



**COASTAL BANK**  
Coastal Local Area Bank Ltd

**Corporate Office: Vijayawada**

# ***CUSTOMER GRIEVANCE REDRESSAL POLICY***

Updated in Sept 2022

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**Corporate Office: Vijayawada**

## **CUSTOMER GRIEVANCE REDRESSAL POLICY**

### **1. Introduction:**

In the present scenario of competitive banking, excellence in customer service is an important tool for sustained business growth. Effective grievance redress is an integral part of the business strategy of the 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. The Bank's policy on grievance redressal follows the under noted principles.

- Customers be treated fairly at all times.
- A complaint is an expression of dissatisfaction made to the Bank relating to its product, services or the complaint handling process where a response or resolution is explicitly or implicitly expected.
- Complaints raised by customers are dealt with courtesy and on time.
- Grievance of pensioners and senior citizens are dealt on priority.
- Customers are fully informed of avenues to escalate their complaints/grievances within the Bank 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.

### **2. Objectives of the Policy:**

Reserve Bank of India has taken various initiatives over the years for improving customer service and grievance redress mechanism in banks. Detailed guidelines on customer service were issued to banks encompassing various aspects of operations that impact customers. The guidelines enunciated by RBI on Customer Grievance Redressal mechanism in banks were detailed in Master Circular on

Customer Service RBI/2015-16/59 DBR No. Leg.BC.21/09.07.006/2015-1 dated July 1, 2015 and also Cir No. RBI/2020-21/87 CEPD.CO.PRD. Cir. No.01/13.01.013/2020-21 dated January 27, 2021.

In order to make Bank's redressal mechanism more meaningful and effective, a structured system needs to be in place. Such system would ensure that the redressal sought is just and fair and is permissible within the given frame-work of rules and regulations. The employees shall be made aware about the complaint handling process

The current Policy is reframed in the light of the above guidelines in order to adopt the best industry practices in receiving and handling customer complaints and maintain high standards in customer service.

The details of grievances redressal mechanism shall be published on the Bank's official website for public knowledge.

### **3.0 Customer complaint arises due to:**

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

The customer has right to register complaint if not satisfied with the services provided by the Bank. The complaint can be lodged in writing, orally or over telephone. If the complaint is not resolved within given time or in case he/she is not satisfied with the solution provided by the Bank, can approach any legal avenues available for grievance redressal.

### **4.0 Machinery to handle customer complaints/grievances**

#### **4.1 Complaint Registration: -**

A customer, if not, satisfied with the service of the Bank or has a grievance can lodge a complaint in person at the branch by giving complaint in writing to the Branch Head and obtain an acknowledgement.

#### **4.2 Complaint in Person**

A Complaint book in perforated form is available with the Branch Head for making it available to the customers on demand (Annexure III). Customers can obtain it from the Branch Head, record grievances therein and obtain acknowledgement.

#### **4.3 Complaint/Suggestion Box**

Customer may use complaint cum suggestion box kept at the Branch for any feedback/ suggestions for improvement in our products and services. The Branch Head shall open the box every day and look for suggestions/complaints if any for necessary action.

#### **4.4 Complaints over Telephone**

The minor complaint may be lodged to the Branch Head or over telephone with the AGM (operations) at the Corporate Office. The name and telephone number of AGM (operations) is displayed at the Branches.

#### **4.5 Complaints through mail/e-mail**

Customers can also submit complaint by post or through e-mail to [coastalho@coastalareabank.com](mailto:coastalho@coastalareabank.com)

Complaints received by e-mail shall be acknowledged by e-mail to the extent possible.

#### **4.6 Banking Ombudsman Scheme (BOS)**

The Banking Ombudsman Scheme, 2006 (as amended 1<sup>st</sup> July 2017) has defined banks applicable under the Scheme as follows:

##### **Quote:**

'bank' means a 'banking company', a 'corresponding new bank', a 'Regional Rural Bank', 'State Bank of India' a 'Subsidiary Bank' as defined in Section 5 of the Banking Regulation Act, 1949 (Act 10 of 1949), or a 'Primary Co-operative Bank' as defined in clause (c) of Section 56 of that Act and included in the Second Schedule of the Reserve Bank of India Act, 1934 (Act 2 of 1934), having a place of business in India, whether such bank is incorporated in India or outside India.

##### **Unquote:**

Even though our Bank is not a Scheduled Commercial Bank, Bank shall implement the guidelines applicable to the Banking Ombudsman Scheme, 2006 (as amended 1<sup>st</sup> July 2017).

