



Customer Rights Policy

Bank of Baroda
Customer Services
Head Office
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Customer Rights Policy

Introduction:

Banking is a service industry. The business of bank entirely depends on the customer. If there is no customer, there is no business in banks. With the development in banking and increased competition, customer has become very important. To protect the rights of customer has become an integral aspect of financial services provided by the bank. If customer's rights are protected then only customers can be retained.

Objectives:

The objective of the policy is to enshrine basic rights of the customers of the banks regulated by the Reserve Bank of India. It spells out the rights of the customer and also the responsibilities of the bank.

Scope:

Policy is based on domestic experience and global best practices brought out to enhance customers' protection. 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.

The policy envisages that a customer should be dealt fairly, sympathetically and all the 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. 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.

Customer Rights Policy 2020-21 explains about the rights a customer acquires during an evolving business relationship with the Bank. The policy also characterizes the responsibilities of Bank towards its customers in service delivery.



The policy is based on the guiding principles enlisted in the RBI "Master Circular on Customer Service in Banks" circulated vide RBI/2015-16/59/DBR No.Leg.BC.21/09.07.006/2015-16 dated 1st July 2015 and "Model Customer Rights Policy" formulated by IBA/BCSBI. Accordingly, the policy has been formulated and reviewed periodically from time-to-time.

It covers five basic rights of customer such as:

- ❖ **Right to Fair Treatment,**
- ❖ **Right to Transparency,**
- ❖ **Fair and Honest Dealing,**
- ❖ **Right to Suitability,**
- ❖ **Right to Privacy and Right to Grievance Redress and Compensation.**



Customers' Rights:

Customers' Rights are segregate in five basic rights as under:

1. Right to Fair Treatment

Both the customer and the Bank 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 –

- i) Promote good and fair banking practices by setting minimum standards in all dealings with the customers;
- ii) Promote a fair and equitable relationship between the bank and the customer;
- iii) Train bank staff attending to the customers, adequately and appropriately;
- iv) Ensure that staff members attend to customers and their business promptly and courteously;
- v) Treat all customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, race, marital status, 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.

However, in terms of RBI circular No.: RBI/2017-18/89 DBR.No.Leg.BC.96/09.07.005/ 2017-18 dated 9th November 2017, our Bank has implemented the Door-Step banking service for Senior Citizens of more than 70 years of age and differently abled/infirm persons, including those who are visually impaired subject to certain terms & conditions.

- vi) Ensure that the above principle is applied while offering all products and services;



vii) Ensure that the products and services offered are in accordance with relevant laws and regulations and in line with the banking scenario, including digital banking;

While it shall be the endeavour of the bank to provide our customers with hassle free and fair treatment, bank would expect that customers 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 to other alternate options available, after exhausting all their remedies under bank's internal grievance mechanism.

2. Right to Transparency, Fair and Honest Dealing:

The Bank will 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, will be clearly disclosed. The customer will 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.

In pursuance of the above Right, the bank will -

- i) Ensure complete transparency so that the customer can have a better understanding of what he or she can reasonably / fairly expect from the bank;
- ii) Ensure that the bank's dealings with the customer rest on ethical principles of equality, integrity and transparency;
- iii) 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 educated to make an appropriate and informed choice of product;



- iv) 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;
- v) Make known the key risks associated with the product as well as any features that may especially disadvantage the customer. 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.
- vi) Provide information on interest rates, fees and charges either on the Notice Board in the branches or website or through contact center when contacted by customer.
- vii) Display the tariff Schedule on Bank's website and 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;
- viii) Give details, in Tariff Schedule, of all charges, if any, applicable to the products and services chosen by customer; the requisite link for accessing the same on bank's website is:- <https://www.bankofbaroda.in/service-charges-fees.htm>
- ix) Inform the customer of any change in the terms and conditions through Notice Board at branch, Bank's website, by sending SMS or email, through electronic or print media at least one month prior to the revised terms and conditions becoming effective;
- x) 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 pay the revised charge or interest within 60 days of such notice;
- xi) 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;
- xii) Display on public domain the Banks' Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues and Security Repossession, Customer Rights, Customer Protection Policy (including protection from cyber fraud) to limit liability of customers in respect of



unauthorized electronic banking transactions, Facilities for senior citizens and differently abled persons;

- xiii) 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;
- xiv) 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.
- xv) Communicate unambiguously the information about –
 - a. discontinuation of particular products,
 - b. relocation of Offices
 - c. change 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;

- xvi) 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;
- xvii) 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 with a view to enable the customer to make an informed decision;
- xviii) Not terminate a customer relationship without giving reasonable or contractual prior notice to the customer;
- xix) 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.;
- xx) Ensure that all marketing and promotional materials are clear and not misleading;



- xxi) 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.
- xxii) Ensure that the fees and charges on products/services and its structure are as per prevailing banking norms and specific risk appetite.
- xxiii) Our Bank is a member of the Banking Codes and Standard Board of India (BCSBI) as authorized by the Board of our Bank. Our Bank has adopted both the codes of BCSBI viz. Code of Bank's Commitment to Customers and Code of Bank's Commitment to Micro and Small Enterprises (MSEs).

