

**POLICY DOCUMENT**

**ON**

**CUSTOMER SERVICE**

**2014-2015**

## **Objective:**

Customer Service is an important factor for survival for the retail 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 and build a good relationship with its customers.

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

1. To care for and provide complete satisfaction to customers
2. To gain and sustain customer confidence by ensuring high ethical standards of service to suit all levels of our customer base
3. To establish prudent and acceptable practices in line with the Banking law under the Negotiable Instruments Act, 1881 and Banking Regulation Act 1949 and the Banking Code Standards Board of India's (BCSBI) Code of Commitment.
4. To motivate and enhance customer relationship management skills amongst the staff of the Bank

The Policy has been framed based on the guidelines stated in the Reserve Bank of India's Circular No. RBI/2014-15/26 UBD.BPD. (PCB).MC.No. 10 /12.05.001/2014-15 dated July 1, 2014 on Master Circular on Customer Service – UCBs.

The Policy has been framed based on the guidelines stated in the Reserve Bank of India's Circular No. RBI/2009-10/87 UBD.BPD. (PCB).MC.No. 10 /09.39.000/2009-10 dated July 1, 2009 on Master Circular on Customer Service – UCBs.

## **Introduction**

Primary Urban Co-operative Banks are established primarily to fill the existing gaps in banking and credit needs in urban and semi urban areas. CITIZENCREDIT Co-operative Bank Ltd., over the years has been supported by well meaning customers enabling it to grow from strength to strength. The Bank aims at uplifting the standard of living of its customers and giving them opportunities to create wealth. In light of the above, it is very essential that the Bank improves the quality of its customer service in order to maintain its image, create confidence and build a good relationship with its customers.

At the same time, it is important to provide all our customers the best of services within the regulatory provisions and guidelines of the Reserve Bank of India.

The endeavor of the Bank will be to ensure and protect the interest of the community it serves.

### **We offer our Customers:**

- Personalized Service with Professionalism & Courtesy
- Easy Access, Appearance & Layout
- Security, Price & Variety
- Competence, Efficiency & Accurate Information
- Genuine Concern, Quick Response & Reliable Follow Through

### **Customer Expectations include:**

- **Reliability**  
Customers expect the Bank to keep its promises, do things right and on time with an ongoing performance.
- **Credibility / Accountability**  
Customers expect the Bank to provide them with consistent, high quality, error free & efficient service.
- **Responsiveness**  
Customers expect that their concerns and problems are attended to promptly and that they are made aware of procedures, policies and systems.
- **Privacy & Security**  
Customers expect that their affairs are treated with utmost discretion, respecting their need for privacy at all times
- **Personal Relationship**  
Customers expect that the Bank provides them with knowledgeable, trained, responsible and trustworthy staff that will attend to them
- **Brand / Goodwill**  
Customers expect that assertions made by the Bank are genuine and that the Bank owns a sense of social responsibility.

### **Code of Conduct of Employees in light of Customer Service:**

All employees will adhere to the Code of Conduct Policy of the Bank and conduct themselves with professionally. They will adhere to the following acts of professionalism, honesty, integrity and behaviour :

- Should maintain personal hygiene and should dress formally.
- Be on their seats at the start of business hours.
- Should have a positive attitude towards the Bank, its Management, Branch Officials, Colleagues and Customers. This will create goodwill, reduce stress and create a better work environment.
- Should keep the counters and branch premises clean.
- Should be alert & vigilant and observe office discipline. Activities like eating, giggling, joking, using slang words, talking aloud / chit-chatting on the counter in front of customers should be avoided.

- Should be able to make right decisions at the right time especially during time bound jobs, in the midst of an overload and during a crisis.
- Should treat the customer with courtesy, giving them due respect, recognition and making them feel valued.
- Should be able to win the customer's confidence.
- Should give a listening ear regardless of the request or concerns presented by the customers.
- Should attend to telephone calls promptly and avoid keeping the customer on hold for long. Messages should be taken down clearly.
- Should listen to instructions & follow them carefully.
- Should know their job well (including account opening, clearing operations, payment & settlement systems, cash management, security aspects, systems & procedures, branch accounting & reconciliation, loans & advances, demat, bancassurance, franking, lockers, forex operations, inspection & audit, maintenance of records, review of operational efficiency, marketing, etc)
- Should update themselves with the current market situations, changes in the Banking environment, and clear knowledge of the Bank's products and services so as to attend to customers accurately.

### **Code of Conduct of Employees in light of Confidentiality:**

All employees, as representatives of the Bank, will be in possession of sensitive and confidential information about customers and / or the Bank that must be kept secure in order to maintain the integrity of individual customer transactions and the Bank's business.

Disclosures permitted under law include information required by Government Officials, involvement in activities prejudicial to the interest of the country, flow of sizeable funds from or into foreign countries (Anti-Money Laundering) and suspicious transactions.

Even inadvertent disclosure by discussions among staff members or any other persons may do considerable harm to the reputation and credit of customers business. Staff members are advised to exercise utmost caution in following the principles of secrecy and confidentiality. Care should also be taken to carry out all transactions and operations without openly discussing confidential issues among the staff, especially where other customers are present. Secrecy should be observed even if the account is closed.

Staff members should ensure that the person enquiring the information is the account holder by confirming the customer's identity. No information is to be disclosed to husband / wife / blood relatives, if they are not the account holders. Staff should also avoid disclosure of confidential information about customer accounts over the phone to other banks / other parties who are in no way connected with the account.

If any other Bank / Third Party seek information about the Bank's customers, they should be asked to submit their request in writing with specific reasons for such an enquiry. The request should be referred to the Central Administrative Office with Branch recommendations. All other requests from parties should be turned down except to the account holder themselves on proper identification.

All members of the staff are required to sign the declaration of secrecy and confidentiality. Disclosure in violation of the declaration will jeopardize the Banks' image as well as the staff

member's career and interest in the Bank. Every staff member is bound by the declaration even if they leave the services of the Bank.

### **Use of Telephones:**

Staff members are advised that outgoing calls should be kept to the minimum and only for official purposes. In-coming calls should be handled with courtesy and politeness, identifying the Bank and greeting the customer appropriately. The telephones are to be used to convey messages, clinch business deals and build up the Bank's image. Branch Managers should ensure that there is no misuse of telephones for long personal conversations at liberty and without limitation. This will enable customers to have easy access to the telephone lines.

In case any complaint is received from customers with regards to their inability to get through the telephone lines of the Branch, disciplinary action will be taken against the concerned staff.

### **Use of Music System:**

Branch Managers should ensure that piped music is played during business hours so as to improve customer service and working conditions.

