps at Automated Teller Machines (ATMs)/branches

Banks are advised to take necessary steps to provide all existing ATMs/ future ATMs with ramps so that wheel chair users / persons with disabilities can easily access them. The height of the ATM should be such that it does not create an impediment in its use by a wheelchair

user. Banks may also take appropriate steps including ramps at the entrance of the bank branches so that the person with disabilities/wheel chair users can enter the bank branches and conduct business without much difficulty. However, in cases where it is impracticable to provide such ramp facilities, whether permanently fixed to earth or otherwise, the requirement may be dispensed with, for reasons recorded or displayed in branches or ATMs concerned.

4. Deposit and other Accounts

4.1 Savings bank passbooks/ statement of accounts

- i. Banks should ensure that full address / telephone number of the branch is invariably mentioned in the Pass Book / Statement of Accounts issued to account holders.
- ii. Banks should provide MICR code and IFSC Code of the branch in all passbook/ statement of account to their account holders.
Banks should invariably offer passbook facility to all their savings bank account-holders (individuals). The cost of providing such passbooks should not be recovered from the customers.

Banks may devise controls to ensure that the passbooks are updated on an ongoing basis, and complete and correct particulars are captured / printed. Passbooks may be updated immediately on submission. If updating is not possible immediately due to a large number of entries, then paper tokens be issued for collection of passbooks on the next day. Customers also need to be educated to submit the passbooks regularly for updating.

Furnishing remitter details in pass book / account statement for credits received by customers through NEFT / NECS / ECS

Branch Manager should ensure that the staff are aware of the procedural guidelines on NEFT/NACH/ECS and various circulars issued from time to time by the Reserve Bank which clearly highlights the minimum information that should be provided to customers about the details of credit received through NEFT/NACH/ECS. Banks may enable their Core Banking Solutions (CBS) to capture complete information from the relevant fields in the messages/data files which can be displayed to customers when they access their accounts online or provide to them additionally when they approach the branch counters/help desks/call centers.

4.2 Term deposits

Banks have made considerable innovations in the area of term deposits. Banks should ensure that various term deposit schemes are made known to the customers through proper publicity and advice. The customers need to also be informed specifically of the provision of monthly interest on term deposits at a discounted rate and the facility of safe custody of term deposit receipts.

Term deposit application forms may be so devised as to contain a direction for disposal of deposits on maturity. In those cases where the customer does not indicate the course of action by the bank on maturity of deposits, banks may as a rule send intimation of impending due date of the deposit well in advance.

4.3 Timely Issue of TDS Certificate to Customers

Branches should provide TDS Certificate in Form 16A to their customers from whose deposit accounts income tax has been deducted at source, within the time –frame prescribed under the Income Tax Rules.

4.4 Advisory Services on deposit schemes

There is room for providing customer satisfaction by assisting customers in taking proper decisions for investment in various deposit schemes having regard to their particular needs and expectations. The banks should provide assistance/guidance to customers in the area of investment of funds in the various deposit schemes vis-à-vis the requirement of the customers.

4.5 Brochures/pamphlets for guidance of customers

The Bank has made available to the customers brochures/ pamphlets giving details of various schemes available and terms and conditions thereof.

4.6 Claims in respect of missing persons

The settlement of claims in respect of missing persons would be governed by the provisions of Section 107 / 108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and Section 108 deals with presumption of death. As per the provisions of Section 108 of the Indian Evidence Act, presumption of death can be raised only after a lapse of seven years from the date of his/her being reported missing. As such, the nominee / legal heirs have to raise an express presumption of death of the subscriber under Section 107/108 of the Indian Evidence Act before a competent court. If the court presumes that he/she is dead, then the claim in respect of a missing person can be settled on the basis of the same.

5. Safe Deposit Lockers

5.1 Allotment and operation of Lockers

The following guidelines supersede all the guidelines issued earlier in this regard.

a. Linking of Allotment of Lockers to placement of Fixed Deposits

Banks should not link the provisions of lockers facility with placement of fixed or any other deposit beyond what is specifically permitted.

b. Fixed Deposit as Security for Lockers

Branches may obtain a Fixed Deposit which would cover 3 year's rent and the charges for breaking open the locker in case of an eventuality. However, banks should not insist on such Fixed Deposit from the existing locker hirers.

c. Wait List of Lockers

Branches should maintain a wait list for the purpose of allotment of lockers and ensure transparency in allotment of lockers. All applications received for allotment of locker should be acknowledged and given a wait list number.

d. Security aspects relating to Safe Deposit Lockers

(i) Operations of Safe Deposit Vaults/Lockers

Banks should exercise due care and necessary precaution for the protection of the lockers provided to the customer.

