



SBM Bank (India) Ltd

Customer Treatment Policy

Document Review & Approval History:

(All revisions made to this document are listed in chronological order)

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1 Introduction

1.1 Definition

SBM bank is committed to establishing and developing its relationship with customers. The Customer Treatment policy sets out the standards of good banking practices that the bank will observe in dealings with customers and potential customers.

Refer to [Annexure - 1](#) for the relevant RBI sources related to this Policy supplement. Any updates in the relevant RBI circulars with regards to Customer Treatment Policy, would supersede the Policy supplement statements given here and would accordingly need to be incorporated in the next revision to the supplement.

1.2 Context for Customer Treatment Policy

Fair customer treatment through good banking practices is a central tenet to establishing SBM bank as an exemplary financial institution.

Definition of Customers

For the purpose of this Policy, a customer may be defined as a user or a potential user of services and products. So a 'Customer' may include:

- 1 A person or entity that maintains an account and / or has a business relationship with the bank.
- 2 One on whose behalf the account is maintained (i.e. the beneficial owner).
- 3 Beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants, Solicitors, etc., as permitted under the law.
- 4 Any person or entity connected with a financial transaction which can pose significant reputational or other risks to the bank, say, a wire transfer or issue of a high value demand draft as a single transaction.

2. Guiding Principles for Customer Treatment Policy

- 1 The bank should pay due regard to the information needs of its customers and communicate information to them in a way which is clear, fair and not misleading.
- 2 The bank should ensure customers are provided with products and services that perform as expected, and the associated service is of an acceptable standard and as they have been led to expect.
- 3 The bank should have relevant measures in place to ensure security and integrity of customer information.
- 4 Senior Management should instill a culture within SBM bank whereby they understand what the importance of fair treatment of customer means and also ensure the staff can achieve this at all times. The staff should be courteous while interacting with customers across all channels.
- 5 The bank should be sensitive to customer complaints and have in place processes for measuring performance against all customer fairness issues.
- 6 The bank should endeavor to institute leading practices in all customer service and complaint management practices.
- 7 The bank should cultivate respect for social responsibility causes such as environment, health among customers and its staff.
- 8 The bank should conduct periodic customer satisfaction surveys to better understand customer needs and to improve its customer servicing frameworks.
- 9 As part of SBM bank's commitment towards corporate social responsibility, the staff may extend specific CSR initiatives to include customer participation.
- 10 The bank should further ensure that it protects the rights of all customers as laid down in the “SBM-Bank Customer Rights Policy”
 - a. Right to fair treatment,

- b. Right to Transparency, Fair and Honest Dealing
- c. Right to Suitability
- d. Right to Privacy
- e. Right to Grievance Redress and Compensation

3. Roles and Responsibilities

The roles and responsibilities of various stakeholders involved in the Customer Treatment Policy are listed below:

3.1 Board of Directors

Board of Directors of SBM Bank should:

- 1 Ensure that an appropriate Customer Treatment Policy is in place in SBM bank to manage mandatory RBI disclosures.
- 2 Provide the necessary approval for the Customer Treatment Policy.
- 3 Provide management oversight to the aspects related to Customer Treatment.

3.2 Customer Service Committee (CSC)

CSC should:

- 1 Ensure that the Board of Directors is updated with timely information.
- 2 Implement the necessary changes to the Customer Treatment Policy and procedures, with the approval of the Board of Directors to ensure that the current Policy is sound and appropriate.
- 3 Overlook Customer Service as outlined in [Section 4.2.1](#). The Committee should review customer service / customer care aspects in the bank and submit a detailed memorandum in this regard to the Board of Directors, once every six months and initiate prompt corrective action wherever service quality / skill gaps have been noticed.

3.3 Branch Officer

Branch Officer should ensure that:

- 1 Customers are given clear information about SBM bank's products and services.
- 2 Customer accounts comply with the Know Your Customer (KYC), Customer Due Diligence (CDD) norms.
- 3 Accounts are maintained in compliance with the RBI requirements (including inactive, abandoned accounts).
- 4 Customer complaints are handled in a timely and effective manner.

4 Operational Guidelines For Customer Treatment Policy

4.1 Customer Awareness

4.1.1 Products & Services

1. Products and services marketed and sold by SBM bank shall be designed to meet the needs of specific customer segments and shall be targeted accordingly.
2. For existing and prospective customers, SBM bank shall:
 - a. Give clear and appropriate information explaining the different types of products and services available, key features of the products and services, including any fees, charges and / or commissions applicable.
 - b. Ensure customers are aware and educated regarding security of their account information including but not limited to handling passwords, cards, pins and digital transactions.
 - c. Outline information required from the customer to ascertain and keep a good record of their identity.
 - d. Convey different modes in which services and products are offered and how to find out more about them.