### **Branch Ambience:**

In many branches, it is found that the branch premises are not maintained well both, interior or exterior. There are either, broken chairs or torn sofas, dusty name board and unkempt surroundings. Branches should ensure that the Branch premises are always kept clean, including its name board and the board displaying the business hours of the branch. Special attention is given to providing adequate space, proper furniture, clean environment, etc, in their premises to enable conduct of banking transactions smoothly and more comfortably. Care should be taken to display relevant notices and outdated notices should be discarded.

### **Security Arrangements**

The Bank has installed CCTV surveillance cameras, alarm systems and smoke / fire detectors at every branch. Each branch is provided with security guards. ATMs of the Bank are manned by 24 x 7 security for the safety and security of our customers. Regular drill & training programmes of employees and security staff should be conducted to keep them alert and vigilant. Dual custody of keys and security stationery should always be ensured to avoid misuse custody of keys and security stationery should always be ensured to avoid misuse.

### **Service at the Counters:**

#### **Business and working hours**

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. It has been observed that staff take their own time to open the counters and also do not attend to customers who are in the queue at the close of business hours. 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. 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.

### **Display of 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.

### **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:**

- (i) issue of passbook/statement of accounts
- (ii) issue of cheque book
- (iii) delivery of term deposit receipts/drafts
- (iv) acceptance of share application form; and
- (v) acceptance of clearing cheques/bills for collection

#### **(b) voucher generating transactions:**

- (i) issue of term deposit receipts (TDR)
- (ii) acceptance of cheques for locker rent due;
- (iii) issue of travellers' cheques
- (iv) issue of gift cheques
- (v) acceptance of individual cheques for transfer credit

### **Uninterrupted Service:**

Branch Managers should ensure that no counter remains unattended during business hours and uninterrupted service is rendered to the customers by making adequate relief arrangements as may be necessary. Also all equipments needed for effective customer service such as computers, pass book printers, term deposit receipt printers, cash binding machine, cash counting machine, ultra violet lamp, surveillance systems, UPS, etc. are in working condition.

Branch Managers should ensure that all required stationery is available at any point of time and no inconvenience is caused to any customer due to lack of adequate stationery. Stationery would include account opening forms, pay-in-slip books, pass books, cheque books, payorder books, withdrawal slips, requisition slips, term deposit receipts, debit & credit vouchers, advices, delivery instruction books, dematerialization forms, loan applications and related security documents, etc.

Branches should also regularly check their fax machines and ensure that sufficient paper is available so as to receive messages by fax. Branches should also ensure that their telephone lines / lease lines are in working conditions and follow ups are made with the relevant authorities.

### **Guidance to Customers:**

Branch Managers should ensure that all staff members are well trained on the job and should be aware of all the Bank's products and services despite the counters they handle. Staff members should be able to attend to customer queries and should guide them accordingly. In case a staff member is unable to satisfy the customer, he /she should direct the customer to a senior official. Branch Managers should be available to attend to all customers during business hours. Branches of large size (business mix) with adequate space arrangements may have "Enquiry" or "May I help you" counters. Such counters may exclusively 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.

### **Service at Cash Counters**

Cashiers should see that the cash from the vault to the counter is carried observing due security measures before the start of business hours. Cashier's drawers and cabins should be closed and locked at all times. Branch Managers should ensure that there is always a dual custody of cash keys. Cashiers / Cash Officers should exercise due caution in carrying out their responsibilities and any laxity on their part could cause customers to lose confidence in the Bank.

Appropriate notices should be displayed at prominent places in each branch and at the cash counter advising the customers:

- To count and verify cash at the Cash counter itself before leaving the Bank premises
- Not to take assistance from any person in the banking hall for counting cash
- To hand over cash only to the cashier / teller and not to any other person
- To deposit mutilated currency notes by filling separate pay-in-slip.
- Not to mix the mutilated currency notes in regular bundles or with other currency notes.
- The proceeds of the mutilated currency notes would be credited to the depositor's account only after their fate is known from RBI.

Branch Managers should ensure that the Security Guards posted at the Branch are positioned and are alert at all times. The Security alarm system should be kept in working condition at all times and should be activated in the event of a robbery attempt.

The Branch should take care that no queues are allowed to be formed in front of the teller and that cash dispensing / receipt should be done quickly and customers are not made to wait. Branches should take the following measures:

- If the branch finds that there is a rush of customers on account of preceding holiday or Sunday, then the Branch should set up another teller / cashier for accepting cash and ensure that there are no queues of customers in the banking hall. Bunching of customers in the banking hall facilitates unscrupulous elements mingling in the crowd and unsuspecting customers fall prey to them.
- Branch Managers should move into the Banking hall and talk to customers. Apart from showing attention to customers, this will enable them to find out if there are any strangers who have mingled with the customers with the ulterior motive of snatching cash.
- The Security Guard at the branch should be instructed to keep a watch on people in the Banking hall, who are waiting for a long time doing nothing.

Cashiers and the Cash Officer should attend to customers promptly and undertake the following precautions to avoid mesmerism of customers as well as cashiers at the time of cash withdrawals:

- Cashiers should attend to only one customer at a time and avoid overcrowding at the Cash Counters
- Cashier after making each payment must orally advise the customer to count the cash personally before leaving the counter and not to take assistance from any other person
- Special attention should be given in assisting elderly customers
- Exchange of cash should be avoided during rush hours
- Pay outs should be made only after due authorization
- All denominations paid out / received should be immediately entered into the system with utmost care
- Pay in slips / cheques / withdrawal slips should be stamped correctly with the right date and authentication of the cashier and cash officer

Customers can withdraw cash across the counter using a withdrawal slip or cheque.



### Withdrawal Slip

A customer without a cheque book facility can withdraw cash using a withdrawal slip. He has to be present in person and will be given a withdrawal slip on producing his passbook. The withdrawal slip cannot be taken out of the branch premises but has to be filled up in the branch itself.

### Cheque

A customer availing of a cheque-book facility can withdraw cash only with the use of a cheque. Customers should be made aware of the use of a bearer or order cheque, a crossed or uncrossed cheque and when a cheque becomes postdated or stale.

Staff members should avoid payment of a cheque after banking hours as it is not 'payment in due course' and is not eligible for protection under section 10 of the Negotiable Instruments Act.

### Cash payments/receipts under ABB

Under Any Branch Banking customer/s can withdraw and deposit cash through other branch

1. The limit for cash withdrawal per day per account is upto ` 25,000.00.
2. Deposit there is no limit (any amount) can be deposited.

