

“INTERNAL OMBUDSMAN SCHEME”

(PREVIOUSLY CCSO SCHEME)

1. TITLE, COMMENCEMENT & EXTENT

The Bank's CCSO scheme, which came into force w.e.f. 13.04.2013, shall henceforth be known as “Internal Ombudsman Scheme”, as the Reserve Bank of India has, vide communication dated 18.08.2016, changed the nomenclature of the CCSO as **INTERNAL OMBUDSMAN (I.O)**

2. OBJECTIVES OF SCHEME

- 2.1 To ensure that all complaints, which are rejected or partially accepted by the Bank, are examined by the Internal Ombudsman so that escalation of grievances to Banking Ombudsman are minimized.

The I.O. shall be the focal point for Internal Grievance Redressal System in terms of Damodaran Committee recommendations.

- 2.2 To enhance the customer confidence in the Bank's systems and to hasten the process of grievance redressal, making it more transparent.
- 2.3 To enable customer grievances to be considered by an independent body, instead of B.O.

The presence of IO at the apex level of Grievance Redressal Mechanism of the Bank would help enhancing the impartiality of the mechanism, as the grievance resolution would have an independent view point as a precursor to the B.O.

3. ESCALATION OF GRIEVANCES TO INTERNAL OMBUDSMAN (IO)

The grievance escalation matrix of the Bank is as follows:-

(The customer can approach Bank officials from LEVEL I TO LEVEL IV)

- | | |
|---|---|
| a) <u>LEVEL I</u> | - <u>Branch Manager</u>
(The first point for immediate redressal of grievance) |
| b) <u>LEVEL II</u>
(If not satisfied at Level I) | - <u>Circle Office</u>
Through
i) Chief Host
ii) Circle Head |
| c) <u>LEVEL III</u>
(If not satisfied at Level II) | - <u>Zonal Heads</u> |
| d) <u>LEVEL IV</u>
(If not satisfied at Level III) | - <u>General Manager, HO</u>
(Principal Nodal Officer) |
| e) <u>LEVEL V</u> | - <u>Internal Ombudsman (IO)</u>
Customers need not approach the I.O. directly. Bank will internally escalate all rejected/partially accepted grievances cases to I.O. for his consideration and final decision.
The final communication to the complainant shall mention that the complaint has been examined by the I.O. and still if he is not satisfied, he can approach the BO, i.e. Level VI. |
| f) <u>LEVEL VI</u>
(If not satisfied at Level V) | - Banking Ombudsman at RBI (B.O.) . |

4. POWER, JURISDICTION AND REPORTING

- 4.1 The I.O. shall consider/examine the grievances relating to the deficiencies in Bank's services (including internet banking) on any one of the grounds as listed in clause 8 of Banking Ombudsman Scheme of RBI (Annexure-I), which are not resolved by the Bank's Internal Grievance Redressal Mechanism.

The I.O. shall facilitate resolution/settlement/agreement of such grievances through conciliation and mediation between the Bank and the aggrieved party or by passing an Advisory in accordance with the Scheme.

4.2 Other grievances outside the purview of Clause 8 of the B.O. scheme can also be dealt with by the I.O., but only after they have been examined by the Bank's Internal Grievance Redressal Mechanism and left unresolved/unredressed to the satisfaction of the complainant.

4.3 The contact details of I.O. need not be provided in the public domain, as the I.O. shall not entertain and examine FIRST RESORT complaints, which need to be first examined by the Bank's Internal Grievance Redressal Mechanism.

In case the I.O. happens to receive FIRST RESORT complaints, he/she shall forward such complaints to the Bank's Internal Grievance Redressal functionary.

4.4 The I.O. shall exercise general powers of superintendence and control over his office and shall be responsible for the conduct of business thereat.

4.5 The Bank shall examine the grievances as per its Internal Grievance Redressal Mechanism and in case the Bank decides to reject or to provide only partial relief to the complainant, it should invariably forward such cases to the I.O. for further examination.