(ii) Customer due diligence for allotment of lockers

- Banks should carry out customer due diligence for both new and existing customers at least to the levels prescribed for customers classified as medium risk. If the customer is classified in a higher risk category, customer due diligence as per KYC norms applicable to such higher risk category should be carried out
- Where the lockers have not been operated for more than seven years, banks should immediately contact the locker hirer and advise him to either operate the locker or surrender it. This exercise should be carried out even if the locker hirer is paying the rent regularly.
- Further, the bank should ask the locker hirer to give in writing, the reasons why he / she did not operate the locker. In case the locker hirer has some genuine reasons as in the case of NRIs or persons who are out of town due to a transferable job etc., banks may allow the locker hirer to continue with the locker. In case the locker hirer does not respond nor operate the locker, banks should consider opening the lockers after giving due notice to him. In this context, banks should incorporate a clause in the locker agreement that in case the locker is not operated for more than seven years, the bank would have the right to cancel the allotment of the locker and open the locker, even if the rent is paid regularly.
- Banks need to draw up a procedure in consultation with their legal advisers for breaking open the lockers and taking stock of inventory.
- In order to facilitate identifying the ownership of the locker keys, banks should introduce a system whereby the locker keys could be embossed with the Identification Code of the bank/branch.

e. Access to the safe deposit lockers/ return of safe custody articles to Survivor(s)/ Nominee(s)/ Legal heir(s)

If the sole locker hirer nominates a person the branch should give to such nominee access of the locker and liberty to remove the contents of the locker in the event of the death of the sole locker hirer.

In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates a person, in the event of death of any of the locker hirers, the branch should give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s).

In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given over to 'either or survivor', 'anyone or survivor' or 'former or survivor' or according to any other survivorship clause, the branch should follow the mandate in the event of the death of one or more of the locker-hirers. However, the branch should take the following precautions before handing over the contents:

(i) Due care and caution should be exercised in establishing the identity of the survivor(s)/ nominee(s) and the fact of death of the locker hirer by obtaining appropriate documentary evidence.

(ii) Diligent effort should be made to find out if there is any order from a competent court restraining the bank from giving access to the locker of the deceased.

(iii) It should be made clear to the survivor(s) / nominee(s) that access to locker / safe custody articles is given to them only as a trustee of the legal heirs of the deceased locker hirer; i.e. such access given to them shall not affect the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given.

f. Access to the safe deposit lockers / return of safe custody articles (without survivor/nominee clause)

In case where the deceased locker hirer had not made any nomination or where the joint hirers had not given any mandate that the access may be given to one or more of the survivors by a clear survivorship clause, banks are advised to adopt a customer-friendly procedure drawn up in consultation with their legal advisers for giving access to legal heir(s) / legal representative of the deceased locker hirer. Similar procedure should be followed for the articles under safe custody of the bank.

Banks are advised to be guided also by the provisions of Sections 45 ZC to 45 ZF of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies (AACS)) and the Co-operative Banks (Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act.

Branches should prepare an inventory before returning articles left in safe custody / before permitting removal of the contents of a safe deposit locker. The inventory shall be in the appropriate Forms or as near thereto as circumstances require.

5.2 Customer Guidance and Publicity

a. Benefits of nomination / survivorship clause

Banks should give wide publicity and provide guidance to locker-hirers / depositors of safe custody articles on the benefits of the nomination facility and the survivorship clause.

b. IT enabled Financial Inclusion

Banks are urged to scale up IT initiatives for financial inclusion speedily while ensuring that solutions are highly secure, amenable to audit, and follow widely accepted open standards to ensure eventual inter-operability among the different systems.

6. Banking facilities to the visually challenged

All the banking facilities such as cheque book facility including third party cheques, ATM facility, Net banking facility, locker facility, retail loans, credit cards etc. are required to be invariably offered to the visually challenged without any discrimination. Banks may also advise their branches to render all possible assistance to the visually challenged for availing the various banking facilities.

