



**THE CALICUT CO-OPERATIVE  
URBAN BANK LTD.**

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<b>Name of Policy</b>	<b>Customer Right Policy</b>
Policy Custodian (Section)	
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Approved by Board	Resolution No-27/11 Dated- 19.10.2023
Renewal Basis	To be reviewed annually
Implementation Date	19.10.2023

   
**Chairman**                      **Director**

  
**Director**

  
**General Manager**



# CUSTOMER RIGHTS POLICY



*Revised*

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## CUSTOMER RIGHTS POLICY

### 1. Introduction:

Customer protection is an integral aspect of financial inclusion. The business of bank entirely depends on the customer. To protect the rights of customer has become an integral aspect of financial services provided by the bank. The following comprehensive Customer Rights Policy based on domestic experience and global best practices is brought out to enhance such protection.

Customer Rights Policy identifies the intrinsic rights; a customer gets during and after termination of his/her banking relationship. The policy also defines the ways to deal honestly and fairly with the customer.

The policy is based on the guiding principles enlisted in the RBI "Master Circular on Customer Service-UCBs" circulated vide RBI/2015-16/61/ DCBR.CO.BPD.(PCB) .MC.No.15/12.05.001/2015-16 dated 1<sup>st</sup> July, 2015.

The policy also aims to create a fair and conducive environment for its customers in obtaining satisfactory customer services through various banking channels.

### 2. Objective of the Policy:

The objective of the policy is to document/enshrine basic rights of the customers of the Bank regulated by the Reserve Bank of India. Policy is based on domestic experience and global best practices brought out to enhance customers' protection. The policy envisages that a customer should be dealt fairly, sympathetically and all dealings with the Bank are done in an honest and transparent manner. The policy also advises to communicate all terms, conditions, pricing & features of a product/service, location of the service outlets, policies and marketing & promotional material etc. in clear and unambiguous language.

### 3. Scope of the Policy:

In traversing the policy principles, the customer has been conferred the right to escalate and get his grievance redressed in a timely and fair manner without demur.

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



#### **4. Customer Rights:**

##### **4.1 Right to Fair Treatment:**

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

In pursuance of the above Right, bank will -

- 4.1.1 Promote good and fair banking practices by setting minimum standards in all dealings with the customers;
- 4.1.2 Promote a fair and equitable relationship between the bank and the customer;
- 4.1.3 Train bank staff attending to the customers, adequately and appropriately;
- 4.1.4 Ensure that staff members attend to customers and their business promptly and courteously;
- 4.1.5 Treat all customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, economic status, physical ability, etc. Bank may, however, have special schemes or products which are specifically designed for members of a target market group or may use defensible, commercially acceptable economic rationale for customer differentiation. Bank may also have schemes or products as part of an affirmative action such as for women or backward classes. Such schemes/products will not tantamount to unfair discrimination. The rationale for such special schemes or terms will be explained by bank wherever required;
- 4.1.6 Ensure that the above principle is applied while offering all products and services;
- 4.1.7 Ensure that the products and services offered are in accordance with relevant laws and regulations;
- 4.1.8 Ensure to enhance customer awareness of their rights, particularly among hitherto marginalized customers, financially illiterate and semi-illiterate sections of the society by making available the pictorial presentation of basic rights contained in the code of Bank's commitment to customers.
- 4.1.9 Promote Safe and Fair customer dealing in case of banking in a digital environment.

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

It shall also be the bank's endeavor to encourage their customers to approach the bank's internal grievance redressal machinery and approach alternate forum after exhausting all their remedies under bank's internal grievance mechanism.

##### **4.2 Right to Transparency, Fair and Honest Dealing:**

The financial services provider should make every effort to ensure that the contracts or agreements it frames are transparent, easily understood by and well communicated to,

the common person. The product's price, the associated risks, the terms and conditions that govern use over the product's life cycle and the responsibilities of the customer and financial service provider, should be clearly disclosed. The customer should not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the financial services provider cannot threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.