These are Code of Customer Rights, which sets minimum standards of banking practices we will follow as a member of BCSBI while dealing with individual customers. They provide protection to customers and explain how our bank is required to deal with customers in its day-to-day operations.

The Codes do not replace or supersede regulatory or supervisory instructions of the Reserve Bank of India (RBI) and we will comply with such instructions / directions issued by RBI from time to time. The copy of the Codes of BCSBI are displayed on website of our Bank.

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 -

- i) Ensure that it has a Board approved policy for assessing suitability of products for customers prior to its sale;
- ii) 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 bank's records;
- iii) 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.



- iv) Not compel a customer to subscribe to any third party products as a quid-pro-quo for any service availed from the bank;
- v) Ensure that the products being sold or service being offered, including third party products, are in accordance with extant rules and regulations;
- vi) 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. Right to Privacy

Customers' personal information to 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 (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 -

- i) 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 / statutory bodies;
 - 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
- ii) Ensure such likely mandated disclosures be communicated immediately to the customer in writing
- iii) Shall not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it;
- iv) 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.



5. Right to Grievance Redress and Compensation

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 grievance redressed. The Bank should also facilitate redressal 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 bank 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 –

- 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.

The bank will also –

- a. Place in public domain its Customer Grievance Redressal Policy, including the grievance redressal procedure available for the customer;
- b. 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;
- c. Ensure to have a responsive grievance redressal procedure and clearly indicate the grievance resolution authority who shall be approached by the customer;
- d. Make grievance redressal mechanism easily accessible to customers;
- e. 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;
- f. Display name, address and contact details of the Grievance Redressal Authority/ Nodal Officer at the website. The Time limit for resolution of complaints will also be displayed/accessible on the website.
- g. 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;
- h. Place in public domain information about Banking Ombudsman Scheme;
- i. Display at customer contact points the name and contact details of the Banking Ombudsman under whose jurisdiction the bank's branch falls.



- j. Provide suitable alternative avenues to alleviate problems arising out of technological failures.

Further, the bank will –

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 15 days (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for grievance redressal). The 15 day period will be reckoned after all the necessary information sought from the customer is received. However, complaints relating to Point of Sales (POS)/Card Not Present (CNP) transactions, Master/Visa complaints will be dealt within the prescribed period, including pre-arbitration claims, as per the guidelines of Master Card/Visa/Europay/CUP and Rupay. **In case the Bank requires more time to redress the complaint, Bank will intimate the customer accordingly and an interim response will be sent.**
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;

In addition, the bank will

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.). 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)

Periodicity of Review:

The policy will be valid up to **30.09.2023**. However, the Managing Director and CEO may allow continuation of the policy for a maximum period of six months from due date of review, in case the policy is not reviewed on or before due date. The policy may be reviewed before the validity date if there is any change in the guidelines issued by RBI or the Bank during the operative period.



Appendix

A. List of Acronyms and Definitions

- **MITC:** Most Important Terms and Conditions
- **SMS:** Simplified Messaging Service
- **Email :** Electronic Mail

B. List of references containing gist of regulatory guidelines/circulars pertaining to the policy.

- “Master Circular on Customer Service in Banks” circulated vide RBI/2015-16/59/DBR No.Leg.BC.21/09.07.006/2015-16 dated 1st July 2015 and “Model Customer Rights Policy” formulated by IBA/BCSBI.
- Telecom Commercial Communications Customer Preference Regulations 2010 (National Consumer Preference Registry) issued by Telecom Regulatory Authority of India.

C. Frequently Asked Questions

<u>Sr.</u>	<u>FAQ</u>	<u>Reply</u>
1	Can branch deny a transgender / third gender from opening an account with us?	The policy confers the right to be treated fairly without any discrimination on the grounds of gender, age, religion, caste and physical disability when offering and delivering financial products.
2	Does the policy confer any right to treat Bank uncourteously?	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.
3	Can the MITC/ charges/ tariff be changed without informing the customer?	The customers are required to be informed of any change in terms and conditions through display at website of the Bank or Statement of Account, SMS, email as agreed by the customer. The changes are to be intimated 30 days in advance of such changes.
4	Is it mandatory for the customer to subscribe to such changed tariff or MITC and pay the penalties affected, if any?	No, the customer will be provided an option to close the account or switch to any other eligible scheme without having to pay the revised charges or interest within 60 days of such advance notice with respect to change in charges/ tariff/ MITC.
5	Can the Bank discontinue/ change a product/ existing branch location/ working hours/ contact details or closure any office without information to its customers?	No, an advance notice of 30 days has to be given to its customers. The policy also affirms that disclosure of information is an on-going process throughout the life-cycle of the product/ relationship and will be diligently followed by Bank.
6	Can the Bank use customer information for marketing purpose?	The customers’ personal information is to be kept confidential unless they have specifically authorized for it.