Banks should make at least one third of new ATMs installed as talking ATMs with Braille keypads and place them strategically in consultation with other banks to ensure that at least one talking ATM with Braille keypad is generally available in each locality for catering to the needs of visually impaired persons. Banks may also bring the location of such talking ATMs to the notice of their visually impaired customers. Banks should make all new ATMs installed from July 1, 2014 as talking ATMs with Braille keypads and lay down a road map for converting existing ATMs as talking ATMs with Braille keypads and the same may be reviewed from time to time by the Board of Directors/Customer Service Committee of the Board.

In addition to the above, magnifying glasses should also be provided in all bank branches for the use of persons with low vision, wherever they require, for carrying out banking

transactions with ease. Branches should display at a prominent place notice about the availability of magnifying glasses and other facilities available for persons with disabilities.

7. Collection of Cheques

7.1 Collection of account payee cheques – Prohibition on crediting proceeds to third party account

Branches should not collect 'account payee' cheques for any person other than the payee constituent. Where the drawer/ payee instructs the bank to credit the proceeds of collection to any account other than that of the payee, the instruction being contrary to the intended inherent character of the 'account payee' cheque, banks should ask the drawer/ payee to have the cheque or the account payee mandate thereon withdrawn by the drawer. This instruction will also apply with respect to the cheque drawn by a bank payable to another bank.

However, with a view to mitigating difficulties faced by members of co-operative credit societies in collection of account payee cheques, collecting banks may consider collecting account payee cheques drawn for an amount not exceeding Rs. 50,000 to the account of their customers who are co-operative credit societies if the payees of such cheques are the constituents of such co-operative credit societies. While collecting the cheques as aforesaid, branches should obtain a clear undertaking in writing from the co-operative credit societies concerned that, upon realization, the proceeds of the cheques will be credited only to the account of the member of the co-operative credit society who is the payee named in the cheque. This shall, however, be subject to the fulfillment of the requirements of the provisions of Negotiable Instruments Act, 1881, including Section 131 thereof. The collecting bank shall subject the society to the usual KYC norms and enter into an agreement with the society that the KYC documents in respect of the society's customers are preserved in the society's records and are available to the bank for scrutiny. The collecting banks should, however, be aware that in the event of a claim by the true owner of the cheque, the rights of the true owner of the cheque are not in any manner affected by these instructions and banks will have to establish that they acted in good faith and without negligence while collecting the cheque in question.

7.2 Rounding off cheques to the nearest rupee

Branches are advised to ensure that cheques / drafts issued by clients containing fractions of a rupee are not rejected or dishonoured by them. Branch Managers to ensure that the concerned staff are well versed with these instructions so that the general public does not suffer. Branch Managers should also ensure that appropriate action is taken against members of their staff who are found to have refused to accept cheques / drafts containing fractions of a rupee.

7.3 Dishonoured instruments

Branches may ensure that dishonored instrument is returned / dispatched to the customer promptly without delay on the same day but in any case within 24-48 hours.

7.4 Reimbursement of interest by paying bank

Delay beyond two days on the part of paying bank in despatching the proceeds to the collecting bank may be treated as delay attributable to that bank and interest paid on delayed credit by the collecting bank may be reimbursed by the paying bank. Responsibility for payment of interest to the depositor of the cheque, however, should continue to remain that of the collecting bank.

7.5 Immediate Credit of Outstation Cheques

The banks should not wait for customers' requests for the facility but should, as a matter of normal course, provide this service. The banks may recover usual collection charges in respect of outstation cheques. .

In case the cheques are returned unpaid, the bank can recover normal rate of interest at the Minimum Lending Rate for the period it is out of funds. For this purpose, banks may consider introducing pay-in-slips superimposing a notice to the effect that in the event of dishonour of the cheque, customer will be subject to payment of normal rate of interest for the period till the bank was out of funds.

