

Model Policy For Grievance Redressal In Banks

1. Introduction

In the present scenario of competitive banking, excellence in customer service is the most important tool for sustained business growth. Customer complaints are part of the business life of any corporate entity. This is more so for banks because banks are service organizations. As a service organization, customer service and customer satisfaction should be the prime concern of any bank. The bank believes that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. This policy document aims at minimizing instances of customer complaints and grievances through proper service delivery and review mechanism and to ensure prompt redressal of customer complaints and grievances. The review mechanism should help in identifying shortcomings in product features and service delivery. Customer dissatisfaction would spoil bank's name and image. The bank's policy on grievance redressal follows the under noted principles.

- ❖ Customers be treated fairly at all times
- ❖ Complaints raised by customers are dealt with courtesy and on time
- ❖ Customers are fully informed of avenues to escalate their complaints/grievances within the organization and their rights to alternative remedy, if they are not fully satisfied with the response of the bank to their complaints.
- ❖ Bank will treat all complaints efficiently and fairly as they can damage the bank's reputation and business if handled otherwise.
- ❖ The bank employees must work in good faith and without prejudice to the interests of the customer.

In order to make bank's redressal mechanism more meaningful and effective, a structured system needs to be built up towards such end. Such system would ensure that the redressal sought is just and fair and is permissible within the given frame-work of rules and regulation. The policy document would be made available at all branches. The concerned employees should be made aware about the Complaint handling process.

1.1 The customer complaint arises due to;

- a. The attitudinal aspects in dealing with customers
- b. Inadequacy of the functions/arrangements made available to the customers or gaps in standards of services expected and actual services rendered.

The customer is having full right to register his complaint if he is not satisfied with the services provided by the bank. He can give his complaint in writing, orally or over telephone. If customer's complaint is not resolved within given time or if he is not satisfied with the solution provided by the bank, he can approach Banking Ombudsman with his complaint or other legal avenues available for grievance redressal.

2. Internal Machinery to handle Customer complaints/ grievances

2.1 Customer Service Committee of the Board

This sub-committee of the Board would be responsible for formulation of a Comprehensive Deposit Policy incorporating the issues such as the treatment of death of a depositor for operations of his account, the product approval process and the annual survey of depositor satisfaction and the tri-ennial audit of such services. The Committee would also examine any other issues having a bearing on the quality of customer service rendered. This Committee would also review the functioning of Standing Committee on Customer Service.

2.2 Standing Committee on Customer Service

The Standing Committee on Customer Service will be chaired by the General Manager (Admin.) of the bank. Besides two to three senior officers of the bank, the committee would also have two to three eminent non-executives drawn from the public as members. The committee would have the following functions.

- ❖ Evaluate feed-back on quality of customer service received from various quarters. The committee would also review comments/feed-back on customer service and implementation of commitments in the Code of Bank's Commitments to Customers received from BCSBI.
- ❖ The Committee would be responsible to ensure that all regulatory instructions regarding customer service are followed by the bank. Towards this, the committee would obtain necessary feed-back from regional managers/ functional heads.
- ❖ The committee also would consider unresolved complaints/grievances referred to it by functional heads responsible for redressal and offer their advice.
- ❖ The committee would submit report on its performance to the customer service committee of the board at quarterly intervals.

2.3 Nodal Officer and other designated officials to handle complaints and grievances

Bank has appointed a Nodal Officer of the rank of Chief Manager who will be responsible for complaint handling for the entire bank. The bank has also appointed other designated officers at specified centres as Customer Relation Officer at Regional offices to handle complaint grievances in respect of branches following under their control. The name and contact details of nodal officer (s) have been displayed on branch notice boards.

3. Mandatory display requirements

It is mandatory for the bank to provide;

- ❖ Appropriate arrangement for receiving complaints and suggestions.
- ❖ The name, address and contact number of Nodal Officer(s)
- ❖ Contact details of Banking Ombudsman of the area
- ❖ Code of bank's commitments to customers/Fair Practice code

4. Resolution of Grievances

Branch Manager is responsible for the resolution of complaints/grievances in respect of customer's service by the branch. He would be responsible for ensuring closure of all complaints received at the branches. It is his foremost duty to see that the complaint should be resolved completely to the customer's satisfaction and if the customer is not satisfied, then he should be provided with alternate avenues to escalate the issue. If the branch manager feels that it is not possible at his level to solve the problem he can refer the case to Regional Office for guidance. Similarly, if Regional office finds that they are not able to solve the problem such cases may be referred to the Nodal Officer.

4.1 Time frame

Complaint has to be seen in the right perspective because they indirectly reveal a weak spot in the working of the bank. Complaints received are analyzed from all possible angles. Maximum time schedule for redressal of grievance/ complaint has been fixed by the bank in 3 weeks i.e. 21 days for handling complaints and disposing them at all levels including branches, regional offices and head office as described below in point no. 4.2

Branch manager should try to resolve the complaint within 10 days from lodging complaint/ grievance will be treated day 1.

Communication of bank's stand on any issue to the customer is a vital requirement. Complaints received which would require some time for examination of issues involved should invariably be acknowledged promptly.

Branch and regional office must send action taken report on complaints received to the head office at the end of every month.

4.2 Escalation matrix for customer complaints

Within the overall maximum period of three weeks within which a complaint needs to be redressed, there will be a prescribed escalation matrix for redressal of the complaints at different levels in the organization. The matrix prescribes the time period for unresolved complaints/ grievances not redressed to customers satisfaction to be escalated by customers to higher authorities. The escalation matrix for customer complaints is given below:

Sl.No.	Lodging/ Escalation /Auto Escalation of complaints	Day of lodging/ Escalation	Days available for redressal (Within the maximum three weeks)
1	Branch	Day 1	10 days
2	Regional Office	Day 11	5 days
3	Head Office	Day 16	6 days

The complaint lodged by a customer is first assigned to the Branch for redressal. If the complaint is not redressed within 10 days or the customer is not happy with the redressal by the branch, he may escalate his complaint to Regional Office on the 11th day of first lodging of the complaint. If the complaint is not redressed within next 5 days (15 days from day 1), the customer may further escalate the complaint for redressal to the Head Office. The complaint will invariably have to be redressed within a maximum period of 21 days / three weeks.

5. Interaction with customers

The bank recognizes that customer's expectation/requirement/grievances can be better appreciated through personal interaction with customers by bank's staff. Structured customer meets, say once in a month will give a message to the customers that the bank cares for them and values their feed-back/suggestions for improvement in customer service. Many of the complaints arise on account of lack of awareness among customers about bank services and such interactions will help the customers appreciate banking services better. As for the bank the feed-back from customers would be valuable input for revising its product and services to meet customer requirements.

6. Sensitizing operating staff on handling complaints

Staff should be properly trained for handling complaints. We are dealing with people and hence difference of opinion and areas of friction can arise. With an open mind and a smile on the face we should be able to win the customer's confidence. Imparting soft skills required for handling irate agitated customers, to be will be an integral part of the training programs schedule. It would be the responsibility of the Nodal Officer to ensure that internal machinery for handling complaints/grievances operates smoothly and efficiently at all levels. He should give feed-back on training needs of staff at various levels to the HR Dept.