#### **4.7 Resolution of grievances: -**

Branch Head is responsible for the resolution of complaints/grievances in respect of customer service. He is responsible for ensuring closure of all complaints received at the branches, 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 Head feels that it is not possible at his level to solve the problem, he can refer the issue to Corporate Office for guidance.

#### **4.8 Time frame: -**

Complaint is seen by the Bank in the right perspective, as it indirectly reveals the weak spot in the working of the Bank. Complaint received is analyzed from all angles. The following time norms are generally followed by the Bank for redressal of the complaint:

Redressal by the Branch Head	:: within 7 days
Redressal by the Corporate Office	:: within 30 days

If the customer does not receive a satisfactory reply within 30 days of lodging of complaint with the Bank, he/she may approach any legal forum to address the grievance.

Branch Head must send action taken report on complaints received at the Branch level to the Corporate office at the end of every month or at frequent intervals as the situation demand.

### **5.0 Review Mechanism**

#### **5.1 Customer Service Committees**

Customer Service Committees at Branches look into the quality of customer service rendered and critically examine the feedback/suggestions for improvement in customer service.

Branch Head should set up Customer Service Committee at branch level comprising of employees and customers, in order to encourage a formal channel of communication between the customers and the Bank at the Branch level. Greater involvement of customers has to be ensured. As senior citizen usually form an important constituent of customers, a senior citizen may preferably be included in the Committee.



The Minutes of the meeting should have basic details of the meeting such as:

- a. Date of the meeting:
- b. Names of the Customers attended:
  - a. Shri/Smt Mobile No.
  - b. Shri/Smt Mobile No.
  - c. Shri/Smt Mobile No.
  - d. Shri/Smt Mobile No.
  - e. Shri/Smt Mobile No. etc
- c. Suggestions received:

Signatures of the attendees

The Minutes of the CRP should be submitted by Branches to AGM (Operations) who will place them with Action Taken Report (ATR) before the Standing Committee on Customer Service at Corporate Office duly reviewing resolution of escalated issues, timelines followed for redressal etc.

### 5.3 Standing Committee on Customer Service

The Standing Committee on Customer Service is chaired by the Managing Director & CEO of the Bank. The committee has the following functions.

- Evaluate feed-back on quality of customer service received from various quarters. The committee also reviews comments/feed-back on customer service and implementation of commitments.
- The Committee is responsible to ensure that all regulatory instructions regarding customer service are followed by the Bank. Towards this, the committee obtains necessary feed-back from functional heads and Branch Managers.
- The committee also considers unresolved complaints/grievances referred to it by functional heads responsible for redressal and offer their advice.
- The committee submits a report on its performance to the Customer Service Committee of the Board at quarterly intervals.



#### **5.4 Customer Service Committee of the Board**

The Customer Service and Stakeholders Relationship Committee of the Board ensures formulation of policies and assesses the compliance there of internally with a view to strengthening corporate governance structure and also to bring about ongoing improvements in the quality of customer service provided by the Bank. The Committee also makes a comprehensive analysis and review of customer redressal mechanism, timeline for resolution of complaints, areas of frequent complaints, branches involved and action taken for eliminating the issues causing complaints on a sustained basis.

#### **5.5 Nodal Officer to handle complaints and grievances**

AGM (operations) is the Nodal Officer to handle complaints and grievances. He is responsible for the implementation of customer service and complaints handling for the Bank. The name and contact details of nodal officer (s) are displayed on branch notice boards.

#### **5.6 Sensitizing operating staff on handling complaints**

Staff are trained for handling complaints. Imparting soft skills required for handling irate agitated customers will be an integral part of the training programs. The Nodal Officer shall ensure that internal machinery for handling complaints/grievances operates smoothly and efficiently at all levels. He shall give feedback on training needs of staff at various levels to the HR Dept.

#### **6.0 Disclosures of information:**

##### **6.1 Mandatory display requirements**

The Bank mandatorily provides the following facilities to the customers for redressal of grievances:

- Appropriate arrangement for receiving complaints and suggestions.
- The name, address and contact number of Nodal Officer(s)

##### **6.2 Notice Board**

The display of information by banks in their branches is one of the modes of imparting financial education. This display enables customers to take informed decision regarding products and services of the bank and be aware of their rights as also the obligations of the banks to provide certain essential services. It also disseminates information on customer grievance redressal

mechanism and enhances the quality of customer service in banks and improves the level of customer satisfaction. Accordingly, in order to improve transparency, the Bank displays necessary Notice Boards at the Branch premises to disseminate information to the customers.

The Bank display details such as 'Name of the Bank / Branch, Working Days, Working Hours and Weekly Off-days' outside the branch premises.

