

MECHANISM FOR DEALING WITH CUSTOMER COMPLAINTS & REDRESSAL

AS APPROVED BY THE BOARD OF DIRECTORS IN THE MEETING HELD ON 24th April 2012.

(Amended on 13-03-2013, 09-07-2013 and reviewed on 15th May-2019,10th August 2021)

EXISTING SYSTEM

At present the Company has a 'Customer Relationship Manager' located in the Head Office who is assisted by another officer. Branches are required to display the contact details to facilitate lodging of complaints by the customers. There are no laid down time norms for responding to complaints. There is also no formal escalation matrix within the Company. Similarly, there is no formal avenue for the complainant (customer) to bring his / her grievance to the notice of responsible senior officials of the Company for early resolution when officials at the lower levels do not respond satisfactorily.

PROPOSED REVISED SYSTEM

In the below mentioned paragraphs the term grievances, complaints & suggestions are used interchangeably.

I) Introduction:

Customers are the life blood of business. There is growing relevance of excellence in customer service to propel growth considering the intense competition where the unorganized sector (money lenders), Banks and NBFCs are going all out to acquire and grow their business. This would include existence of a proper and effective redressal mechanism for customers. The broad principles to be kept in view in framing a customer complaint resolution mechanism are as under.

- Customers must be served with courtesy, respect and understanding at all times. Customers must be treated with fairness - both actual and perceived.
- There is a structured and well publicized mechanism for customers to ventilate grievances.
- Complaints are addressed within a reasonable time frame and to the satisfaction of the customers.
- Strategies are in place improve customer service on a continuous basis to minimize the scope for grievances.
- Employees are sensitized to the importance of customer acquisition and retention.
- Further, as part of excellence in Customer Service the Fair Practices Code in local language shall be suitably displayed in all the offices.

II) Nodal Department for Dealing with Grievances : 2

Designated Authority for Receiving and Responding to Grievances:

i) The Customer Services Cell (CSC) in Head Office will be the nodal point for dealing with customer related grievances. The existing Customer Relationship Manager will be designated as Head of the CSC. The CSC shall be headed by a sufficiently senior officer having the experience, qualities and aptitude for effectively and efficiently dealing with customer complaints. CSC shall report *periodically to a senior official, which must either be a SGM or someone above the post of SGM, to whom power may be delegated through internal circular issued by the company as and when required.*¹

ii) The CSC should be adequately and suitably staffed to facilitate customers to lodge their grievances co-extensive with the working hours of branches. Adequate infrastructure such as telephone lines, PCs, mobile phone etc. should be provided.

iii) The customers will be at liberty to lodge complaints with any senior official of the Company but the recording and action on such complaints shall be the responsibility of the CSC as laid down in this document.

iv) Prompt disposal of grievances needs proper monitoring by senior executives in the organization keeping in view the seriousness of the complaint and value of customer connections. The under mentioned matrix should be observed.

Complaint received by	Immediate action to be taken	Time limit
Line functionaries such as Branch Managers, Area Managers	a) Recipient should inform the nature and gravity of the complaint to the Regional Manager (Operations) who in turn will immediately advise the CSC. b) Recipient will simultaneously take appropriate action to resolve the grievance. c) CSC will track resolution of the grievance.	Immediately but not working later than 3 days date of including receipt complaint.

1 - Amended as per Board resolution dt.09/07/2013

Regional Managers Operations / Audit / Security , Regional Office	<p>a) Recipient should inform nature and gravity of complaint to the concerned Head of the Department in Head Office who in turn will immediately advise the CSC.</p> <p>b) Recipient will simultaneously take appropriate action to resolve the grievance.</p> <p>c) CSC will track resolution of the grievance.</p>	Immediately but not later than 3 working days including date of receipt of complaint.
Customer Services Cell, Head Office	<p>a) Recipient should inform nature and gravity of complaint to the concerned Head of the Department in Head Office.</p> <p>b) CSC will simultaneously take appropriate action to resolve the grievance and track resolution of the grievance.</p> <p>c) The Head of the CSC shall, in critical cases, notify the concerned Head of Department telephonically stressing the urgency.</p>	Immediately but not later than 3 working days including date of receipt of complaint.
Departments / Officials in Head Office	<p>a) All such complaints shall be immediately forwarded to the CSC for action as mentioned above.</p> <p>b) The concerned recipients of the Complaint shall, on their own, take immediate steps to get the complaint resolved and update the CSC on the progress.</p>	Immediately but not later than 2 working days including date of receipt of complaint.

