



# **Setting up of INDIA POST PAYMENTS BANK (IPPB)**

## **Customer Rights Policy**

Sep 09, 2016

This Customer Rights Policy document is intended solely for the information and internal use of IPPB ('the Bank'), and is not intended to be and should not be used by any other person or entity.

## India Post Payments Bank – Customer Rights Policy

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The procedures performed are not an audit, or a compilation of the Company's financial statements or any part thereof, nor an examination of management's assertions concerning the effectiveness of the Company's internal control systems and detection of fraud, nor an examination of compliance with laws, regulations, or other matters. Accordingly, our performance of the procedures will not result in the expression of an opinion or any other form of assurance on the Company's financial statements or any part thereof, nor an opinion or any other form of assurance on the Company's internal control systems or its compliance with laws, regulations, or other matters.

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## 1. Introduction

India Post Payments Bank (IPPB), henceforth, referred as "the Bank", believes that customer protection is an integral aspect of its aim. To substantiate this belief, based on guidelines of Reserve Bank of India, domestic experience and global best practices, the Bank has adopted following comprehensive Customer Rights Policy (henceforth, referred as "the Policy") for its customers.

The Policy enunciates the basic rights of customers of the Bank. The policy also spells out the responsibilities of the Bank.

## 2. Scope of the Policy

This policy shall apply to all products offered by the Bank, whether across the counter, over the phone, by post, through interactive electronic devices, through door step banking, through internet, or by any other method.

## 3. Applicability of the Policy

This policy shall be applicable for all the customers of the Bank. It shall also be applicable for all the staff of the Bank at all administrative offices, branches, customer service points (CSP's), other channels, handling banking transactions and related activities of the Bank.

## 4. Key Components of Customer Rights Policy

### 4.1. Right to Fair Treatment

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

4.1.2. In pursuance of the above Right, the Bank will

4.1.2.1. Promote good and fair banking practices by setting minimum standards in all dealings with the customers. The minimum standards are described in the Bank's Code of Bank's Commitment to Customers based on the Code set by the Banking Codes and Standards Board of India (BCSBI), an autonomous body that monitors, develops and enforces minimum standards all banks must follow while dealing with clients. The Bank is committed to follow the BCSBI Code of Bank's Commitment to Customers ("the Code"). The key objectives of the Code are –

- To promote good and fair banking practices by setting minimum standards in all dealings with the customers;
- To increase transparency to facilitate a better understanding of what can be reasonably expected from the Bank;
- To encourage market forces, through competition, to achieve higher operating standards;
- To promote a fair and cordial relationship between the customers and the Bank;
- To foster confidence in the banking system.

- The Code is also available in our branches and CSP's and a copy of the same can be provided on request to the customers.
- Promote a fair and equitable relationship between the Bank and the customer;
- Train the Bank's staff and agents, attending to the customers, adequately and appropriately;
- Ensure that staff members and agents attend to customers and their business promptly and courteously;
- Treat all customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, economic status physical ability, etc. The 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. The 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 the Bank wherever required;
- Ensure that the above principle is applied while offering all products and services;
- Ensure that the products and services offered are in accordance with relevant laws and regulations;

4.1.3. Customer service holds paramount importance for the Bank. While it shall be the endeavour of the Bank to provide their customers with hassle free and fair treatment, the Bank would expect their customers to behave courteously and honestly in their dealings with the Bank.

4.1.4. It shall also be the Bank's endeavour to encourage their customers to approach the Bank's internal grievance redressal machinery and approach alternate fora after exhausting all their remedies under the Bank's internal grievance mechanism. The details of the grievance redressal mechanism has been formulated as a part of the 'Customer Grievance Redress Policy'

4.1.5. While offering any new product or service, the Bank shall examine all the guidelines given by the regulatory authorities (such as RBI, IBA, SEBI, etc.) to ensure that the products and services offered are in accordance with the relevant laws and regulations.

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

4.2.1. The Bank shall 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 the Bank, shall be clearly disclosed. The customer shall not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the Bank cannot threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.