7.6 Timeframe frame for collection of cheques

(i) In compliance with the orders of National Consumer Dispute Redressal Commission (NCDRC), all Banks have to conform to the timeframe prescribed by it, namely:

(a) For local cheques, credit and debit shall be given on the same day or at the most, on the next day. If there is any delay in collection of the said cheques (except delay from RBI/NPCI/Clearing House), the Cheque Collection Policy (CCP) of the bank should include the compensation payable for the delayed period: In case, no rate is specified in the (CCP) compensation at saving bank interest rate shall be paid for the corresponding period of delay

(b) Timeframe for collection of outstation cheques drawn on state capitals / major cities / other locations shall be 7 / 10 / 14 days respectively. If there is any delay in collection of the said cheques beyond this period, interest at the fixed deposit rate or at a specified rate as per the respective policy of the banks, is to be paid to the payee of the cheques. In case the rate is not specified in the Cheque Collection Policy (CCP), the applicable rate shall be the interest rate on Fixed Deposits for the corresponding maturity. The timeframe for collection specified by the Commission shall be treated as outer limit and credit shall be afforded if the process gets completed earlier. The branches shall not decline to accept outstation cheques deposited by their customers for collection.

(c) The collection period of outstation cheques and interest payable thereon in case of delay shall be published on the notice board in a precise manner in bold / visible letters at a conspicuous place in every branch.

(ii) Implementation and Accountability

In order to ensure that the above time schedule is scrupulously followed by the branches, there needs to be a clear-cut staff accountability for the delay. For this purpose, special register may be introduced to record the delayed collections for necessary action.

Further, it should be ensured that where delays occur, the account holders are paid penal interest without their making requests therefore. Necessary instructions may be issued to the branches with a view to ensuring strict compliance of these instructions for automatic credit of interest in respect of delayed collection of outstation cheques so as to avoid any room for representations/ complaints from public.

Senior Officials while visiting branches should make it a point to check implementation of the above instructions

7.7 Additional Measures for Quicker Collection of Outstation Instruments

- Banks should initiate the following additional measures to reduce the time taken for realization of cheques:
- Cheques drawn on MICR centres should invariably be presented through National Clearing Cell.
- Extensive use should be made of modern telecommunication technology for networking service branches in important centres and between service branches and other branches within a particular centre.
- The concept of Quick/Fast collection service for collection of outstation instruments should be streamlined.
- Separate registers/records should be maintained for local cheques and outstation cheques to enable the branch managers to exercise better supervision and remedial measures should be initiated to speed up the collection of outstation instruments.

With a view to closely monitoring the implementation of these instructions, internal inspection teams may be advised to verify these aspects during Inspection of the branches, as this is a singular feature having a direct bearing on rendering improved customer service. It is also necessary to make customers aware of the above facilities. The Branches may, therefore, make arrangements to display information about the facilities available at the branches, for customers' knowledge.

8. Miscellaneous

8.1 Identity badges

Each employee may wear on his person, identity badge with photograph and name prominently displayed on it. Besides giving an official touch, it will create a better rapport with the customers.

8.2 Job enrichment

Periodic change of duties and job rotation among employees is necessary. Elementary checking functions such as authentication of pass books/ issuance of receipts for cheques deposited for credit to the customers' accounts etc., would not only make useful contribution towards customer service but also would give a boost to the morale and self-image of the employees.

8.3 Training

It is essential to align the training programs to the needs in various areas with an eye on customer service. The employees should be trained to develop the right kind of attitude towards customer service, and empathy towards customer needs and expectations. Training programs may be so devised as to bring about positive attitudinal changes compatible to customer orientation.

8.4 Induction training

Training to new recruits should be a precursor to other follow - up training programs. All new recruits, i.e. clerks/officers should be necessarily exposed to induction program immediately after recruitment.

8.5 Reward and recognition

The system of reward/recognition should be such that it puts an indifferent employee to a considerable disadvantage - psychologically and even financially. Only if the reward scheme is objectively enunciated, employees will be motivated to perform better. Indifferent and casual approach to work (customer service) should not go unnoticed, giving such employees wrong signals. Banks should evolve a fair system whereby employees are gauged or rated in the area

of customer service and good work is rewarded.

8.6 Systems and procedures

Systems and procedures are necessary to assist banks in functioning in an effective and efficient manner and to ensure safety of customer's money. Banks may keep their systems and procedures in trim, by a continuous process of introduction of new procedures that may be required and by doing away with unwanted ones.

8.7 Customer service audit

Various facets of service to the customers need review and introduction of more avenues has to be identified. Banks may subject themselves to an audit approach towards their customer service points at grass root levels and also at policy prescription and macro levels in the matter of extension of customer service.