### **Cash handling**

Cashiers should sort notes of each denomination in bundles of 100 each and should band them using paper bands with the use of a note-banding machine instead of stapling the notes as it tends to damage the notes. Scribbling on the notes should be discontinued as it not only damages the note but makes it difficult to recognize the watermark on it.

Issuable and non-issuable currency notes should be sorted. The non-issuable currency notes should be lodged with RBI/SBI/ or Nationalized Banks/Branches/Currency chests with whom the Branch maintains an account.

### **Provision of Note Counting Machines on counters**

The Bank has provided its branches with dual display note counting machines at the cash counters for the use of their customers towards building confidence in the minds of the public to accept note packets secured with paper bands.

### **Forged Notes**

On detection of a forged note, the forged note should be stamped with 'Forged Note Impounded' stamp and an acknowledgment is to be issued to the tenderer. The forged notes detected in the cash received by the branch shall be forwarded to the local police for investigation by filing an FIR.

UV machines provided in each branch help detect forged notes/alterations, both chemical & physical in cash as well as cheque.

## **Deposit and other Accounts**

### **Nomination facilities**

Branches are advised that while opening a Savings account or a Term Deposit Account in a single name, the person should be insisted upon to nominate. In case the person declines to nominate, the advantages of nomination should be explained to the person and if the person still does not want to nominate, he should be asked to give a specific letter to the effect. If the person declines to give such a letter, the fact should be recorded on the account opening form and the account can be opened.

Under no circumstances, branches should refuse to open an account solely on the ground that the person opening the account refused to nominate. Branches are also advised that the procedures mentioned above in respect of nomination to the deposit accounts are applicable to Sole Proprietary Concerns also.

### **Incorporation of legend ‘Nomination Registered’ in pass book, deposit receipt etc:**

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. Branches should incorporate the legend “Nomination Registered” on every pass book or deposit receipt so as to enable the relatives to know the availability of the nomination facility by the deceased depositor.

### **Savings bank passbooks/ statement of accounts**

The Bank offers passbook facility to all its savings bank account-holders at no extra charge (except on request for a duplicate passbook).

Branches should ensure that all Savings Bank Pass Books / Statement of accounts are stamped with proper Branch name, address, telephone numbers and business hours before issuing to customers.

Branches should provide MICR code and IFSC Code of the branch in all passbook /statement of account to their account holders.

Branches should ensure that the passbooks are updated immediately on submission with complete and correct particulars duly authenticated. In case of entries having to be written by hand, due to unavoidable circumstances, it should be legible. If updating is not possible immediately due to a large number of entries, then paper tokens should be issued for collection of passbooks on the next day.

Customers also need to be educated to submit the passbooks regularly for updating.

The Bank issues statement of accounts to its current account holders / borrowers. Such computer generated statements should bear the Bank's seal and the signature of the concerned official.

Counterfoils for having deposited cash / cheques should be authenticated by the authorized staff.

### **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/NECS/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/NECS/ECS. Staff should be able to provide complete information from the relevant fields in the messages/data files to customers when they approach the branch counters/help desks.

### **Term deposits**

Branches should make conscious efforts to publicize the various term deposit schemes offered by the Bank. Customers should be guided and advised accordingly to suit their requirements. The customers need to also be informed specifically of the provision of monthly interest on term deposits at a discounted rate.

Branches should ensure that customers indicate clearly, whether they wish that the deposit be automatically renewed on maturity or the proceeds be transferred to their account. 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. In case of absence of instructions, the branch will automatically renew the deposit for the same period that the deposit was held with the branch under the same scheme. The customer should be intimated with regards to the automatic renewal of his deposit..

### **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.

### **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. Branches 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.

## **Brochures/pamphlets for guidance of customers**

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

## **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.

### **Settlement of Claims:**

In case there is no nomination in the account, the Bank has adopted a threshold limit upto ` 1.00 lac for settlement of claims without Succession Certificate.

If the claims exceeds ` 1.00 lacs the claimant has to provide a Succession Certificate to the Bank.

## **Unclaimed Deposits and Inoperative / Dormant Accounts**

Branches should make an annual review of accounts in which there are no operations (i.e. no credit or debit other than crediting of periodic interest or debiting of service charges) for more than one year. The branches may approach the customers and inform them in writing that there has been no operation in their accounts and ascertain reasons for the same. In case the non-operation in the account is due to shifting of the customers from the locality, they may be asked to provide details of the new bank accounts to which the balance in the existing account could be transferred.

If the letters are returned undelivered, they may immediately be put on enquiry to find out the whereabouts of customers or their legal heirs in case they are deceased.

In case the whereabouts of the customers are not traceable, branches should contact the persons who had introduced the account holder. They could also consider contacting the employer / or any other person whose details are available with them. They could also consider contacting the account holder telephonically in case his telephone number / cell number has been furnished to the Bank. In case of non resident accounts, the Bank may also contact the account holders through email and obtain their confirmation of the details of the account.

The segregation of the inoperative accounts is from the point of view of reducing risk of frauds, etc. However, the customer should not be inconvenienced in any way, just because his account has been rendered inoperative.

Operation in such accounts may be allowed after due diligence as per the risk category of the customer. Due diligence would mean ensuring the genuineness of the transaction, verification of the signature and identity, etc. However, it has to be ensured that the customer is not inconvenienced as a result of extra care taken by the Bank.

### **Signature Verification of Customers**

Customers approach the Bank for signature verification generally required on:

- Share transfer forms of Companies
- MTNL transfer / application forms
- Surety / guarantors signature verification on loans taken from other banks
- Mobile application forms
- Financial companies loan application forms, etc.

Branches should please note that such verification of customer's signature should be an added service by the Bank to our customers at no extra cost. Branch Managers should, however, use their discretion and in the event the Branch feels that a particular client is habitual in seeking verification of his or her signature, Branch should charge a nominal service charge of ` 25/- for each such verification.

### **Updation of Customer Records**

It is observed that customers face inconvenience on account of delay in updation of customer records covering change of address, e-mail, telephone numbers, signatures, etc.

Branches are advised that any intimation received from the customer with regards to the above should be in writing and supported with valid documents. These intimations should be duly acknowledged by the concerned branch staff with the date and stamp. The changes should be updated immediately without any delay after verifying the bonafides of the customer.

### **Safe Deposit Lockers**

The Bank presently provides lockers at its Borivli, Byculla, Hill Road, Mira Road, Naigaon, Turner Road, Vasai, Moti Daman, Nani Daman, Mapusa, Margao, Porvorim and Panaji branches.