ESCALATION MATRIX FOR UNRESOLVED GRIEVANCES

Complaint received / pending with	Time period including date of receipt of the complaint by the official concerned	Escalation to & by after the time period mentioned
Line Managers	3 working days	To Regional Managers by the
Regional Managers	5 working days	CSC. To Head of the concerned
Customer Services Cell	5 working days	departments in Head Office by the CSC. <i>Senior Official to whom</i>
Departments in Head Office	5 working days	<i>power is delegated through issue of Internal Circular by the CSC.²</i> To Heads of the concerned
Heads of Departments in Head Office	5 working days	departments in Head Office by the CSC. CFO by the CSC
		CSC. ³

The overall responsibility for monitoring the timely escalation shall be with the Head of CSC who must track each complaint individually and take up the issues with the concerned senior officials / Department Heads in Head Office.

All unresolved complaints beyond 20 working days from date of receipt of the complaint from the customer, at any office of the Company, shall be escalated by the CSC through the **Head (Operations) to the CFO for immediate intervention.**⁴

III) Display of Grievance Redressal Avenues at Offices of the Company

- i) Branches and offices should display either on the notice board or by way of prominent sticker / poster the avenues available to the customers / prospective customers for lodging grievances along with the names / designations, postal address, email address and telephone numbers duly updated to facilitate lodging of grievances by customers.
- ii) Branches and offices should introduce “ Complaint Register” for customers to use. The “ Complaint Register” should be periodically scrutinized by the immediate Controller of the branch and also the Auditors during

Audit. In addition the Company should also implement a toll free number and website based facility for customers to lodge their complaints suitably manned.

2, 3, 4 - Amended as per Board resolution dt.09/07/2013

iii) At all offices of the company where business is transacted, the contact details of the Officer in charge of the Regional Office of RBI Thiruvananthapuram shall be exhibited to facilitate as an appeal mechanism if the grievances are not redressed within one month of its receipt.

IV) Time Limits for Acknowledgement and Resolution:

- i) Grievances need to be addressed within a reasonable time otherwise not only will the purpose be lost but the delay itself could become another cause for ‘grievance’ for the customer.

- ii) Prompt acknowledgement is the first step towards resolution and is likely to have an immediate soothing effect on the complainant. Such acknowledgement must preferably state, as far as possible, within what period the grievance will be resolved. Of course, this would depend on the nature of the complaint including availability of adequate details.

- iii) Once receipt of grievance is acknowledged all efforts should be made to have the grievance resolved at the earliest to the full satisfaction of the customer. Accordingly, time norms as under shall be complied with.

Nature of response	Mode of communication	Period within which to be sent	Remarks
Acknowledgement of complaint	<p>a) The same mode through which received. e.g. If complaint is received by email acknowledgement should be sent by email.</p> <p>b) Well drafted & pre-approved format for acknowledgement must only be used.</p> <p>c) Acknowledgement should be sent by the</p>	<p>a) Immediately but not later than 3 working days including date of receipt of complaint.</p> <p>b) When the grievance is immediately resolved not later than the next working day the acknowledgement may be combined with the communication of resolution.</p>	<p>a) If full details to facilitate resolution of complaint is not provided by the complainant the acknowledgement must clearly request him/her to provide the required details.</p> <p>b) If the complaint does not contain the address / telephone number of the complainant reasonable efforts should be made to ascertain the same based on the information available.</p>

	recipient whom the Customer Services Cell must monitor.		c) If despite efforts the details cannot be ascertained the complaint may be shown as pending under specific head and closed after a period of 1 month from receipt of the grievance if there is no other communication.
Resolution of complaint	<p>a) The same mode through which received.</p> <p>b) The communication regarding final resolution should be sent by the Customer Services Cell.</p>	<p>a) At the earliest depending on the nature of the complaint and details available but not later than 30 days from the date of receipt of complaint.</p> <p>b) When the complaint cannot be resolved within the time frame of 30 days due to factors beyond the Company' s control the complainant should be promptly advised.</p>	<p>a) The time line to be observed would apply from the date full details required for resolving the complaint (from the complainant' s side) are available.</p> <p>b) Any complaint pending for final resolution beyond 10 days from date of receipt of complaint must be individually reviewed daily and followed up.</p>

V) Language for Communication

- i) The responses to grievances shall be in the same language as that used by the complainant. For grievances received at the Head Office in local languages assistance of the Regional Offices located in the various states must be sought as and when required to ensure that replies to complaints received are correctly drafted in the appropriate local language.
- ii) Extreme care should be taken to ensure the correct choice of words / clauses in communications with the complainant.

VI) Work Flow Process for Resolution of Grievances

- i) When grievances are received directly by Departments / Offices / Branches other than the CSC the Department / Office/ Branch must inform the CSC immediately sending along with a scanned copy / email of the

complaint and simultaneously arrange to send its responses on the grievance to the CSC to facilitate prompt resolution of the grievance.

ii) CSC shall arrange to take up the complaint with the concerned Departments

/Offices/Branches for their responses as early as possible and observe the escalation matrix mentioned in Para II above.

iii) The written responses to the complainant upon final resolution shall be sent by the CSC only so that the communications are suitably worded.

iv) All Departments in Head Office must designate a senior official to respond to the queries of the CSC.