8.8 Complaint box and book

A Complaint cum Suggestion Box may be kept in the bank premises at a prominent place. Every branch may also maintain a Complaint Book with adequate number of perforated copies in each set, so designed as to instantly provide the complainant with an acknowledged copy of the complaint.

8.9 Inspection/Audit reports

The internal inspectors/auditors including audit firms engaged for the purpose during the course of their inspection/audit of branches should examine the various customer service aspects including the efficacy of the complaints handling and grievance redressal machinery; and based on their observations, record the improvements and deficiencies in various areas.

8.10 Complaint prone employees

Placement of employees in customer contact slots should be on a selective basis. By imaginative and innovative approaches, enough number of employees can be brought-up by training. Cases of deliberate recalcitrance and disregard of customer service spirit should be taken note of and kept in concerned employees' service records apart from taking other action against such employees.

8.11 Periodical visits by senior officials

Senior officials while visiting the branches should also give priority to the customer service aspects. It will be great advantage if senior official counter checks the actual 'branch atmosphere' by having in hand a report on customer service submitted by the branch.

8.12 Infrastructure provision

Branches may bestow attention to providing adequate space, proper furniture, drinking water facilities, clean environment, (which include keeping the walls free of posters) etc., in their premises to enable conduct of banking transactions smoothly and more comfortably.

8.13 Customer education

Customer education both in regard to rights and responsibilities in dealing with banks should be viewed as a fundamental issue in any attempt to improve customer service. Customer should be made aware not only of the various schemes and services offered by banks, but also about the formalities, procedures, legal requirements and limitations in the matter of providing services by the banks, through a proper mix of advertisements, literature, interface, seminars, etc. Banks should involve their employees in all customer education programs.

8.14 Security arrangements

In view of the incidents involving terrorists/dacoits, banks should review and improve upon the existing security system in branches so as to instill confidence amongst the employees and the public. Regular drill/ training to the security staff should be ensured.

9. Fair Practices Code - Display of Bank/ Service Charges

The Bank's current schedule of charges approved by the Board is reasonable and not out of line with the average cost of providing these services. Branches are advised to display the schedule of charges on its notice boards.

10. Display of information – Comprehensive Notice Board

Branches should put up in a notice board important aspects or indicators on 'customer service information', 'service charges', 'grievance redressal' and 'others'. The notice board should be updated on a periodical basis.

Branches should display information relating to interest rates and service charges in their premises as well as post it on their websites, to enable the customer to obtain the desired information at a glance.

Further, all banks, including scheduled banks, should also display at their offices/ branches the service charges relating to the following services in the local languages:

A. Services rendered free of charge

B. Others

- (i) Minimum balances to be maintained in the SB account
- (ii) Charges leviable for non-maintenance of minimum balance in SB account
- (iii) Charges for collection of outstation cheques
- (iv) Charges for issue of Demand Draft
- (v) Charges for issue of cheques books, if any
- (vi) Charges for account statement
- (vii) Charges for account closure, if any
- (viii) Charges for deposit/withdrawal at ATM locations, if any
- (ix) I/W and O/W cheque return charges etc

Electronic products –

a) Inward RTGS / NEFT / ECS transactions – Free, no charge to be levied

b) Outward transactions –

- i) RTGS – as specified in Schedule of charges
- ii) NEFT – as specified in Schedule of charges

Banks may prescribe charges not higher than cheque return charges for ECS debit returns.

11. ATM transactions

11.1 Customer charges for use of ATMs for cash withdrawal and balance enquiry

Banks have been deploying ATMs to increase their reach to increase the usage of ATMs as a delivery channel. Banks have also entered into bilateral or multilateral arrangements with other banks to have inter-bank ATM networks. While ATMs facilitate a variety of banking transactions for customers, their main utility has been for cash withdrawal and balance enquiry.

Customer is not aware beforehand of the charges that will be levied for a particular ATM

transaction, while using an ATM of another bank. This generally discourages the customer from using the ATMs of other banks. It is, therefore, essential to ensure greater transparency. In view of this, it has been decided that the following schedule of service charges would be implemented by all banks:

- i. For use of own ATMs for any purpose – Free
- ii. For the use of other bank ATMs -
 - Metro -three free transactions (inclusive of financial and non-financial transactions) per month
 - Non- Metro -five free transactions (inclusive of financial and non-financial transactions) per month

Banks are advised to leverage technology available with them and the telecom providers to ensure that the charges levied by banks for sending SMS alerts are levied on all customers on actual usage basis.