The main advantage of having a safe deposit locker is that a customer is able to keep together in one place all his / her valuables and confidential documents safe from fire, theft and from prying eyes. The Bank charges reasonably low rentals in comparison to the advantages and security that its customers would derive. The Safe Deposit lockers cabinets installed at our branches offer complete security against theft, fire and burglary.

## **Infrastructure, Amenities and Up-keep of Locker Room**

### Installation of locker cabinets

- The vault / locker room must be kept clean and tidy at all times
- Due care should be taken to ensure that the locker cabinets are installed in a room / vault which is well fortified and free from dampness of the floor
- There should not be any seepage of the subsoil water and due precautions / periodic check should be taken to prevent flooding of the locker room / vault due to abnormal rains
- The locker cabinet should be so arranged that the locker nos. come serially
- Adequate room for passage should be left to facilitate access
- Arrangements should also be made to exchange / inter change locks whenever the security concerns arise. For this purpose, the basic tools such as a punch for sealing the keys, seals, extra locks and keys should be maintained.

The following amenities should be provided in the vault (Locker room) for the convenience of the hirers of lockers when they visit the vault for operating their lockers:

- A clock at an appropriate place
- Adequate number of ceiling / pedestal fans and exhaust fans with appropriate protective grills
- Chairs and an inspection table
- A moving ladder mounted on wheels to reach the lockers at the top rows of the cabinets
- Emergency lamps / torch for use in case of failure of electric supply
- There should be periodical checks to prevent the appearance of insects or other pests in the vault and the vault premises should be subjected to treatment against termite menace at regular intervals.

### **Allotment and operation of Lockers**

#### **Linking of Allotment of Lockers to placement of Fixed Deposits**

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

#### **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.

## **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.

## **Vault Timings**

Vault timings to be observed by branches are to be fixed in consultation with the Central Administrative Office and must be strictly observed. Customers should not be permitted to have access to the locker before or after the notified business hours.

## **Security aspects relating to Safe Deposit Lockers**

### Operations of Safe Deposit Lockers

Branches should exercise due care and necessary precaution for the protection of the vault and the lockers provided to the customer. The staff member is expected to take care of the locker as a person of ordinary prudence would take care in respect of his / her locker.

Utmost care should be exercised to prevent entry of unauthorized persons in the vault to obviate the risk of theft / fraud and as a security precaution.

### Customer due diligence for allotment of lockers

- i. Branches should carry out customer due diligence for both new and existing customers at least to the levels prescribed for customers classified as medium risk. The full KYC procedure is to be followed with respect to customer introduction, identification, location and address, employment / business. The relevant documentary evidence / proofs of identity and address is to be obtained for both existing and prospective customers. 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.
- ii. Where the lockers have remained un-operated for more than three years for medium risk category or one year for a higher risk category, branches 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 branch 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., branches may allow the locker hirer to continue with the locker. In case the locker-hirer does not respond nor operate the locker, branches should consider opening the lockers after giving due notice to him.
- iii. The Bank's custodian should acquaint hirers with:
  - the terms and conditions on which the lockers are rented out
  - the hours of business
  - the importance of the password
  - the need for safekeeping of the locker key
- iv. Prominent notices may be exhibited at the entrance of the locker room / vault and at

various places inside the locker room / vault, reading:

“Hirers are requested in their own interest to close their lockers securely before leaving the vault. Please also ensure before leaving the locker room that you have not left any of your belongings outside.” - Branch Manager

### Secrecy

Utmost secrecy must be maintained. No information about renting of lockers, mode of operation or visits of hirers must be divulged except with the clear consent of the hirers and / or when compelled by law.

### **Locker Rentals**

The Branch should ensure that a notice is prominently displayed at the entrance to the locker room / vault on revision of locker rentals. Letters advising the revised locker rentals should be sent by post to all the hirers; a copy of the letter should also be handed over to the hirer personally when he / she visits the branch and suitable acknowledgement obtained and recorded in the safe deposit vault register.

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

Instructions were laid down vide circular UBD. BPD. Cir. No.4/13.01.00/2005-06 dated July 14, 2005 for handing over the proceeds of deposit accounts. A similar procedure should be adopted for return of contents of lockers / safe custody articles to Survivor / Nominee / Legal Heirs.

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.

### **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, branches are required to obtain approval of the Legal Department / CAO for giving access to the legal heir(s) / legal representative of the deceased locker hirers.

Branches are advised to be guided also by the provisions of Sections 45 ZC to 45 ZF of the Banking Regulation Act, 1949 (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 in terms of Notification UBD.BR.767/B.1-84/85 dated March 29, 1985. The inventory shall be in the appropriate Forms set out as enclosed to the Notification or as near thereto as circumstances require.

### **Customer Guidance and Publicity**

#### **Benefits of nomination / survivorship clause**

Branches 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.

### **IT enabled Financial Inclusion**

The Bank will pursue 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.

### **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. Branches are advised that their staff render all possible assistance to the visually challenged for availing the various banking facilities.

In addition to the above, magnifying glasses should also be provided in all 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.

### **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 branch 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, the branch 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.

Branches should ensure that 'A/c Payee' cheques should be credited to the account of the person whose name appears as payee and not to the account of any person other than the payee named therein.

### **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.

### **Dishonoured Instruments**

Branches should ensure that dishonoured instruments are returned / dispatched to the customer promptly without delay on the same day but in any case within 24 hours, against acknowledgement.

### **Reimbursement of interest by paying bank**

Delay beyond two days on the part of paying bank in dispatching 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.

## **Immediate Credit of Outstation Cheques**

Non-scheduled banks should afford immediate credit for all outstation cheques up to the value of Rs.5,000 tendered by individual account holders, provided they are satisfied about proper conduct of the accounts. These arrangements should be scrupulously followed. Branches may recover usual collection charges in respect of outstation cheques. Branches should not wait for customers' requests for the facility but should, as a matter of normal course, provide this service. However, in respect of local cheques, the banks may extend the facility of affording immediate credit up to ` 5,000 to customers who wish to avail of the facility and are prepared to bear charges for the same.

In case the cheques are returned unpaid, the branch can recover normal rate of interest at the minimum Lending Rate for the period it is out of funds

## **Time frame for collection of cheques**

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, 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 banks 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. Scheduled banks are required to formulate a comprehensive and transparent policy covering issues relating to (i) immediate credit of local / outstation cheques (ii) Timeframe for collection of local / outstation cheques and (iii) interest payment for delayed collection.

## **Identity badges**

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

## **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.

## **Training**

It is essential to align the training programmes 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 programmes may be so devised as to bring about positive attitudinal changes compatible to customer orientation.