In pursuance of the above Right, the bank will -

- 4.2.1 Ensure complete transparency so that the customer can have a better understanding of what he or she can reasonably / fairly expect from the bank;
- 4.2.2 Ensure that the bank's dealings with the customer rest on ethical principles of equity, integrity and transparency;
- 4.2.3 Provide customers with clear information about its products and services, terms and conditions, and the interest rates / service charges in simple and easily understandable language, and with sufficient information so that the customer could be reasonably expected to make an appropriate and informed choice of product;
- 4.2.4 Ensure that all terms and conditions are fair and set out the respective rights, liabilities and obligations clearly and as far as possible in plain and simple language;
- 4.2.5 Make known the key risks associated with the product as well as any features that may especially disadvantage the customer to him/her. Most Important Terms and Conditions (MITC) associated with the product or service will be clearly brought to the notice of the customer while offering the product. In general, it will be ensured that such terms will not inhibit a customer's future choice.
- 4.2.6 Provide information on interest rates, fees and charges either on the Notice Board in the branches or website or through help-lines or help-desk and where appropriate the customer will be informed directly;
- 4.2.7 Display the tariff Schedule on their website or a copy of it will be made available at every branch for customer's perusal. Also will display in its branches a notice about the availability of the Tariff Schedule at the branch;
- 4.2.8 Give details, in their Tariff Schedule, of all charges, if any, applicable to the products and services chosen by customer;
- 4.2.9 Inform the customer of any change in the terms and conditions through a letter or Statement of Account, SMS, email or any other mode as agreed by the customer prior to the revised terms and conditions becoming effective;
- 4.2.10 Provide information about the penalties leviable in case of non-observance / breach of any of the terms and conditions governing the product / services chosen by the customer;
- 4.2.11 Make every effort to ensure that staff dealing in a particular product is properly trained to provide relevant information to customers fully, correctly and honestly;
- 4.2.12 Ensure to communicate to the applicant within a reasonable time period as decided by the bank about the acceptance / non-acceptance of applications submitted for



availing a product / service and convey in writing the reasons for not accepting / declining the application.

- 4.2.13 Communicate unambiguously the information about -
- a. Discontinuation of particular products,
  - b. Relocation of their offices
  - c. Changes in working hours
  - d. Change in telephone numbers
  - e. Closure of any office or branch
- With advance notice of at least 30 days.

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

- 4.2.14 Advise the customer at the time of selling the product regarding the rights and obligations embedded in law and/or banking regulation including the need to report any critical incidents that the customer suspect, discover or encounter;
- 4.2.15 The bank's staff members shall, when approached by the customer for availing a product or service, provide all relevant information related to the product / service and also provide direction to informational resources on similar products available in the market with a view to enable the customer to make an informed decision;
- 4.2.16 Assist the customer in all available ways for managing his/her account, financial relationship by providing regular inputs in the bank's realms such as account statements/passbooks, alerts, timely information about the product's performance, term deposits maturity etc.;

- 4.2.17 Ensure that all marketing and promotional material is clear and not misleading;
- 4.2.18 Not threaten the customer with physical harm, exert influence or engage in behavior that would reasonably be construed as unwarranted harassment. Ensure adherence only to the normal appropriate business practices.
- 4.2.19 Ensure that the fees and charges on products/services and its structure are not unreasonable to the customer.
- 4.2.20 Ensure that our advertisements will also include any relevant messages which require to be conveyed for enhancing awareness against unscrupulous/ fictitious offers.

#### 4.3 Right to Suitability:

The products offered should be appropriate to the needs of the customer and based on an assessment of the customer's financial circumstances and understanding.

In pursuance of the above Right, the bank will -

- 4.3.1 Ensure that it has a Board approved policy for assessing suitability of products for customers prior to sale;
- 4.3.2 Endeavour to make sure that the product or service sold or offered is appropriate to the customer's needs and not inappropriate to the customer's financial standing and understanding based on the assessment made by it. Such assessment will be appropriately documented in the records;
- 4.3.3 Not compel a customer to subscribe to any third party products as a quid-pro-quo for any service availed from the bank;
- 4.3.4 Ensure that the products being sold or service being offered, including third party products, are in accordance with extant rules and regulations;
- 4.3.5 Inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by bank to enable them to determine the suitability of the product to the customer.
- 4.3.6 Adhere to all statutory guidelines of RBI, IRDA, SEBI etc. on para banking activities like sale of insurance/mutual fund/other third party investment products.

#### 4.4 Right to Privacy:

Customers' personal information should be kept confidential unless they have offered specific consent to the financial services provider or such information is required to be provided under the law or it is provided for a mandated business purpose (for example, to credit information companies). The customer should be informed upfront about likely mandated business purposes. Customers have the right to protection from all kinds of communications, electronic or otherwise, which infringe upon their privacy.



**In pursuance of the above Right, bank will -**

- 4.4.1** Treat customer's personal information as private and confidential (even when the customer is no longer banking with us), and, as a general rule, not disclose such information to any other individual/institutions including its subsidiaries / associates, tie-up institutions etc. for any purpose unless:
- a. The customer has authorized such disclosure explicitly in writing
  - b. Disclosure is compelled by law / regulation;
  - c. Bank has a duty to the public to disclose i.e. in public interest
  - d. Bank has to protect its interests through disclosure
  - e. It is for a regulatory mandated business purpose such as disclosure of default to credit information companies or debt collection agencies;
- 4.4.2** Ensure such likely mandated disclosures be communicated immediately to the customer in writing;
- 4.4.3** Shall adhere to Telecom Commercial Communications Customer Preference Regulations, 2010 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

**4.5 Providing Banking Facility for Senior Citizens and Differently Abled Persons:**

The financial services provider should make every effort to ensure that there should not be any occasion that bank discourage or turn away senior citizens and differently abled persons from availing banking facilities in branches. Notwithstanding the need to push digital transactions and use of ATMs, it is imperative to be sensitive to the requirements of senior citizens and differently abled persons.

