

SVC CO-OPERATIVE BANK LTD

CUSTOMER RIGHTS POLICY

2024-25

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CUSTOMER RIGHTS POLICY 2024-25

I. Introduction:

The Reserve Bank of India released a Charter of Customer Rights on December 03 2014, which enshrines broad, overarching principles for protection of bank customers and enunciates the 'five' basic rights of bank customers.

These are:

- (i) Right to Fair Treatment;
- (ii) Right to Transparency; Fair and Honest Dealing;
- (iii) Right to Suitability;
- (iv) Right to Privacy; and
- (v) Right to Grievance Redress and Compensation.

Further, IBA vide its letter dated 5th February, 2015 advised the banks to have a Board approved Customer Rights Policy to be formulated as per the Model Customer Rights Policy approved by RBI vide its letter dated 27th January, 2015. The Reserve Bank would monitor the progress and oversee the adherence by banks over a period of time.

This Policy applies to all products and services offered by the bank or its agents, whether provided across the counter, over phone, by post, through interactive electronic devices, on internet or by any other method.

II. Details of Customer Rights:

i) Right to Fair Treatment

Both the customer and our Bank has a right to be treated fairly and with courtesy. The customer should not be unfairly discriminated against on grounds such as gender, age, religion, caste and physical ability when offering and delivering financial products.

Our Bank will ensure to follow the below mentioned practices:

- a) Promote a fair and equitable relationship between our bank and our customer
- b) Promote good and fair banking practices by setting minimum standards in all dealings with our customers.
- c) Train our bank staff attending to the customers, adequately and appropriately.
- d) Ensure that our staff members attend to customers and their business promptly and courteously.
- e) Treat all our customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, economic status physical ability, etc.

Our Bank will, however, have special schemes or products which are specifically designed for members of a target market group or may use defensible, commercially acceptable economic rationale for customer differentiation. Our Bank will also have schemes or products as part of an affirmative action such as for women or backward classes. Such schemes / products will not tantamount to unfair discrimination. The rationale for such special schemes or terms will be explained by our bank wherever required.

Our Bank has to ensure that this Right should be applied while offering all our products and services across the Bank.

While it shall be the endeavor of our Bank to provide our customers with hassle free and fair treatment, our Bank would expect our customers to behave courteously and honestly in their dealings with our Bank.

It shall also be our Bank's endeavor to encourage our customers to approach our Bank's Internal Grievance Redressal Mechanism and approach RBI Ombudsman after exhausting all their remedies under our Bank's internal grievance mechanism.

ii) **Right to Transparency, Fair and Honest Dealing**

Our Bank will ensure that the contracts or agreements it frames are transparent, easily understood by and well communicated to our customer. The product's price, the associated risks, the terms and conditions that govern use over the product's life cycle and the responsibilities of the customer and our Bank, will be clearly disclosed.

Our customer will not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, our Bank will not threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.

Our Bank should ensure to follow the below mentioned practices:

- a) To show complete transparency so that the customer knows what to expect from our Bank.
- b) To ensure that our Bank's dealings with the customer rest on the ethical principles of equality, integrity and transparency.
- c) To provide our customers with clear information about our products and services, terms and conditions, and the interest rates / service charges in simple and easily understandable language, and with sufficient information so that the customer could be reasonably expected to make an appropriate and informed choice of product.

- d) To ensure that all terms and conditions are fair and set out the respective rights, liabilities and obligations clearly and as far as possible in plain and simple language. The features should explain the key risks associated with the product as well as any disadvantages to the customer if any, should be highlighted.
- e) To provide information on interest rates, fees and charges either by displaying on the Notice Board in the branches or website or through help-lines or help-desk and where appropriate the customer will be informed directly.
- f) To display the Schedule of Charges on our website and a copy of it will be made available at every branch for customer's perusal. Also, to display a notice, in our branches, of the Schedule of Charges.
- g) To inform the customer of any change in the terms and conditions through a letter or Statement of Account, SMS or email as agreed by the customer at least one month prior to the revised terms and conditions becoming effective. If our Bank will make any change without giving such notice which is favorable to the customer, it will notify the change within 30 days of such change. If the change is adverse to the customer, prior notice of minimum 30 days will be provided and the customer may be provided options, to close the account or switch to any other eligible account without having to pay the revised charges or interest within 60 days of such notice.
- h) To provide information about the penalties leviable in case of non-observance / breach of any of the terms and conditions governing the product / services chosen by the customer.
- i) To display on public domain our Banks' Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues and Security Repossession.
- j) To ensure that our staff dealing in a particular product is properly trained to provide relevant information to customers fully, correctly and honestly.
- k) To ensure to communicate to the applicant within a reasonable time period as decided by our Bank about the acceptance / non-acceptance of applications submitted for availing a product / service and convey in writing the reasons for not accepting / declining the application.

- l) To communicate the information about:
 - a. Discontinuation of particular products,
 - b. Relocation of our offices
 - c. Changes in working hours
 - d. Change in telephone numbers
 - e. Closure of any office or branch with advance notice of at least 30 days.

Also affirms that disclosure of information is an on-going process through the life-cycle of the product / relationship and will be diligently followed by them. Ensure to use all possible channels of communication, including website, to ensure that information on all changes is made known to the customer.