3.SBM bank shall make clear that any information provided with respect to products or services shall, unless otherwise specified, be deemed a guideline only designed to assist customers in making their own decisions.

4.SBM bank customer service executives should provide guidance to customers on using its tools and services. SBM bank intends to have online support on its web site and social media sites to treat customers efficiently and swiftly.

5.SBM bank should periodically conduct customer satisfaction surveys and report to appropriate forums to ensure continuous improvement in customer servicing.

SBM bank shall continuously strive to improve basic banking services through product innovation.

4.1.2 Terms and Conditions

1. SBM bank should provide customers relevant terms and conditions in a plain language for all products or services requested. This may be provided in the form of a Customer Acceptance Document
2. SBM Bank should ensure that explanations and clarifications are made available when it uses legal or technical language.
3. SBM bank should inform customers about any changes to terms and conditions through appropriate communications prior to changes being implemented.
4. SBM bank should notify customers of any minimum account balance requirements at the onset of the banker- customer relationship and also the charges payable if the account balance falls below the prescribed minimum.
5. Under normal circumstances, SBM bank should not close a customer's account without giving reasonable written notice (not less than 30 days). However, SBM bank reserves the right to close the account without any notice under the following circumstances:
 - a. Compelled by law to do so;
 - b. Account is used for fraudulent or illegal purposes; and/ or
 - c. Use of threatening or abusive behavior towards an employee.

4.2 Customer Service Governance

Commitment to hassle-free service to the customer at large and the Common Person in particular under the oversight of the Board should be the major responsibility of the Board.

4.2.1 Customer Service Committee of the Board

SBM bank is required to constitute a Customer Service Committee of the Board and include experts and representatives of customers as invitees to enable the bank to formulate policies and assess the compliance thereof internally with a view to strengthening the corporate governance structure in the banking system and also to bring about ongoing improvements in the quality of customer service provided by the bank.

The Customer Service Committee could also address the following:

- 1 Formulation of a Comprehensive Deposits Policy;
- 2 Issues such as the treatment of death of a depositor for operations of his account;
- 3 Product approval process with a view for suitability and appropriateness;
- 4 Annual survey of depositor satisfaction; and
- 5 Triennial audit of such services.

Besides, the Committee could also examine any other issues having a bearing on the quality of customer service rendered.

4.2.1.1 Monitoring the implementation of awards under the Banking Ombudsman Scheme

The Scheme of Banking Ombudsman was introduced with the object of enabling resolution of complaints relating to provision of banking services. After detailed examination of the complaints / grievances of customers of banks, the Banking Ombudsmen issue their awards in respect of individual complaints to redress the grievances. SBM bank should ensure that the Awards of the Banking Ombudsman

are implemented expeditiously and with active involvement of top Management.

To enhance the effectiveness of the Risk Management Committee to carry out its mandate of customer service, SBM should also:

- 1 Place all the awards given by the Banking Ombudsman before the Committee to enable them to address issues of systemic deficiencies existing in the bank if any, brought out by the awards; and
- 2 Place all the awards remaining unimplemented for more than three months with the reasons thereof before the Risk Management Committee to enable the committee to report to the Board such delays in implementation without valid reasons and for initiating necessary remedial action.

4.2.1.2 Board Meeting to Review and Deliberate on Customer Service

SBM bank should review customer service / customer care aspects in the bank and submit a detailed memorandum in this regard to the Board of Directors, once every six months and initiate prompt corrective action wherever service quality / skill gaps have been noticed.

4.2.2 Standing Committee on Customer Service

SBM bank shall have Standing Committee cutting across various departments can serve as the micro level executive committee driving the implementation process and providing relevant feedback while the Customer Service Committee of the Board would oversee and review / modify the initiatives. Thus the two Committees would be mutually reinforcing with one feeding into the other. The Terms of the Reference of the Standing Committee will be approved by Customer Service Committee of the Board.

4.2.3 Branch Level Customer Service Committee

The Branch Level Customer Service Committee is to be formed to meet at least once a month to study complaints/ suggestions, cases of delay; difficulties faced / reported by customers / members of the Committee and evolve ways and means of improving customer service. The Branch Level Service Committees should include at least one

customer, preferably a senior citizen. The branch level committees may also submit quarterly reports giving inputs / suggestions to the Standing Committee on Customer Service thus enabling the Standing Committee to examine them and provide relevant feedback to the Customer Service Committee of the Board for necessary policy / procedural action.