The advice to the complainant after examination by I.O. in such cases should necessarily have a clause that the grievance has also been examined by the I.O.

4.6 In case the complaints are not resolved to the satisfaction of complainants, the I.O. and or the Bank shall advise the complainants that they can approach the B.O. of the jurisdiction concerned along with complete details and address of the B.O. to which the complaint pertains to, so that the availability of option to approach the B.O. is invariably indicated to the complainants.

4.7 The I.O. shall have the right to access the Bank's records relating to the complaints received, seek detailed comments from the Bank with regard to the complaints, can hold meetings with the functionaries/departments concerned and can also meet the complainants, if required, while examining the complaint for redress. The Bank will furnish all records/documents sought by the I.O. to enable him/her to discharge his/her duties effectively and redress/resolve customer grievances expeditiously.

The I.O. shall maintain confidentiality of any information or document that may come into his knowledge or possession in the course of discharging his duties and shall not disclose such information or document to any person except with the consent of the person furnishing such information or document, provided that nothing in this clause shall prevent the I.O. from disclosing information or document furnished by a party in a complaint to the other party or parties to the extent considered by him to be reasonably required to comply with any legal requirement or the principles of natural justice and fair play in the proceedings.

- 4.8 The decision of the I.O. shall be binding on the Bank and Bank is required to accept it. In case the Bank disagrees with the decision of I.O., such cases should be reported to RBI by the I.O. as well as by the Bank with a copy to respective B.O.
- 4.9 I.Os. are independent authority placed at apex position in the Internal Grievance Redressal Machinery and work as precursor to the B.O. Therefore, the reference made by the Bank to I.O. for examination should emanate primarily from the highest level of Bank's Internal Grievance Redressal Machinery only i.e. PNO, who is the General Manager (Customer Care).
- 4.10 The Bank's PNO for BO complaints shall not act as I.O. or vice-versa.
- 4.11 The I.O. will continue to report the progress to Customer Service Committee of the Board, which will exercise the oversight on the functioning of I.O.. However, aspects relating to fraud, misappropriation etc. shall be reported to Audit Committee of the Board immediately.
- 4.12 The I.O. shall not represent the Bank in the legal cases arising out of complaints examined by him/her as he/she does not have operational role. The Bank shall handle such cases as per its applicable extent and procedures.
- 4.13 The I.O. shall not examine the complaints/references on aspects relating to the following:-
 - a) Internal Administration
 - b) Human Resources
 - c) Pay & Emoluments of staff etc.
 - d) Suggestions (from customers)
 - e) Customers' for concession in Rate of Interest charged, modification in sanction terms & conditions.
 - f) Complaints, which are already pending in other forums such as consumer forums, courts etc.

5. OPERATING PROCEDURE

- 5.1 The I.O. shall take into account the evidence placed before him by the parties, the principles of banking law and practice, directions, instructions and guidelines issued by the Reserve Bank from time to time and such other factors which in his opinion are relevant to the complaint.
- 5.2 The I.O. shall provide the resolution in writing to the complainants and endorse a copy to the concerned department of the Bank.
- 5.3 The proceedings at I.Os office shall be summary in nature and the. Advisory shall be reasoned and speaking one
- 5.4 In case where the decision of the I.O. is accepted by the complainant, the former will obtain and keep on record, a statement showing the terms of agreement duly signed by the complainant.
- 5.5 Bank's replies to complainants on receipt of I.Os comments shall mention explicitly that the complaint has also been examined by I.O.. Only under such circumstances where a resolution had been made by agreement by an I.O. with a complainant and the I.O. had obtained the resolution in writing signed by the complainant and furnish to the Bank for record, a reply to the complainant may be issued by I.O. on behalf of the Bank with an endorsement to the Bank.
- 5.6 To ensure such agreement mentioned at 5.5, if the I.O. feels the requirement of a direct feedback/clarifications from the complainants, I.O. can meet complainants.
- 5.7 The decision passed shall contain the direction/s, if any, to the Bank for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the Bank to the complainant by way of compensation for any loss suffered by the complainant, arising directly out of the act or omission of the Bank maximum upto Rs.50,000/- or actual loss whichever is lower.
- 5.8 A copy of the decision shall be sent to the complainant and the Bank.
- 5.9 The decision shall lapse and be of no effect unless the complainant furnishes to the Bank concerned within a period of 30 days from the date of receipt of copy of the decision, his consent for accepting the decision passed by the I.O.