- m) Advise the customer at the time of selling the product of the rights and obligations embedded in law and/or banking regulation including the need to report any critical incidents that the customer suspect, discover or encounter.
- n) When a customer approaches to avail a product or service, our Bank's staff members should be able to provide all relevant information related to the product / service and also provide direction to informational resources on similar products available in the market with a view to enable the customer to make an informed decision.
- o) To not terminate a customer relationship without giving reasonable or contractual prior notice to the customer.
- p) To assist the customer in all available ways for managing his/her account, financial relationship by providing regular inputs in the bank's realms such as account statements/passbooks, alerts, timely information about the product's performance, term deposits maturity etc.
- q) To ensure that all marketing and promotional material is clear and not misleading.
- r) To never threaten the customer with physical harm, exert influence or engage in behavior that would reasonably be construed as unwarranted harassment. Ensure adherence only to the normal appropriate business practices.
- s) To ensure that the fees and charges on products/services and its structure are not unreasonable to the customer.

iii) **Right to Suitability**

The products offered will be considering needs of the customer and based on an assessment of the customer's financial circumstances and understanding.

Our Bank will ensure to follow the below mentioned practices:

- a. To have a Board approved policy for assessing suitability of products for customers prior to sale.
- b. To sell third party products only if we authorized to do so, after putting in place a Board approved policy for marketing and distributing third party financial products.
- c. We should not compel a customer to subscribe to any third-party products as a quid-pro-quo for any service availed from our Bank.
- d. We should ensure that the products being sold or services being offered are in accordance with the rules and regulations. This includes third party products.
- e. We should inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by our Bank to enable them to determine the suitability of the product to the customer.

iv) **Right to Privacy**

Customers' personal information will be kept confidential unless they have offered consent to our Bank or such information is required to be provided under the law or it is provided for a mandated business purpose (for example, to credit information companies). The customer should also be informed upfront about likely mandated business purposes.

Customers have the right to protection from all kinds of communications, electronic or otherwise, which infringe upon their privacy.

Our Bank will ensure to follow the below mentioned practices:

- a) To treat customer's personal information as private and confidential (even when the customer is no longer banking with us), and, as a general rule, not disclose such information to any other individual/institutions including its subsidiaries / associates, tieup institutions etc. for any purpose unless:
 - The customer has authorized such disclosure explicitly in writing
 - Disclosure is compelled by law / regulation

- Our Bank has a duty to the public to disclose i.e. in public interest
- Our Bank has to protect its interests through disclosure
- It is for a regulatory mandated business purpose such as disclosure of default to credit information companies or debt collection agencies.

b) To ensure such likely mandated disclosures be communicated immediately to the customer in writing.

c) Will not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it. Will adhere to Telecom Commercial Communications Customer Preference Regulations, 2010 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

v) **Right to Grievance Redressal and Compensation**

Our customer has a right to hold our Bank accountable for the products offered and to have a clear and easy way to have any valid grievances redressed. Our Bank will also facilitate redress of grievances arising from its sale of third-party products.

Our Bank will communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or delays in performance, whether caused by our Bank or otherwise. The policy will lay out the rights and duties of the customer when such events occur.

Our Bank will ensure to follow the below mentioned practices:

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

Our Bank will also ensure to:

- i. Place in public domain its Customer Grievance Redressal Policy, including the grievance redressal procedure available for the customer.
- ii. Place in public domain the compensation policy for delays / lapses in conducting / settling customer transactions within the stipulated time and in accordance with the agreed terms of contract.
- iii. Have a robust and responsive grievance redressal procedure and clearly indicate the grievance resolution authority who shall be approached by the customer.

- iv. Make grievance redressal mechanism easily accessible to customers.
- v. Inform the complainant of the option to escalate his complaint to the RBI Ombudsman if the complaint is not redressed within the pre-set time.
- vi. Place in public domain information about Reserve Bank Integrated Ombudsman Scheme.
- vii. Display at customer contact points the name and contact details of the RBI Ombudsman under whose jurisdiction the bank's branch falls.

Further, our Bank will:

- i. Acknowledge all formal complaints within three working days and work to resolve it within a reasonable period, not exceeding 30 days (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for grievance redressal).
- ii. Provide aggrieved customers with the details of the Reserve Bank Integrated Ombudsman Scheme for resolution of a complaint if the customer is not satisfied with the resolution of a dispute, or with the outcome of a dispute handling process.

In addition, our Bank will

- a) Clearly spell out, at the time of establishing a customer relationship, the liability for losses, as well as the rights and responsibilities of all parties, in the event of products not performing as per specifications or things going wrong. However, our Bank will not be liable for any losses caused by extraneous circumstances that are beyond its reasonable control (such as market changes, performance of the product due to market variables, etc.).
- b) Ensure the customer is refunded without delay.

III. Customer's Responsibility:

Our Bank is committed to provide to customers excellent customer service, hassle free and fair treatment, quick redressal of grievances, if any.

But the below points also have to be considered with respect to Customer Responsibility:

- a) Our Bank will not be responsible for loss to the customer, if the customer acts fraudulently and/or acts without reasonable care which has resulted in loss to him/her.
- b) Our Bank will also not be responsible for the losses arising out of misuse of lost Pin, cheque book, passbook, compromise of passwords/secure or

confidential information, suffered by the customer until the time our Bank has been notified and has taken steps to prevent misuse.

- c) Our Bank will also not be liable for any losses caused by extraneous circumstances that are beyond its reasonable control.
- d) Our Bank will also expect that our customers behave courteously and honestly in their dealings with our Bank and would furnish correct personal details like address, mobile number and email address for speedy and effective communication when required

IV. Amendment/ Modification of the Policy:

Our Bank reserves the right to amend / modify this Policy, as and when deemed fit and proper, at its sole discretion. Our Bank shall arrange to review the Policy at regular intervals.