4.2.3 Nodal Officers

SBM bank should have a nodal department / official for customer service in the Corporate Office in Mumbai, with whom the customers with grievances can approach in the first instance and with whom the Banking Ombudsman and RBI can liaise.

4.2.4 Board approved policies on Customer Service

SBM bank have a Board approved Policy for each of the following:

- 1 Comprehensive Deposit Policy
- 2 Cheque Collection Policy
- 3 Customer Compensation Policy
- 4 Customer Grievance Redressal Mechanism Policy/Complaint Handling Policy
- 5 Customer Rights Policy

Refer to the sub policies on the above for further details.

4.2.4.1 Giving publicity to the policies

The bank should ensure that wide publicity is given to the above Policies by placing them on its website and notice boards in the branches. For detailed procedures for publicizing the Policies, SBM bank should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

SBM bank should also place on its website the instructions along with the policies / procedures put in place for giving access of the locker / safe custody articles to the

nominee(s) / survivor(s) / Legal Heir(s) of the deceased locker hirer / depositor of the safe custody articles. Further, a printed copy of the same should also be given to the nominee(s) / survivor(s) / Legal Heir(s) whenever a claim is received from them.

4.2.5 Policy for general management of the branches

SBM bank should have a Board approved Policy for general management of the branches which may include the following aspects:

- 1 Providing infrastructure facilities by branches by bestowing particular attention to providing adequate space, proper furniture, drinking water facilities, with specific emphasis on pensioners, senior citizens, disabled persons, etc.
- 2 Providing entirely separate enquiry counters at their large / bigger branches in addition to a regular reception counter.
- 3 Displaying indicator boards at all the counters in English, Hindi as well as in the relevant regional language. Business posters at semi-urban and rural branches of the bank should also be in the relevant regional languages.
- 4 Posting roving officials to ensure employees' response to customers and for helping out customers in putting in their transactions.
- 5 Providing customers with booklets consisting of all details of service and facilities available at the bank in Hindi, English and the relevant regional languages.
- 6 Use of Hindi and regional languages in transacting business by banks with customers, including communications to customers.
- 7 Reviewing and improving upon the existing security system in branches so as to instill confidence amongst the employees and the public.

- 8 Wearing on person an identification badge displaying photo and name thereon by the employees.
- 9 Periodic change of desk and entrustment of elementary supervisory jobs.
- 10 Training of staff in line with customer service orientation. Training in Technical areas of banking to the staff at delivery points. Adopting innovative ways of training / delivery ranging from job cards to roving faculty to video conferencing.
- 11 Visit by senior officials from Controlling Offices and Head Office to branches at periodical intervals for on the spot study of the quality of service rendered by the branches.
- 12 Rewarding the best branches from customer service point of view by annual awards / running shield.
- 13 Conducting periodic customer surveys and customer service audits to gauge the perception of the customers about the bank and test the effectiveness of the actions taken to improve the same.
- 14 Holding customer relation programs and periodic meetings to interact with different cross sections of customers for identifying action points to upgrade the customer service with customers.
- 15 Clearly establishing a New Product and Services Approval Process which should require approval by the Board especially on issues which compromise the rights of the Common Person.
- 16 Appointing Quality Assurance Officers who will ensure that the intent of the Policy is translated into the content and its eventual translation into proper procedures.

4.3 Customer Servicing Guidelines

4.3.1 Financial Inclusion

4.3.1.1 Basic Savings Bank Deposit Account (BSBDA)

The Bank will offer all its customers Basic Savings Bank Deposit Account' in line with the guidelines laid down from time to time. For detailed procedures on Basic Savings Bank Deposit Account refer the Deposit Policy.

IT-enabled Financial Inclusion

Wherever possible, the Bank will endeavor to increase the banking outreach to the remote corners of the country with affordable infrastructure and low operational costs with the use of appropriate technology.

The Bank would ensure that the solutions developed are:

- Highly secure
- Amenable to audit
- Follow widely accepted open standards to allow inter-operability among the different systems adopted by different banks.

4.3.1.2 Printed Material in Trilingual Form

SBM bank should make available all printed material used by retail customers including account opening forms, passbooks, pay -in-slips, etc., in trilingual form i.e., English, Hindi and the respective Regional Language of the place where the branch is located.

4.3.1.3 Rights of Transgender Persons – Changes in Bank forms/ applications, etc.

Bank will not distinguish services on basis of caste, gender etc. Bank will provide for third gender' in all forms/applications etc. prescribed by the Reserve Bank or the banks themselves, wherein any gender classification is envisaged.

4.3.1.4 Opening / Operation of Deposit Accounts

- **Customer Identification Procedure for Individual Accounts**

SBM bank shall be generally guided by RBI instructions on KYC/ AML for opening of accounts.