11.2 Enhancement of Customer Service

To improve the customer service through enhancement of efficiency in ATM operations, branches are advised to initiate action as below:

- a) The message regarding non-availability of cash in ATMs should be displayed before the transaction is initiated by the customer. Branches may exercise option to display such notices either on screen or in some other way.
- b) The ATM ID may be displayed clearly in the ATM premises to enable a customer to quote the same while making a complaint / suggestion.
- c) The forms for lodging ATM complaints may be made available by the branches within the ATM premises and display the name and phone number of the officials with whom the complaint can be lodged may be displayed.
- d) Branches may make available sufficient toll-free phone numbers for lodging complaints / reporting and blocking lost cards to avoid delays and also attend the requests on priority. Local helpline numbers (city-wise / centre wise) should also be increased and should be prominently displayed in the ATM premises / banks' web-site.
- e) Branches may proactively register the mobile numbers / e-mail IDs of their customers for sending alerts and also educate their customers to intimate changes, if any. A time-bound program for updation of mobile number and or e-mail of all existing accounts may be drawn up. These details should be updated periodically along with KYC details.
- f) To prevent fraudulent withdrawal at ATMs, RBI had mandated requirement of PIN entry for each and every transaction, including balance enquiry transactions. It is advised that the time out sessions should be enabled for all screens / stages of ATM transaction keeping in view the time required for such functions in normal course. Bank may ensure that no time extensions are allowed beyond a reasonable limit at any stage of the transaction.
- g) Banks, in collaboration with Indian Banks' Association, may run advertisement campaign in both, print and electronic media at regular intervals for creating awareness about electronic banking products.

Branches shall reimburse to the customers the amount wrongfully debited, if any, due to ATMs failure to dispense cash within a maximum period of 12 days from the date of receipt of customer complaints

12. E-Payment Products (RTGS, NEFT, NECS, ECS Variants)

Processing inward transactions based solely on account number information

In terms of the extant Procedural Guidelines for RTGS/NEFT/NECS/ECS Credit, Banks are generally expected to match the name and account number information of the beneficiary before affording credit to the account. In the Indian context, however, given the many different ways in which beneficiary names can be written, it becomes extremely

challenging for the banks to perfectly match the name field contained in the electronic transfer instructions with the name on record in the books of the destination bank. This leads to manual intervention hindering the straight through-processing (STP) environment causing delay in credit or due return of uncredited instructions. The manual intervention also provides scope for error and fraudulent intent. Being essentially credit-push in nature, responsibility for accurate input and successful credit lies with the remitting customers and the originating banks. The role of destination banks is limited to affording credit to beneficiary's account based on details furnished by the remitter/originating bank. Instructions for processing such inward transactions based solely on account number information will be followed as per RBI guidelines.

NEFT - Customer Service and Charges:

a) Educate all staff / officials about the NEFT process in general and extension of the facility to walk-in customers and customer charges applicable on NEFT, in particular, as outlined in the Procedural Guidelines for NEFT and instructions issued by the Reserve Bank from time to time on NEFT.

b) Ensure NEFT applications forms with proper instructions are made available at all branches. The extant charges applicable on NEFT transactions should be displayed at all branches / locations of the bank where NEFT transactions can be conducted. A printed "charges card" in appropriate vernacular language should invariably be carried by agents/ business correspondents of the banks.

c) Ensure that the charges levied on customers for inter-bank NEFT transactions at branches are at par.

d) Ensure that positive confirmation of credit to beneficiary account is invariably sent for all inward transactions received by them. Similarly, banks originating the NEFT transactions may ensure that such positive confirmation is relayed to all remitting customers, including walk-in customers who provide their mobile number / e-mail id, in accordance with our guidelines on the matter. Intimation of failed / returned transactions should also be brought to the notice of the remitting customer and funds credited to the account immediately / returned to the remitted at the earliest.

e) Ensure that in case of delayed credits or delayed returns, the penal interest as applicable is paid suo-moto to the customer without necessitating a request for the same by the customer. Banks resorting to back-dating or value-dating such delayed transactions are not excused from paying the penal interest for the delayed period and adoption of such practices will be viewed seriously.

