

**CITY UNION BANK LIMITED, ADMINISTRATIVE  
OFFICE**

**KUMBAKONAM**



**Customers Rights Policy**

**October 2023**

## **Background**

In its first bi-monthly Monetary Policy Statement (2014 - 15) announced on April 1, 2014, the Reserve Bank of India (RBI) had stated that consumer protection is an integral aspect of financial inclusion. It had proposed to frame comprehensive consumer protection regulations, based on domestic experience and global best practices. As a sequel to this, RBI released a 'Charter of Customer Rights' on December 03, 2014, which enshrines broad and overarching principles for protection of bank customers and enunciates the five basic rights of bank customers, viz. (i) Right to Fair Treatment, (ii) Right to Transparency, Fair and Honest Dealing, (iii) Right to Suitability, (iv) Right to Privacy and (v) Right to Grievance Redress and Compensation. The RBI advised the Indian Banks' Association (IBA) and the Banking Codes and Standards Board of India (BCSBI) to formulate a "Model Customer Rights Policy" encapsulating the principles enshrined in the Charter which would help the member banks to prepare their own Board approved policy on Customer Rights.

This Policy is based on IBA's Model Customer Rights Policy.

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## **1 Introduction**

The Customer Rights Policy (CRP) of the Bank has been framed in such a way that it encompasses all the tenets spelt out in the model ‘ Customer Rights Policy ‘ released by Indian Banks’ Association, dovetailing at the same time what has been enshrined in the “Charter of Customer Rights” formulated by Reserve Bank of India.

## **2 Objectives**

- 2.1 To enable the Customer to know before or during a relationship, his/ her rights and responsibilities in his/ her dealings with the Bank.
- 2.2 To ensure that the staff at all levels in the Bank are aware of the policy of the Bank in this regard, so that dealings with the Customers are uniform across geography & types of customers and are based on transparent standards/procedures
- 2.3 To educate customers about their rights.

## **3 Scope**

- 3.1 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.
- 3.2 This policy is applicable across all branches / business segments of the Bank, and is to be read in conjunction with related operational guidelines issued from time to time.
- 3.3 This policy is applicable across all branches / business and customer segments of the Bank, and is to be read in tandem/auto-correlated with the changes/modifications that may be advised by RBI and / or by any regulator and / or by the Bank from time to time.

#### **4 Right to Fair Treatment**

The Bank is fully aware that every one of its customers has a right to be treated with courtesy and that no customer should 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 Promote good and fair banking practices by setting minimum standards in all dealings with the customers;

4.2 Promote a fair and equitable relationship between the bank and the customer;

4.3 Train bank staff attending to the customers, adequately and appropriately;

4.4 Ensure that staff members attend to customers and their business promptly and courteously;

4.5 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, senior citizens 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;

4.6 Ensure that the above principle is applied while offering all products and services;

4.7 Ensure that the products and services offered are in accordance with relevant laws and regulations;

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

It shall also be the bank's endeavour to encourage customers to approach the bank's internal grievance redressal machinery and approach alternative fora after exhausting all their remedies under bank's internal grievance mechanism. Registering the grievances at different level and escalating is available in the Bank's website.

### **5 Right to Transparency, Fair and Honest Dealing**

In pursuance of the right of the customer to demand transparency, fair and honest dealing, the bank will

5.1 Ensure complete transparency so that the customer can have a better understanding of what he or she can reasonably / fairly expect from the bank;

5.2 Ensure that the bank's dealings with the customer rest on ethical principles of equity, integrity and transparency;

5.3 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 make an appropriate and informed choice of product;

5.4 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;

5.5 Make known the key risks associated with the product as well as any features that on some eventuality may turn unfavorable to a customer . Most Important Terms and Conditions (MITC) associated with the product or service shall be clearly brought to the notice of the customer while offering the product. In general, it shall be ensured that such terms will not inhibit a customer's future choice.

5.6 Provide information on interest rates on deposits, Base Rate of the Bank, 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;

5.7 Display the tariff Schedule on their website and a copy of it shall 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;

5.8 Give details, in their Tariff Schedule, of all charges, if any, applicable to the products and services chosen by customer;

5.9 Inform the customer of any change in the terms and conditions through a letter or Statement of Account, SMS or email as agreed by the customer at least one month prior to the revised terms and conditions becoming effective;

5.10 Ensure that such changes are made only with prospective effect after giving notice of one month. If the bank has made any change without giving such notice which is favorable to the customer, it will notify the change within 30 days of such change. If the change is adverse to the customer, prior notice of minimum 30 days will be provided and the customer may be provided options, to close the account or switch to any other eligible account without having to pay the revised charge or interest within 60 days of such notice;

5.11 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;

5.12 Display on public domain the Banks' Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues and Security Repossession;

5.13 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;

5.14 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. Such period will be notified in the bank's website and also in the application of the particular product or service

5.15 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;

5.16 Advise the customer at the time of selling the product of 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;

5.17 When approached by the customer for availing a product or service, the staff members concerned shall (with the assistance of his/her seniors, if necessary) provide all relevant information related to the product / service and also provide information available with him/her on similar products available in the market with a view to enable the customer to make an informed decision;

5.18 Not terminate a customer relationship without giving proper reason and prior notice to the customer concerned;

5.19 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.;

5.20 Ensure that all marketing and promotional material is clear and not misleading;

5.21 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.

5.22 Ensure that the fees and charges on products/services and its structure to the customer are not unreasonable but market related.

## **6 Right to Suitability**

The products offered shall 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 -

6.1 Ensure that it has a Board approved policy for assessing suitability of products for customers prior to sale;

6.2 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 its records

6.3 Sell third party products only if it is authorized to do so, after putting in place a Board approved policy for marketing and distributing third party financial products;

6.4 Not compel a customer to subscribe to any third party products as a quid-pro-quo for any service availed from the bank;

6.5 Ensure that the products being sold or service being offered, including third party products, are in accordance with extant rules and regulations;

6.6 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.

## **7 Right to Privacy**

The Bank is fully aware that its customers have the right to safeguard themselves from all kinds of communications, electronic or otherwise, which infringe upon their privacy.

In pursuance of the above Right, bank will –

7.1 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

7.2 Ensure such likely mandated disclosures be communicated immediately to the customer in writing

7.3 Not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it;

7.4 Adhere to Telecom Commercial Communications Customer Preference Regulations, 2010 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

## **8 Right to Grievance Redress and Compensation**

The Bank is fully aware that 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.

8.1 In pursuance of the above Right, bank will –

- i) deal sympathetically and expeditiously with all things that go wrong;
- ii) correct mistakes promptly;
- iii) cancel any charge that has been applied wrongly and by mistake;
- iv) compensate the customer for any direct financial loss that might have been incurred by the customer due to its lapses.

8.2 The bank will also –

- i) Place in public domain its Customer Grievance Redressal Policy, including the grievance redressal procedure available for the customer;
- ii) Place in public domain the compensation policy for delays / lapses in conducting / settling customer transactions within the stipulated time and in accordance with the agreed terms of contract;

- iii) Ensure to have a robust and responsive grievance redressal procedure and clearly indicate the grievance resolution authority who shall be approached by the customer;
- iv) Make grievance redressal mechanism easily accessible to customers;
- v) 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;
- vi) 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;
- vii) 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;
- viii) Place in public domain information about Banking Ombudsman Scheme;
- ix) Display at customer contact points the name and contact details of the Banking Ombudsman under whose jurisdiction the bank's branch falls.

### 8.3 Further, the bank will -

- i) 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;

ii) 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;

#### 8.4 In addition, the bank will

i) 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.).

ii) 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)

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