## **Induction training**

Training to new recruits should be a precursor to other follow - up training programmes. All new recruits, i.e. clerks/officers should be necessarily exposed to induction programme immediately after recruitment. A co-ordinated approach amongst banks is required in this regard.

## **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.

## **Systems and procedures**

Systems and procedures are necessary to assist branches 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.

## **14. 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.

### **Complaint box and book**

A Complaint cum Suggestion Box may be kept in the branch premises at a prominent place. Every branch should 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.

### **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.

### **Periodical visits by senior officials**

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

### **Infrastructure provision**

Banks 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.

### **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 the Bank, but also about the formalities, procedures, legal requirements and limitations in the matter of providing services by the Bank, through a proper mix of advertisements, literature, interface, seminars, etc. The Bank will organize periodic customer meets & product launch programmes which will involve employees in educating customers.

### **Measures for Quicker Collection of Outstation Instruments**

Branches should maintain a register for collection of outstation cheques (OBC register) to enable the Branch Managers to exercise better supervision and remedial measures should be initiated to speed up the collection of outstation instruments. These registers should be monitored regularly and follow up measures should be taken for collection of these cheques.

### **Facilities at Extension Counters**

The Bank is allowed to undertake following limited transactions at its Extension Counters:

- i. Deposit / withdrawal transactions
- ii. Issue and encashment of drafts
- 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 concerned official at the Extension Counter) and
- vi. Disbursement of other loans (only for individuals) sanctioned by the Head Office/ base branch up to the limit of Rs. 10.00 lakh only.

**Legal Guardianship Certificate issued under the National Trust Act, 1999 empowering the disabled persons with autism, cerebral palsy, mental retardation and multiple disabilities**

Branches are informed that the Guardianship Certificate in regard to persons with disabilities issued by the Local Level Committees set up under the National Trust for the Welfare of Persons with Autism, Cerebral palsy, Mental retardation and Multiple Disabilities Act, 1999 can be accepted by Banks.

Branches are therefore advised to accept such Guardianship Certificates under the above Act, and rely upon them for the purposes of opening / operating bank accounts.

Branches are also advised to give proper guidance so that the parents / relatives of the disabled persons do not face any difficulty in this regard.

**Fair Practices Code for Lenders**

The Bank has adopted the CITIZENCREDIT Co-operative Bank Ltd. Fair Lending Practices Code (CCBFLPC) which aims to foster a transparent business relationship and facilitate effective interaction between the borrower and the Bank. The code inter alia covers fair practices with regard to:

1. Application for loan and their processing
2. Loan appraisal and terms / conditions
3. Disbursement of loans including changes in terms and conditions
4. Post-disbursement supervision
5. General

### **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.

### **Display of information – Comprehensive Notice Board**

The Branch 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. The Bank updates relevant information from time to time on its web-site ([www.citizencreditbank.com](http://www.citizencreditbank.com)) to enable the customer to obtain the desired information at a glance.

Branches should also display the service charges relating to the following services in the local languages:

#### **A. Services rendered free of charge**

1. Payorder revalidation charges
2. Cheque Collection – Local
3. Loans Closure – Pre-Payment Charges
4. No dues certificate – Borrowal accounts

#### **Miscellaneous**

1. Balance enquiry
2. Balance Certificate
3. Interest Certificate
4. Photo attestation / Identity verification charges
5. Cheque clearance
6. Savings Cheque Book

#### **Depository Services**

Account opening / closing  
Market Purchase transaction  
Interdepository Purchase transactions

#### **B. Others**

- i) Minimum balances to be maintained in the SB / CD account
- ii) Charges leviable for non-maintenance of minimum balance in SB / CD account
- iii) Charges for collection of outstation cheques
- iv) Charges for issue of Demand Draft / Payorders
- v) Charges for issue of cheques books, (current)
- vi) Charges for account statement

The charges for electronic products are as follows:

### Electronic products -

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

b. Outward transactions –

i) RTGS

Rs. 1 to 5 lakh not exceeding Rs. 25 per transaction

Rs. 5 lakh and above not exceeding Rs. 50 per transaction

ii) NEFT

Upto Rs. 1 lakh not exceeding Rs. 5 per transaction

Rs. 1 lakh and above not exceeding Rs. 25 per transaction

iii) ECS Mandate Signature Verification & Recordings and executing 12 standing instructions – Annual charge of Rs. 100/- per ECS Mandate

In order to reduce the clearing cycle and to promote electronic modes of payment, branches should use electronic modes like RTGS / NEFT, wherever available, to remit proceeds to the collecting bank branch.

### **Issue of Cheque Books**

The Bank ensures that 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 customers.

In CTS environment, customers will have to be prohibited from making alterations / corrections on cheques (other than for date validation purposes, if required). For any change in the payee’s name, courtesy amount (amount in figures) or legal amount (amount in words), etc. fresh cheques forms should be used by customers. This would help banks to identify and control fraudulent alterations.

Following are the instructions to be followed:

1. The new Cheque Book/s to be accepted **only** in the prescribed requisition slip.
2. Written application with reasons for Cheque Book/s may be taken from the account holder in persons only as an exceptional case with the confirmation of the Branch Manager.
3. **The Cheque Book/s that are issued vide prescribed request slip should be delivered only to the account holder or to the bearer duly authorized by the account holder, after due verification. However, delivery of cheque from a customer who has submitted a written application should be given only to the customer.**
4. After verification, the Personalized Cheque Book should be handed over to the customer against their acknowledgement in the Cheque Book Register maintained at the Branch.



5. Personalized Cheque Books should be handed over to the customer in the Branch within five days on receipt from Head Office. If the Personalized Cheque Book/s are not collected by the customers within 5 working days, the branch should send the Cheque Book via Registered Post to the address of the customers. The charges should be debited to the customer accounts.
6. The returned/undelivered Personalized Cheque Books by Post should be kept in the custody of Officer/ Branch Manager under lock and key and the same be reported to the Branch Manager and periodically checked and ensure delivering of the undelivered Cheque Books to the customers.
7. Branch Manager should conduct surprise checks of the above process and ensure that the above mentioned processes are followed at the Branch.

### **Systems and Procedures**

Systems and procedures are necessary to assist the Bank in functioning in an effective and efficient manner and to ensure safety of customer's money. The Bank reviews its systems and procedures from time to time by a continuous process of introduction of new procedures that may be required and by doing away with unwanted ones.