In pursuance of the above Right, bank will -

- 4.5.1** Provide a clearly identifiable dedicated counter or a counter which provides priority to senior citizens and people who are differently abled including visually impaired persons.
- 4.5.2** Provide the facility to issue cheque books to customers, whenever a request is received, through a requisition slip which is part of the cheque book issued earlier or request received by any other mode. Provide minimum one cheque book every year, if requested, in savings bank account, by these customers. And should not insist on physical presence of any customer including senior citizens and differently abled persons for getting chequebooks.



- 4.5.3 Provide the facility to allow operations in visually impaired customer's accounts through identification of thumb/toe impression/mark by two independent witnesses and authorizing a person who would withdraw the amount on behalf of such customers.
- 4.5.4 Provide senior citizens and differently abled persons Form 15G/H once in a year (preferably in April) to enable them to submit the same, where applicable, within the stipulated time.
- 4.5.5 Provide doorstep banking to senior citizens of more than 70 years of age and differently abled or infirm persons (having medically certified chronic illness or disability) including those who are visually impaired, such as pick up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of demand drafts and submission of Know Your Customer (KYC) documents at the premises/ residence of such customers on case to case basis as per the need based requirement of the customer.

#### 4.6 Right to Grievance Redressal and Compensation:

The customer has a right to hold the financial services provider accountable for the products offered and to have a clear and easy way to have any valid grievances redressed. The provider should also facilitate redress of grievances stemming from its sale of third party products. The financial services provider must communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or delays in performance, whether caused by the provider or otherwise. The policy must lay out the rights and duties of the customer when such events occur.

In pursuance of the above Right, bank will –

- 4.6.1 Deal sympathetically and expeditiously with all things that go wrong;
- 4.6.2 correct mistakes promptly;
- 4.6.3 cancel any charge that has been applied wrongly and by mistake;

The bank will also -

- 4.6.4 Ensure to have a robust and responsive grievance redressal procedure and clearly indicate the grievance resolution authority who should be approached by the customer;
- 4.6.5 Make grievance redressal mechanism easily accessible to customers;



- 4.6.6 Advise the customer about how to make a complaint, to whom such a complaint is to be made, when to expect a reply and what to do if the customer is not satisfied with the outcome;
- 4.6.7 Display name, address and contact details of the Grievance Redressal Authority / Nodal Officer. The time limit for resolution of complaints will be clearly displayed / accessible at all service delivery locations;
- 4.6.8 Inform the complainant of the option to escalate his complaint to the Banking Ombudsman if the complaint is not redressed within the pre-set time;
- 4.6.9 Place in public domain information about Banking Ombudsman Scheme;
- 4.6.10 Display at customer contact points the name and contact details of the Banking Ombudsman under whose jurisdiction the bank's branch falls.

**Further, the bank will -**

- 4.6.11 Acknowledge all formal complaints (including complaints lodged through electronic means) within three working days and work to resolve it within a reasonable period, not exceeding 30 days (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for grievance redressal). The 30 day period will be reckoned after all the necessary information sought from the customer is received;
- 4.6.12 Provide aggrieved customers with the details of the Banking Ombudsman Scheme for resolution of a complaint if the customer is not satisfied with the resolution of a dispute, or with the outcome of a dispute handling process;

**In addition, the bank will**

- a. Clearly spell out, at the time of establishing a customer relationship, the liability for losses, as well as the rights and responsibilities of all parties, in the event of products not performing as per specifications or things going wrong. However, the bank will not be liable for any losses caused by extraneous circumstances that are beyond its reasonable control (such as market changes, performance of the product due to market variables, etc.).
- b. Complaints received at branches/sections should be forwarded with detailed note and necessary documents to AGM (Member of Bank's Customer Grievance Redressal Forum formed as per Board Res No.45/15 Dtd.03-02-2017) within 3 working days from the date of receipt of the complaint and the same should be thoroughly verified by AGM and should submit it to the Customer Grievance Redressal Forum with his/her comment on it within a period of 8 working days from the date of receipt of the complaint received directly or through branches/sections. The Forum should take appropriate decision on the complaint within the time limit prescribed in para 4.6.11 and should communicate the decision to the complainant within 5 working days from the date of the decision.
- c. Ensure the customer is refunded without delay and demur, if it cannot show beyond reasonable doubt to the customer on any disputed transaction (along with interest/charges).

5 **Validity & Review of the Policy:**

The policy shall be reviewed annually in tune with the regulatory guidelines issued from time to time or internal requirements or as and when considered necessary.

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**Chairman**

  
**Director**

  
**Director**

  
**General Manager**