### **6.3 Display of Timelines for Credit Decisions**

Bank clearly delineates the procedure for disposal of loan proposals, with appropriate timelines, and a suitable monitoring mechanism is instituted for reviewing applications pending beyond the specified period. However, no compromise on due diligence requirements is allowed.

### **6.3 Brochures:**

Brochures on detailed information on products and service of the Bank shall be available with Branch Head.

### **7.0 Enhanced disclosures on complaints**

The Bank makes the granular disclosures in the annual reports. These disclosures are intended to provide to the customers and members of public greater insight into the volume and nature of complaints received by the Bank from their customers as also the quality and turn-around time of redress. Specimen formats of disclosure as specified vide RBI/2020-21/87 CEPD.CO.PRD. Cir. No.01/13.01.013/2020-21 January 27, 2021 are appended as Annexure I and II.

### **8.0 Regulatory oversight on Grievance Redress Mechanism**

Reserve Bank will undertake, as a part of its supervisory mechanism, annual assessments of customer service and grievance redress in banks based on the data and information available through the Complaint Management System, and other sources and interactions. Banks identified as having persisting issues in grievance redress will be subjected to an intensive review of their grievance redress mechanism to better identify the underlying systemic issues and initiate corrective measures. The intensive review shall include, but will not be limited to, the following areas:

- Adequacy of the customer service and customer grievance redress related policies.
- Functioning of the Customer Service Committee of the Board.

- Level of involvement of the Top Management in customer service and customer grievance related issues.
- Effectiveness of the grievance redress mechanism of banks.

The Bank is committed to provide customer service of high standards following all regulatory prescriptions. The Asst. General Manager (Operations) at the Corporate Office, who is the Nodal Officer will oversee the implementation of the policy guidelines.

### **9.0 Review of the Policy:**

The Policy will be subjected to review annually or as when regulatory changes warrant a modification.

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### Enhanced disclosures to be made by banks on complaints and grievance redress

#### Summary information on complaints received by the Bank from customers

Sl.No.	Particulars	Previous Year	Current Year
	Complaints received by the Bank from Customers		
1	No. of complaints pending at the beginning of the Year		
2	No. of complaints received during the year		
3	No. of complaints disposed during they Year		
	Of which, number of complaints rejected by the Bank		
4	No. of complaints pending at the end of the Year		
5	Maintainable complaints received by the Bank from Office of Banking Ombudsman		
	Of 5, number of complaints resolved in favour of the Bank by Bo		
	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs		
	Of 5, number of complaints resolved after passing of Awards by BOs against the bank		
	Number of Awards unimplemented within the stipulated time (other than those appealed)		

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme.

## Top five grounds of complaints received by the Bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>CURRENT YEAR</b>					
Ground-1					
Ground-2					
Ground-3					
Ground-4					
Ground-5					
Others					
<b>PREVIOUS YEAR</b>					
Ground-1					
Ground-2					
Ground-3					
Ground-4					
Ground-5					
Others					

Note: The master list for identifying the grounds of complaints is provided in [Appendix 1](#).

**Strengthening of Grievance Redress Mechanism in Banks**

**Master list of grounds of complaints to be used for disclosure on the top five ground-wise receipt of complaints by banks**

1. ATM/Debit Cards
2. Credit Cards
3. Internet/Mobile/Electronic Banking
4. Account opening/difficulty in operation of accounts
5. Mis-selling/Para-banking
6. Recovery Agents/Direct Sales Agents
7. Pension and facilities for senior citizens/differently abled
8. Loans and advances
9. Levy of charges without prior notice/excessive charges/foreclosure charges
10. Cheques/drafts/bills
11. Non-observance of Fair Practices Code
12. Exchange of coins, issuance/acceptance of small denomination notes and coins
13. Bank Guarantees/Letter of Credit and documentary credits
14. Staff behaviour
15. Facilities for customers visiting the branch/adherence to prescribed working hours by the branch, etc.
16. Others

**PROFORMA COMPLAINT BOOK(PERFORATED)**

1. Name of the complainant :

2. Address in full (for correspondence):

3. Age :

4. Tel. No.(landline and mobile) :

5. E-mail id if any :

(Please do not write any other person's e-mail id. Bank will not be responsible for any leakage of secrecy or for any consequences there upon for messages/ letters through the given e-mail id)

6. Name of Branch to which the complaint is related to.

7. Details of the complaint (Attach separate sheet if necessary)

8. Whether you have already taken up with any other Functionary/Forum

Place :

Date : : Signature of the complainant

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**Acknowledgement**

Received with thanks a Complaint dated from Shri

We thank you for your time. We value the feedback given by you. Your grievance shall be examined and we note to advise you in the matter in due course. Assuring you our best services always.

Date: (Seal of the Branch) Branch Head