4.2.2. In pursuance of the above Right, the Bank will –

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

4.2.2.2. Ensure that the Bank's dealings with the customer rest on ethical principles of equity, integrity and transparency;

4.2.2.3. 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 can be reasonably expected to make an appropriate and informed choice of product or service;

4.2.2.4. 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;

4.2.2.5. 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 shall be ensured that such terms will not inhibit a customer's future choice;

4.2.2.6. Provide information on interest rates, fees and charges either on the Notice Board in the branches, CSP's or website or through help-lines or help-desk and where appropriate, the customer shall be informed directly;

4.2.2.7. Display the tariff Schedule on the Bank's website and a copy of it shall be made available at every branch and CSP for customer's perusal. Also display in branches and CSPs, a notice about the availability of the Tariff Schedule at the branch;

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

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

4.2.2.10. 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 shall notify the change within 30 days of such change. If the change is adverse to the customer,

prior notice of minimum 30 days shall 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;

- 4.2.2.11. Provide information about the penalties leviable in case of nonobservance / breach of any of the terms and conditions governing the product / services chosen by the customer;
- 4.2.2.12. Display in public domain the Banks' Policies on –
- Deposits;
  - Cheque Collection;
  - Grievance Redressal;
  - Compensation
- 4.2.2.13. 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;
- 4.2.2.14. 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 shall be notified on the Bank's website and also in the application of the particular product or service;
- 4.2.2.15. Communicate unambiguously the information about –
- Discontinuation of particular products;
  - Relocation of their offices;
  - Changes in working hours;
  - Change in telephone numbers; □ 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 shall be diligently followed by the Bank. 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;
- 4.2.2.16. 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;
- 4.2.2.17. 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;

- 4.2.2.18. Not terminate a customer relationship without giving reasonable or contractual prior notice to the customer;
- 4.2.2.19. 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, etc.;
- 4.2.2.20. Ensure that all marketing and promotional material is clear and not misleading;
- 4.2.2.21. 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;
- 4.2.2.22. Ensure that the fees and charges on products / services and its structure are not unreasonable to the customer.

### **4.3. Right to Suitability**

- 4.3.1. 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.
- 4.3.2. In pursuance of the above Right, the Bank will –
  - 4.3.2.1. Ensure that it has a Board approved policy for assessing suitability of products for customers prior to sale;
  - 4.3.2.2. 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 shall be appropriately documented in the it's records;
  - 4.3.2.3. 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;
  - 4.3.2.4. Not compel a customer to subscribe to any third party products as a quidpro-quo for any service availed from the Bank;
  - 4.3.2.5. Ensure that the products being sold or service being offered, including third party products, are in accordance with extant rules and regulations;  
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.

#### 4.4. Right to Privacy

4.4.1. Customers' personal information shall be kept confidential unless they have offered specific consent to the Bank or such information is required to be provided under the law or it is provided for a mandated business purpose. The customer shall 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. The details of this have been included as a part of the Bank's 'Customer Privacy Policy'

4.4.2. In pursuance of the above Right, the Bank will –

4.4.2.1. Treat customer's personal information as private and confidential (even when the customer is no longer banking with the Bank), and, as a general rule, not disclose such information to any other individual / institutions including Bank's subsidiaries / associates, tie-up institutions etc. for any purpose unless:

- The customer has authorized such disclosure explicitly in writing;
- Disclosure is compelled by law / regulation;
- Bank has a duty to the public to disclose i.e. in public interest;
- Bank has to protect its interests through disclosure;
- It is for a regulatory mandated business purpose

4.4.2.2. Ensure such likely mandated disclosures be communicated immediately to the customer in writing;

4.4.2.3. Shall not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it;

4.4.2.4. 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. Right to Grievance Redress and Compensation

4.5.1. The customer has a right to hold the Bank accountable for the products offered and to have a clear and easy way to have any valid grievances redressed. The Bank shall also facilitate redress of grievances stemming from its sale of third party products. The Bank 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 'Compensation Policy' and 'Customer Grievance Redress Policy' lays out the rights and duties of the customer when such events occur.