### **Grievance Redressal**

Customers should be advised to approach the Branch Manager for any grievances / complaints in writing. If the complaint is not resolved at the branch level, the customer may approach the Chief Managing Director & CEO at the Registered Office of the Bank at Helena Apartments, 57, Mt. Carmel Road, Bandra West, Mumbai 400 050.

If the customer is not satisfied with the Bank's grievance redressal, he may approach the Banking Ombudsman at: Office of the Banking Ombudsman (Maharashtra & Goa), C/o – Reserve Bank of India, Garment House, Ground floor, Dr. Annie Besant Road, Worli, Mumbai 400 018.

Branches should forward a copy of the complaint, if it is not redressed within one month to the Nodal Officer at the Central Office under the Banking Ombudsman scheme and keep him updated about the status of the complaint.

### **Customer Correspondence**

Good customer service demands that all queries, applications, written requests, etc. letters from customers should not go unattended without reason. It is important that customer requests are attended to promptly, efficiently and effectively. In order, therefore to maintain good customer service and to build up a good relationship with our clients, branches should take note that:

1. No letter from any shareholder or customer should go unanswered for a period longer than 48 hours, without reason. Branches are advised to reply to every correspondence received by customers whether it may be through email, fax, post, etc. If a branch is unable to reply to a correspondence, they may forward the same to the relevant departments at the Central Administrative Office for guidance.

2. If a customer requests information which requires reference to old records not immediately or easily available, the customer's request should be acknowledged in writing and the customer should be advised promptly stating the date (not more than a week later) by which the required information will be furnished.
3. In no circumstances, should customers be put off by excuses such as "Shortage of Staff" or "We are too busy". As we are in the business of providing service to our customers, such excuses are not acceptable from any customer's standpoint.
4. Branches are required to maintain a register listing all correspondences received by the branch with the following details:
  - a. Sender's name and address
  - b. Date of the letter
  - c. Date of receipt of the letter
  - d. Brief details of the contents
  - e. Date of the reply
  - f. Brief details of the reply

Branches may guide their customers to use the email facility only for general communication and not for communicating information of a confidential nature like submission of statements and other information relating to their accounts. Branches are required to immediately advise such customers that it is not the practice of the Bank to send statements of account by e-mail and that the Bank takes no responsibility for any violation of confidentiality through use of email.

However, if the customer insists on the statement being sent by E-mail, the Bank will oblige entirely at the risk and responsibility of the client.

Branches are advised to incorporate a 'Disclaimer Clause' in every communication with customers vide E-mail as spelt out below:

"Communications through E-mail are effected on the Public Domain and confidentiality and secrecy of information cannot be guaranteed. The Bank reserves the right to reply or act on any such communication. Communications received by E-mail cannot be acted upon unless authenticated in accordance with the operational instructions on record with the Bank."

## **Electronic Payment Products (RTGS, NEFT, NECS and 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**

It was observed that in many branches the dealing officials / staff were unaware of the actual charges for NEFT and there was no board or material displaying the NEFT charges for customers wanting to remit funds. It was also observed that few large banks were diverting the walk-in customers / non-account holders / non-home branch customers to customer service points / agents for undertaking such transactions where the customers were being levied charges far higher than those mandated for NEFT transactions. In this context banks are advised to :

- a. Educate all their 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 of the bank where NEFT transactions can be conducted.
- c. Ensure that positive confirmation of credit to beneficiary account is invariably sent for all inward transactions received by them. 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 remitter at the earliest.
- d. 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.

## **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.

## **Synopsis on Customer Service & Banking Codes & Standards**

### **Code of Bank's Commitments to Customers**

#### **Key Commitments**

- To act fairly and reasonably in all our dealings with our customers
- To help customers understand how our financial products and services work
- To help customers use their account and services

- To deal quickly and sympathetically with things that go wrong
- To treat all personal information of customers as Private and Confidential
- To publicize the Code of Bank's Commitment to Customers
- To adopt and practice a non-discrimination policy

### **Information-Transparency**

- General Information
- 'Do not Call' Service
- Interest Rates
- Changes in Interest Rates
- Tariff Schedule – Fees & Charges
- Changes in Fees & Charges
- Terms and Conditions
- Changes to Terms and Conditions

### **Advertising, Marketing & Sales**

### **Privacy & Confidentiality**

### **Collection of dues**

### **Complaints, Grievances & Feedback**

- Internal Procedures
- Banking Ombudsman Scheme

### **Products & Services**

- Deposit Accounts
- Account Opening & Operation of Deposit Accounts
- Changing your account
- Savings / Current Account – Minimum balance, Charges, Statements
- Term Deposit – Advances against deposits
- 'No Frills' Account
- Accounts of Minors
- Special Accounts
- Dormant / Inoperative Accounts
- Closing your account
- Clearing Cycle / Collection Services
- Cash Transactions
- Direct debits & standing instructions
- Stop Payment facility
- Cheques / Debit Instructions issued by you
- Branch Closure / Shifting
- Settlement of claims in respect of deceased Account holders
- Time limit for settlement of claims
- Safe Deposit Lockers
- Foreign Exchange Services
- Remittances within India
- Lending – Loan products – Applications for loans and their processing – Guarantee

### **Protecting your Accounts**

- Secure and Reliable Banking and Payment Systems
- Keeping us up to date
- Checking your account
- Taking care
- Cancelling payments
- Liability for losses

### **Monitoring**

### **Getting Help**

### **Review of the Code**

## **Synopsis on Customer Service & Banking Codes & Standards**

### **Code of Bank's Commitments to Customers – (August 2009)**

#### **Key Commitments**

- To act fairly and reasonably in all our dealings with our customers
- To help customers understand how our financial products and services work
- To help customers use their account and services
- To deal quickly and sympathetically with things that go wrong
- To treat all personal information of customers as Private and Confidential
- To publicize the Code of Bank's Commitment to Customers
- To adopt and practice a non-discrimination policy

#### **Provide Information with Transparency**

- **General Information** – to give our customers clear information on the services and products offered by the Bank along with information on customer's rights and responsibilities like availing of nomination facilities and requirements to prove the identity and address of the customers for compliance with regulatory norms.
- **Interest Rates** - Provide information on the interest rates applicable to deposit and loan accounts, the mode of calculations, uniformity, conversion from fixed rates to floating rates and vice versa
- **Changes in Interest Rates** - To inform changes in Interest Rates through notices, letters, e-mail, websites, newspapers, annexure to statement of accounts
- **Schedule of Charges** - To display in our branches a detailed Schedule of Charges governing products and services offered and penalties applicable on non-observance / violation of terms and conditions governing them
- **Changes in Charges** - To notify Changes in Charges / introduction of any new charge one month prior to the revised charges being made effective
- **Terms and Conditions** - To advise customers of the Terms and Conditions applicable to the products / services offered in plain and simple language

- **Changes to Terms and Conditions** - To notify Changes to Terms and Conditions through account statements / pass book, notice boards, email, website, newspaper by giving one month's notice and provide a copy of new terms and conditions on request. In case of changes made without notice, notification to be made within 30 days.