VII) When is a Grievance treated as resolved?

A grievance can be considered as finally resolved normally only after the customer gives a communication to that effect either in writing or over telephone (to be recorded by the CSC). A letter from the customer must not be insisted upon as it can cause irritation.

VIII) Anonymous, Pseudonymous, Fictitious Grievances

If after preliminary enquiry by the CSC the complaint is found to be anonymous, pseudonymous or fictitious the complaint may be treated as dealt with and closed after a proper study and on the reasoned recommendations of the CSC and approved by the Executive Chairman. A complaint should not be ignored merely because it is fictitious / anonymous.

IX) Fixing Accountability for Grievances: Roles & Responsibilities

Roles and responsibilities of various lead functionaries at various levels in relation to customer service and problem resolution must be clearly laid through an internal circular.

X) Customer Service Initiatives, Fixing Time Norms for Transactions

i) Initiatives for improving customer service must be explored by all Departments continuously based the market developments, nature and frequency of complaints received and identifying the pain points in customer transactions. The CSC must coordinate such initiatives.

ii) A regular customer feedback exercise may be conducted at random or at problem prone branches and suitable corrective steps, if required, be taken.

iii) Steps should be initiated, at the earliest, to put in place TIME NORMS for putting through various types of transactions and display the information in the branches. The approval for time norms may be entrusted to the Customer Service Committee Head Office referred to in Para XII

(ii) below.

XI) Training of Employees, Disciplinary Action

i) A suitable well-structured training program covering all aspects to attain excellence in Customer Service & Delivery should be devised, reviewed and improved upon from time to time based on the need and feedback. All employees at the branches should be well sensitized to customer service so that grievances can be minimized

. ii) Senior Officials especially from the Regional Office / Head Office visiting the branches must emphasize the importance of good customer service.

iv) Employees treating customers in a rude and unbecoming manner should be dealt with swiftly and appropriately.

XII) Periodic review of complaints, Customer Service Committee at Head Office, Internal Audit, Maintenance of Records / Registers

i) Data on grievances must be appropriately classified (e.g. Staff behavior, Misrepresentation, Interest /Charges rates, Refusal to sanction loan, Delivery of damaged ornaments, Poor amenities etc.) Period wise, area region wise, pendency wise, severity wise etc.

ii) Such analysis must be reviewed periodically, say *Weekly*⁵, at Head Office preferably by a Customer Service Committee Head Office that may be appropriately constituted for the purpose.

iii) Measures should be taken to address issues giving rise to frequent or chronic grievances to minimize (or ideally eradicate) complaints of such nature.

iv) Efficiency of resolution of complaints should be measured periodically through a suitable and transparent matrix.

v) The CSC shall be responsible to ensure proper maintenance of records and registers relating to the functioning of the redressal mechanism.

vi) Internal Audit Department shall arrange to verify the compliance of the Grievances Redressal Mechanism at periodical intervals not exceeding 3 months.

XIII) Discretionary financial powers for awarding / payment of compensation to customers

In order to ensure that valuable executive time is not wasted on trivial claims appropriate financial powers with suitable controls may be delegated to select senior officials for payment of compensation and reviewed periodically.

Executive Summary

Summary / highlights of the Customer Grievances Redressal Mechanism.

- i) The Customer Services Cell (CSC) will be the nodal point for customer grievances' redressal. The CSC shall report *periodically to a senior official, which must either be a SGM or someone above the post of SGM, to whom power may be delegated through internal circular issued by the company as and when required.*⁶ It will replace the existing Customer Relationship Manager and will be adequately & suitably staffed.
- ii) All complaints irrespective of by whom and where received will be recorded and tracked by the CSC.
- iii) A matrix to be observed by the various functionaries receiving grievances and for advising; the CSC has been devised along with an escalation matrix for unresolved grievances.

5, 6 - Amended as per Board resolution dt.09/07/2013

- iv) Avenues for registering grievances will be publicized at all the offices and would include Complaint Boxes / Registers, Website Facility, Toll free number.
- v) Time limits for both acknowledgement and resolution of complaints will be observed.
- vi) Other issues such as language of communication, work flow process, dealing with anonymous / fictitious complaints, customer service improvement initiatives, training of employee's etc. have also been covered.
- vii) To speed up disposal of trivial complaints having negligible financial implications suitable delegation of financial powers will be put in place.
- viii) Periodic analysis and review of complaints received will be taken up in a structured manner. A dedicated Customer Service Committee in Head Office will be constituted for the purpose.