13. Facilities at Extension Counters, wherever applicable

Branches are allowed to undertake following limited transactions at the Extension Counters:

- (i) Deposit / withdrawal transactions,
- (ii) Issue and encashment of drafts and mail transfers,
- (iii) Issue and encashment of travellers' cheques,
- (iv) Collection of bills,
- (v) Advances against fixed deposits of their customers (within the sanctioning power of the official concerned at the Extension Counter)
- (vi) Disbursement of other loans (only for individuals) sanctioned by the Head Office/ base branch up to the limit of 10 lakh only.

14. Other Instructions

14.1 Issue of Cheque Books

Banks should ensure that their cheque books are printed with due care and the perforation in the cheque leaves as also binding of cheque books are up to the mark so as to avoid any inconvenience to the customers. All CBS enabled banks are advised to issue only “payable at par”/”multi city”/ CTS 2010 standard cheques to all eligible customers.

14.2 Cheque Drop Facility and the Facility for Acknowledgement of cheques

While the cheque drop facility may be made available to the customers, the facility for acknowledgement of cheques at the regular collection counters should not be denied to them. No branch should refuse to give an acknowledgement on cheques being tendered by customers at their counters. Further, customers should be made aware of both options available to them i.e., dropping cheques in the drop box or tendering them at the counters so that they can take an informed decision in this regard.

14.3 Periodical Review and Monitoring

Banks should introduce a system of periodical evaluation on customer service on half yearly basis, as at the end of June and December, with a view to ensuring their implementation at all offices of the bank as also upgrading the quality of services to achieve higher satisfaction among the bank's customers.

14.4 Issue of Duplicate Demand Draft

a) Issue of Duplicate Demand Draft without receipt of Non-Payment Advice

The duplicate draft amounting to Rs. 5,000 or less, may be issued on the basis of adequate indemnity and without obtaining Non-Payment Advice (NPA) from the drawee branch.

b) Fixation of time-frame for issue of duplicate demand draft

Branches should ensure that a duplicate demand draft is issued within a fortnight from the receipt of such requests. For delay in issuing duplicate demand draft beyond the above stipulated period, they should pay interest at rate applicable for fixed deposit of corresponding maturity in order to compensate the customer for such delay. These instructions would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or the beneficiary and would not be applicable in the case of third party endorsements.

Senior Officials, while visiting branches, should make it a point to check implementation of the above instructions.

15. Nomination facilities

Banks may get the account opening forms amended to incorporate a space to mention the name and address of the nominee and statutorily prescribed nomination forms may be obtained and preserved with the account opening forms. Availability of nomination facility needs to be widely publicised by printing compatible messages on cheque books/pass books and any other literature reaching the customers.

Nomination should be a rule (rather than an exception) and banks should endeavor to cover all accounts, existing as well as new, under nomination, exception being the ones where the customer himself would prefer not to nominate; this fact may be recorded rather than left to the conjecture of non-compliance

Nomination facilities are available not only for deposit accounts but also for safe custody articles and safe deposit lockers. As nomination facility for deposit accounts is more known to the customers, compared to the one available for safe custody articles and safe deposit lockers, publicising availability of the facility for these two services also may be effectively done.

Statutory provisions for Nomination Facility of The Banking Regulation Act, 1949 (AACS) has been amended by incorporating among others, new sections 45 ZA to 45 ZF, which provide, inter alia, for the following matters:

(a) to enable a bank to make payment to the nominee of a deceased depositor, of the amount standing to the credit of the depositor

(b) to enable a bank to return the articles left by a deceased person in its safe custody to his nominee, after making an inventory of the articles in the manner directed by Reserve Bank

(c) to enable a bank to release the contents of a safety locker to the nominee of the hirer of such locker, in the event of the death of the hirer after making an inventory of the contents of the safety locker in the manner directed by Reserve Bank.

15.1 Nomination Rules

Since such nomination has to be made in the prescribed manner, the Central Government has framed Co-operative Banks (Nomination) Rules, 1985 in consultation with the Reserve Bank. These Rules, together with the provisions of new Sections 45 ZA to 45 ZF, of Banking Regulation Act, 1949 (AACS) regarding nomination facilities have been brought into force with effect from March 29, 1985.

The Co-operative Banks (Nomination) Rules, 1985, provide for:

(i) Nomination forms for deposit accounts, articles kept in safe custody and the contents of safety lockers,

(ii) Forms of cancellation and variation of the nomination,

(iii) Registration of nominations and cancellation and variation of nominations, and

(iv) Matters related to the above.