### **Advertising, Marketing & Sales**

- To ensure that all advertising material is clear and not misleading, giving clear information of interest rates, fees, charges and applicable terms and conditions

### **Privacy & Confidentiality Issues**

- To treat all personal information of the customer as private and confidential (even after closure of accounts) and to avoid disclosure of information / data related to the customer's account unless required by law or after obtaining specific permission from the customer in writing to do so.

### **Collection of dues**

- To explain to customers availing loan facilities the repayment process by way of amount, tenure and periodicity and the process for recovery of dues in case of non-repayment by reminder notices, personal visits and / or repossession of security if any.

### **Complaints, Grievances & Feedback**

- **Internal Procedures** – To inform customers how to make a complaint, to acknowledge and accept complaints in writing / over the phone and to respond quickly and not later than 30 days.
- **Banking Ombudsman Scheme**
  - To display the Banking Ombudsman Scheme on the website and make available copies on request at nominal charge.
  - To display the name of the branch official and the name and address of the Official at the Central Administrative Office handling grievances.
  - To explain the procedure for approaching the Banking Ombudsman at RBI in case of unsatisfactory response after 30 days

### **Products & Services**

- **Deposit Accounts** - To advise customers of the various types of Deposit Accounts that may be opened in different styles (mode of operation) with or without nomination facility and the ways of recording the nomination facility
- **Account Opening & Operation of Deposit Accounts** – to explain to the customers procedural formalities and clarifications sought while opening any deposit account and request customers to provide documents or proofs required to comply with KYC/ AML and other statutory requirements
- **Changing your account** – To assure customers that their instructions for closure of accounts / transfer of accounts to another branch would be adhered to subject to compliance with the KYC requirements at the new branch.
- **On Opening of Savings / Current Accounts** - To inform customers of the number of transactions, cash withdrawals, etc permitted within a given period free of charge, the

minimum balance required to be maintained, the rate of interest applicable to the account, its mode of calculations, the provision of statement of accounts / pass books and the various charges applicable.

- **Term Deposit** – To advise customers of the terms and conditions, rate of interest applicable on the term deposits, the provisions of Income Tax on the interest income, procedures for premature withdrawal and charges applicable and to obtain instructions for disposal / auto-renewal on maturity and Form 15G / 15H in case they are not liable to pay tax on interest income and to issue requisite certificate in case of deduction of tax at source.
- **Loan / overdraft available against term deposits** - To explain the facility of loan / overdraft available against term deposits.
- **No Frills Account** - To provide and explain the opening and operation of ‘No Frills’ Account, Accounts of minors, senior citizens, blind and physically challenged persons, and illiterate persons
- **Dormant / Inoperative Accounts** – To inform customers the period of inoperation that would render their account being classified as dormant / inoperative account and the procedure for making the account operative.
- **Closing customers’ account** – To inform customers that their accounts would be closed in cases of improper conduct of account and alternate arrangements would have to be made for cheques already issued.
- **Clearing Cycle / Collection Services** – To inform customers of the clearing cycle for local instruments and outstation instruments, interest applicable in case of delay of credit and other provisions as per the Policy on Collection of Cheques
- **Cash Transactions** – To inform customers that cash / cheques will be accepted and cash dispensed at their respective branches, soiled / mutilated notes and small coins will be exchanged as per RBI directives and furnishing of PAN will be required for cash transactions of Rs. 50000/- and above.
- **Direct debits & standing instructions** – To inform customers of the procedures for recording / canceling direct debits / standing instructions and their charges, act upon them and compensate for any delay or failure in execution or unauthorized / erroneous debits to the account.
- **Stop Payment facility** – To accept, acknowledge and take action on receipt of the stop payment instruction provided the cheques have not yet been cleared by us at the applicable charges and reimburse / compensate in case the cheque has been paid after receipt of the stop payment instruction.
- **Cheques / Debit Instructions issued by you** – To keep original cheques / debit instructions or copies / images for such periods as required by law and provide them as evidence as long as records are available and levy charges in case of request made for a period beyond one year. To inform customers of how unpaid and out-of-date (stale) cheques are dealt with.

- **Branch Closure / Shifting** – To give a notice of 2 months / 3 months if there is any / no other branch of any bank at the centre respectively and inform customers of how banking services will be provided, in case of branch closure / shifting.
- **Settlement of claims in respect of deceased Account holders** – To follow a simplified procedure for settlement of accounts of deceased account holders in case of survivorship / nomination and in case of no survivorship / no nomination, provided the identity of the claimant and the fact of the death of the account holder is established through proper documentary evidence and that there is no order from the competent court restraining the bank from making the payment from the account of the deceased.
- **Premature termination of term deposits in respect of deceased Account holders** – Such premature withdrawal would be permitted without any penal charge.
- **Treatment of flows in the name of the deceased depositor** – The Bank will obtain appropriate agreement / authorization from the survivor / nominee either to be authorized to open an account styled as ‘Estate of Shri \_\_\_\_\_, the Deceased’ where all the pipeline flows in the name of the deceased could be credited, provided no withdrawals are made OR be authorized to return the pipeline flows to the remitter with the remark ‘Account holder deceased’ and to intimate the survivor / nominee accordingly.
- **Time limit for settlement of claims** - to settle claims of deceased account holders within 15 days of receipt of the claim subject to the production of the proof of death and other required documents to the bank’s satisfaction.
- **Safe Deposit Lockers** – To give complete details of the rules and procedures applicable to safe deposit lockers
- **Foreign Exchange Services** – to provide details of foreign exchange services offered, exchange rates, commission and charges applicable, assist in case of discrepancies in information provided for making payments abroad, give guidance about regulatory requirements governing foreign exchange services, compensate in case delay in credit, any loss of interest or adverse movement in forex rates.
- **Remittances within India** – to advise customers of the best way to send the money and the applicable charges.
- **Lending** – To inform customers of the various loan products, the interest rates applicable, the processing fees and other charges applicable, the pre-payment options, most important terms and conditions, requirement of proofs with regard to identity, income, etc, conduct inspections, assess repayment capacity and explain method of calculations for repayment, requirement of guarantors, mortgage of property and other securities, etc. To return all unpaid post dated cheques on repayment / closure of loans and other documents held in the custody of the bank.