4.5.2. In pursuance of the above Right, the Bank will –

- Deal sympathetically and expeditiously with all things that go wrong;



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- Correct mistakes promptly;
- Cancel any charge that has been applied wrongly and by mistake;
- Compensate the customer for any direct financial loss that might have been incurred by the customer due to its lapses.

4.5.3. The Bank will ensure that its complaint / grievance redressal mechanism covers services offered for third party products as well as activities managed / supported by third party agencies. With reference to complaints on third party products / services, the Bank would render support on best effort basis by taking up the customer's complaint with the third party product / service provider. However, the final outcome of such effort would be dependent on the decision of the third party product / services provider. The details of this have been included in the 'Policy to Distribute Third Party Products and Avoid Mis-Selling'

4.5.4. The Bank will also –

4.5.4.1. Place in public domain its 'Customer Grievance Redress Policy', including the grievance redressal procedure available for the customer;

4.5.4.2. 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;

4.5.4.3. Ensure to have a robust and responsive grievance redressal procedure and clearly indicate the grievance resolution authority who shall be approached by the customer;

4.5.4.4. Make grievance redressal mechanism easily accessible to customers;

4.5.4.5. 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;

4.5.4.6. 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;

4.5.4.7. 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;

4.5.4.8. Place in public domain information about Banking Ombudsman Scheme;

4.5.4.9. Display at customer contact points the name and contact details of the Banking Ombudsman under whose jurisdiction the bank's branch falls.

4.5.5. Further, the Bank will –

4.5.5.1. 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

shall be reckoned after all the necessary information sought from the customer is received;

4.5.5.2. 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;

4.5.6. In addition, the Bank will –

4.5.6.1. 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 shall 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.);

4.5.6.2. 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. Customer's Responsibility**

5.1.1. The Bank is committed to provide excellent customer service to its customers, however, the Bank –

5.1.1.1. Shall not be responsible for any loss to the customer if the customer acts without reasonable care, or acts fraudulently which has resulted in any loss to him / her;

5.1.1.2. Shall not be responsible for any loss arising due to misuse of lost PIN< passbook, cheque book, compromise of passwords, compromise of secured or confidential information, etc. until the time the Bank has been notified and relevant steps to prevent such misuse were duly taken;

5.1.1.3. Shall not be liable for any loss or damage caused by extraneous circumstances which are beyond its reasonable control;

5.1.1.4. Shall expect the customers to behave honestly and courteously in their dealings with the Bank.

## **6. Policy Revision**

6.1.1. The Sales and Marketing division shall be responsible to own, maintain and update this policy.

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6.1.2. Any revisions to the policy may seek inputs from Operations, Sales & Marketing, Risk and Compliance departments of the Bank.

6.1.3. This policy shall undergo an annual review and approval process by the Board. If any change in this policy is subsequently approved, consequent upon any change in regulatory guidelines, market conditions, etc., such changes and approvals shall be deemed to be part of the policy until the policy and framework are comprehensively reviewed. All such interim changes shall be approved by the Board. The reviewed policy should be made available for information of all employees.

## **Annexure I - Glossary**

<b>Term</b>	<b>Description</b>
BCSBI	Banking Codes and Standards Board of India
IPPB	India Post Payments Bank
MITC	Most Important Terms and Conditions
RBI	Reserve Bank of India

## Annexure II - References

Sr. No.	Reference	Description
1	RBI Press Release Press Release : 2014-2015/1142, dated 3rd December, 2014	On 03rd Dec 2014, RBI released a Charter of Customer Rights which enshrines broad, overarching principles for protection of bank customers and enunciates the 'five' basic rights of bank customers
2	Banking Codes and Standards Board of India: Code of Bank's Commitment to Customers	This code sets minimum standards of banking practices member banks have to follow while they deal with individual customers
3	Indian Bank's Association: Model Customer Rights Policy	This draft policy provides a framework for customer rights that may be replicated with suitable amendments by individual banks