For the various Forms (DA1, DA2, and DA3 for Bank Deposits, Forms SC1, SC2 and SC3 for articles in safe custody and Forms SL1, SL1A, SL2, SL3 and SL3A for Safety Lockers) prescribed under the Co-operative Banks (Nomination) Rules, 1985 only Thumb-impression(s) shall be attested by two witnesses. The signatures of the account holders need not be attested by witnesses.

15.2 Nomination of articles in safe custody

In the matter of returning articles left in safe custody by the deceased depositor to the nominee or allowing the nominee/s to have access to the locker and permitting him/them to remove the contents of the locker, the Reserve Bank, in pursuance of Sections 45 ZC (3) and 45 ZE (4) of Banking Regulation Act, 1949 (AACS), has specified the formats for the purpose. In order to ensure that the amount of deposits, articles left in safe custody and contents of lockers are returned to the genuine nominee, as also to verify the proof of death, bank may devise to follow the procedure, if any, suggested for the purpose either by their own Federation/Association or by the Indian Banks Association.

15.3 Registration of nomination in banks' books

In terms of Rules 2(10), 3(9) and 4(10) a co-operative bank is required to register in its books the nomination, cancellation and/or variation of the nomination. The co-operative banks should accordingly take action to register nominations or changes therein, if any, made by their depositor(s)/hirer(s) of lockers. Government of India has issued the notification bringing into force the provisions relating to nomination facilities, from March 29, 1985. Bank should therefore, ensure that the nomination facilities are made available to customers.

15.4 Incorporation of legend 'Nominations Registered' in pass book, deposit receipt etc.

Banks should incorporate the legend 'Nominations Registered' on every pass book or deposit receipt so as to enable the relatives to know the availment of the nomination facility by the

deceased depositor.

16. Customer Service – Redressal of Grievances

(i) Banks should have a robust grievance redressal structure and processes to ensure prompt in-house redressal of all customer complaints. Banks should ensure that a suitable mechanism exists for receiving and addressing complaints received from their customers with specific emphasis on resolving such complaints fairly and expeditiously regardless of the source of the complaints.

(ii) Banks should have a system of acknowledging the complaints, where the complaints are received through letters / forms. Banks should prominently display at the branches the names of 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.

(iii) In the case where the complaints are not redressed within one month, the branch concerned / Head Office of the bank should forward a copy of the same to the Nodal Officer concerned under the Banking Ombudsman scheme and keep him updated about the status of the complaint.

(iv) In the case of fraudulent encashment of third party instruments by unscrupulous persons, by opening deposit accounts in the name/s similar to already established concern/s resulting in erroneous and unwanted debit of drawers' accounts, it is advised that in cases where banks are at fault, the banks should compensate the customers without demur; and in cases where neither the bank is at fault nor the customer is at fault but the fault lies elsewhere in the system, then also the banks should compensate the customer (up to a limit) as part of a Board approved customer relations policy.

17. The Mental Health Act, 1987 provides for a law relating to the treatment and care of mentally ill persons and to make better provision with respect to their property and affairs.

According to the said Act, "mentally ill person" means a person who is in need of treatment by reason of any mental disorder other than mental retardation. Sections 53 and 54 of this Act provide for the appointment of guardians for mentally ill persons and in certain cases, managers in respect of their property. The prescribed appointing authorities are the district courts and collectors of districts under the Mental Health Act, 1987.

The National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 provides for a law relating to certain specified disabilities. Clause (j) of Section 2 of that Act defines a "person with disability" to mean a person suffering from any of the conditions relating to autism, cerebral palsy, mental retardation or a combination of any two or more of such conditions and includes a person suffering from severe multiple disabilities. This Act empowers a Local Level Committee to appoint a guardian to a person with disabilities, who shall have the care of the person and property of the disabled person.

Banks are advised to take note of the legal position mentioned above and may rely on and be guided by the orders / certificates issued by the competent authority, under the respective Acts, appointing guardians / managers for the purposes of opening / operating bank accounts. In case of doubt, care may be taken to obtain proper legal advice. Banks may also ensure that their branches give proper guidance to their customers so that the guardians / managers of the disabled persons do not face any difficulties in this regard.