## **Protecting your Accounts**

- **Secure and Reliable Banking and Payment Systems** – All branches to have CCTV surveillance systems as part of security arrangements
- **Keeping us up to date** – Ask customers to keep the Bank informed of any change in name, address, phone number and e-mail address
- **Checking your account** – Ask customers to regularly check their passbooks / statement of accounts and notify the Bank for any errors observed.
- **Taking care** – Advise customers to take care of their passbooks, statement of accounts and cheque books issued to them to prevent fraud and to protect their accounts.
- **Cancelling payments** – To inform customers that their instructions for cancellation of payments can be adhered to only if given in writing.
- **Liability for losses** – Customers will be held liable for any loss caused due to any fraudulent act / unreasonable care.

## **Monitoring**

The Code of Commitment to Customers is monitored by the Banking Codes and Standards Board of India. Their contact details are:

The Banking Codes and Standards Board of India  
C-7, Reserve Bank of India Building,  
Bandra Kurla Complex, Mumbai 400 051  
Tel Nos. 022 – 26571096  
Fax. No. 022 – 26573719  
E-mail: [ceo.bcsbi@rbi.org.in](mailto:ceo.bcsbi@rbi.org.in)  
Website: [www.bcsbi.org.in](http://www.bcsbi.org.in)

## **Getting Help**

In case of any enquiries, contact our branches or The Banking Codes and Standards Board of India or the Indian Banks' Association at:

Indian Banks' Association  
6<sup>th</sup> floor, Centre 1 Building  
World Trade Centre Complex  
Cuffe Parade  
Mumbai 400 005  
E-mail: [code@iba.org.in](mailto:code@iba.org.in)  
Website: [www.iba.org.in](http://www.iba.org.in)

## **Review of the Code**

The code will be reviewed within a period of three years

## REVIEW OF CUSTOMER SERVICE

1. **General Employee Behavior** in terms of dress code, positive attitude, clean counters / branch premises, punctuality, job knowledge, etc
2. **Maintenance of Secrecy & Confidentiality of Customer Information**
3. **Use of telephones** to clinch business deals and build up the Bank's image
4. **Use of Music System** to play piped music for enhanced working conditions
5. Maintenance of **Branch Ambience**
6. **Security Arrangements at the Branch** – Surveillance / Alarm Systems in place, alert Security Guards and dual custody of keys
7. **Service at the Counters -**
  - Counters should be attended all through out **business and working hours** and there should be **uninterrupted Service** at the Counters
  - Customers should being guided correctly
  - **Acceptance and disposal** of cash should be handled with care
  - All **equipments for effective customer service** like computers, passbook printers, term deposit printers, Note Counting Machine, Ultra Violet Lamp, Cash banding machine, servers, batteries should be **functioning well**. There should be adequate stationery of all documents at any given point of time.
  - Care in respect of **Forged Notes**
  - Customers to be made aware of **nomination facilities** available for all deposit accounts
  - The legend '**Nomination Registered**' should be incorporated in the pass book, deposit receipt etc
  - The Branch name, address, telephone nos and branch timings should be clearly stamped before **issue of Savings bank passbook / statement of accounts**
  - Efforts to be made **to publicize the various Term deposit schemes**
  - **Brochures / pamphlets** should be made available for the guidance of customers
  - **Settlement of claims in respect of missing persons** should be governed by the provisions of Section 107 / 108 of the Indian Evidence Act, 1872
  - Annual review of accounts to be undertaken so as to **segregate inoperative / dormant accounts**. Steps to be taken to ascertain reasons for non-operation. Inconvenience should not be caused to the customer as a result of extra care taken by the Bank with regard to Unclaimed Deposits and Inoperative / Dormant Accounts
  - The facility of **Signature Verification** should be given as an added service at no extra cost

- **Customer Records** should be **updated promptly**

## 8. **Safe Deposit Lockers -**

- **Infrastructure, amenities and up-keep** of the Safe Deposit Locker Room should be in proper condition
- **Vault Timings to be displayed prominently** and observed strictly
- Precautions to be taken with regard to the **Security aspects** relating to Safe Deposit Lockers
- There should be **transparency in the allotment of lockers**
- **Notice on locker rentals / revision in locker rentals** to be prominently displayed
- Procedures to be followed when **access to the safe deposit lockers / return of safe custody articles**
- **(with survivor/nominee clause)** is given in the event of death of the locker hirer
- Procedures to be followed when **access to the safe deposit lockers / return of safe custody articles**
- **(without survivor/nominee clause)** is given in the event of death of the locker hirer
- **Benefits of nomination / survivorship** clause to be explained to the locker-hirers

9. **Collection of account payee cheques** should be made only for the payee constituent and credit of proceeds should not be made to third party accounts

10. **Cheques issued by clients containing fractions of a rupee should be accepted** and not rejected / dishonored

11. **Dishonoured Instruments should be returned / dispatched** to the customer promptly without delay on the same day but in any case within 24 hours, against acknowledgement

12. Branch Managers to **exercise better supervision to speed up Collection of Outstation Instruments.**

13. **Banking facilities to be provided to the Visually Challenged** without discrimination

14. **Legal Guardianship Certificate issued under the National Trust Act, 1999** empowering the disabled persons with autism, cerebral palsy, mental retardation and multiple disabilities should be accepted for opening / operating bank accounts

15. The **Fair Practices Code for Lenders** covers fair practices with regard to application for loan and their processing, Loan appraisal and terms / conditions, disbursement of loans including changes in terms and conditions, post-disbursement supervision and general aspects

16. The **Bank Service Charges along with relevant customer information should be displayed prominently** on the Bank's Notice Board

17. The **Systems and Procedures are duly complied** as per the Internal Circular and Policy Document laid down by the Bank to ensure safety of customer's money.

18. Branches should ensure that all **cheque books issued to the customer are CTS 2010 compliant.**

19. The **Bank's time norms should be displayed** prominently
20. Branch Managers to take **steps towards job enrichment** of staff. There should be periodic change of department / allocation of jobs with higher responsibilities.
21. **Training needs of the staff** to be assessed
22. **Complaints / suggestions by clients should be attended** to. Pending complaints should be followed up.
23. **Issues stated in Inspection/Audit reports related to customer service should be complied** with immediately
24. Action should be taken against **Complaint Prone Employees** among the staff of the branch.
25. A **Record of grievances received and redressed**, the levels at which they have been redressed, etc should be maintained.
26. All **Customer Correspondence** should be handled promptly and accurately
27. Efforts should be made to **educate customers**