- 5.10 The Bank shall, unless it has requested the complainant to move/approach to B.O. within one month from the date of receipt by it of the acceptance in writing by the complainant, comply with the decision and intimate compliance to I.O..
- 5.11 Customer can approach the B.O. only after the complaint is decided by I.O.
- 5.12 Any person aggrieved by decision of the I.O. on the complaint may move to B.O. within 30 days from the date of receipt of communication of decision from IO of the Bank.
- 5.13 The I.O. does not have any operational role with Banking Ombudsman. For this purpose Bank's Principal Nodal Officer (PNO)/Nodal Officer (NO) is the designated Senior Officer/Executive appointed in terms of the provisions of the Banking Ombudsman scheme. However, this aspect does not deter any informal dialogue between I.Os & B.Os. for seeking clarification on issues.

GROUND OF COMPLAINT

- (1) Bank will internally escalate all cases to the Internal Ombudsman where either the complaint is rejected or only partial relief is provided to the complainant on any one of the following grounds alleging deficiency in banking including internet banking or other services.
- a) non-payment or inordinate delay in the payment or collection of cheques, drafts, bills etc.;
 - b) non-acceptance, without sufficient cause, of small denomination notes tendered for any purpose, and for charging of commission in respect thereof;
 - c) non-acceptance, without sufficient cause, of coins tendered and for charging of commission in respect thereof;
 - d) non-payment or delay in payment of inward remittances ;
 - e) failure to issue or delay in issue of drafts, pay orders or bankers' cheques;
 - f) non-adherence to prescribed working hours ;
 - g) 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;
 - h) delays, non-credit of proceeds to parties' accounts, non-payment of deposit or non-observance 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 ;
 - i) complaints from Non-Resident Indians having accounts in India in relation to their remittances from abroad, deposits and other bank- related matters;
 - j) refusal to open deposit accounts without any valid reason for refusal;
 - k) levying of charges without adequate prior notice to the customer;
 - l) non-adherence by the bank or its subsidiaries to the instructions of Reserve Bank on ATM/Debit card operations or credit card operations;
 - m) 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);
 - n) refusal to accept or delay in accepting payment towards taxes, as required by Reserve Bank/Government;
 - o) refusal to issue or delay in issuing, or failure to service or delay in servicing or redemption of Government securities;
 - p) forced closure of deposit accounts without due notice or without sufficient reason;
 - q) refusal to close or delay in closing the accounts;
 - r) non-adherence to the fair practices code as adopted by the bank.
 - s) 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 ;
 - t) non-observance of Reserve Bank guidelines on engagement of recovery agents by banks; and
 - u) any other matter relating to the violation of the directives issued by the Reserve Bank in relation to banking or other services.

2) A complaint on any one of the following grounds alleging deficiency in banking service in respect of loans and advances may be filed with the Banking Ombudsman having jurisdiction:

- a) non-observance of Reserve Bank Directives on interest rates;
- b) delays in sanction, disbursement or non-observance of prescribed time schedule for disposal of loan applications;
- c) non-acceptance of application for loans without furnishing valid reasons to the applicant; and
- d) non-adherence to the provisions of the fair practices code for lenders as adopted by the bank or Code of Bank's Commitment to Customers, as the case may be;
- e) non-observance of Reserve Bank guidelines on engagement of recovery agents by banks; and
- f) non-observance of any other direction or instruction of the Reserve Bank as may be specified by the Reserve Bank for this purpose from time to time.

(3) The Internal Ombudsman may also deal with such other matter as may be specified by the Bank from time to time in this regard.