- **Saving bank Rules**

The Savings Bank Rules must be annexed as a tear-off portion to the account opening form so that the account holder can retain the rules.

- **Photographs of Depositors**

SBM bank shall obtain and keep on record photographs of all depositors/ account holders in respect of accounts opened by them

- **Minimum balance in savings bank account**

For detailed information on minimum balance refer the Deposit Policy.

- **Levy of Penal Charges on Non-maintenance of Minimum balance in saving bank account**

For detailed information on minimum balance refer the Deposit Policy.

- **Opening of current account**

- i. Keeping in view the importance of credit discipline for reduction in NPA level of banks, the bank, at the time of opening current accounts, insist on a declaration stating that the account holder is not enjoying any credit facility with any other bank. The Bank ensures that specific no objection certificate is obtained from lending bank(s), before opening current account.
- ii. If no reply is received from existing lending banks, after waiting period of a fortnight the account is opened. If a response is received within a fortnight, banks should assess the situation with reference to information provided on the prospective customer by the bank concerned and are not required to solicit a formal no objection, consistent with true freedom to the customer of banks as

well as needed due diligence on the customer by the bank.

- iii. In case of prospective customer is a corporate, enjoying credit facilities from more than one bank, than no-objection certificate is sought from lead bank or concerned banks in case of multiple banking arrangement.

- **Updating Passbook**

- i. Whenever there are large number of entries in the pass-book, paper tokens indicating the date of its receipt and also when it is to be collected shall be issued
- ii. A printed slip requesting the customer to update the pass-book on a regular basis shall be issued if the customer has submitted the passbook after a long time or very large number of transactions are there.

- **Entries in Passbook/ statement of accounts**

SBM bank will give constant attention to ensure entry of correct and legible are present in passbook and statement of accounts.

- **Maintenance of Savings bank passbook**

- i. Branches to accept the passbook and return them against tokens
- ii. Passbook remaining with the branch, passbook shall be held under lock and key overnight and with named officials

- **Providing Monthly statement of Accounts**

- i. SBM bank ensures they adhere to the monthly periodicity while sending statement of accounts.
- ii. The statements of accounts for current account holders may be sent to the depositors in a staggered manner instead of sending by a target date every month. The customers may be informed about staggering of the preparation of these statements.
- iii. Inspecting Officers to carry out sample check of branches to verify the dispatch of statements on time

- **Address/ Telephone Number of the Branch in Pass Books/ Statements of Accounts**

SBM bank to ensure the address/ telephone number of the branch is invariably mentioned in passbooks/statement of accounts

- **Printing of MICR code and IFSC code on passbook / statement of account**

MICR and IFSC code is a pre-requisite for NEFT and RTGS transactions. SBM bank shall make this information available

4.3.2 Service at Counters

4.3.2.1 Banking hours / working days of bank branches

Banking hours/ working days of bank branches. In the larger interest of the public and the trading community, the physical branches of SBM bank should normally function for public transactions at least for 4 hours on week days and working Saturdays (i.e. Saturdays other than second and fourth Saturdays of each month and Sundays), except on days notified as public holidays by the Government under the Negotiable Instruments Act, 1881

Working hours at branches:

Monday to Saturday – 9.30 am to 5.30 pm except on 2nd and 4th Saturday or such other timing as Bank may notify from time to time.

4.3.2.2 Changes in working hours

- i. The bank may fix, after due notice to its customers, whatever business hours are convenient to it i.e., to work in double shifts, to observe weekly holiday on a day other than Sunday or to function on Sundays in addition to the normal working days, subject to observing normal working hours for public transactions.
- ii. Actual hours of operations will vary from branch to branch and will depend upon the customer convenience in each location. Customers will be given at least one month's notice prior to change in branch timings.
- iii. In order to safeguard banks' own interest, a bank closing any of its offices on

a day other than a public holiday, will have to give due and sufficient notice to all the parties concerned who are or are likely to be affected by such closure.

- iv. The banks' branches in rural areas can fix the business hours (i.e. number of hours, as well as timings) and the weekly holidays to suit local requirements. This may, however, be done subject to the guidelines given in the RBI Customer Service circular.

4.3.2.3 Commencement/ Extension of working hours

- i. Commencement of employees' working hours 15 minutes before commencement of business hours will be made operative by banks at branches in metropolitan and urban centres. The banks will take into consideration the recommendation taking into account the provisions of the local Shops and Establishments Act.
- ii. The branch managers and other supervising officials should, however, ensure that the members of the staff are available at their respective counters right from the commencement of banking hours and throughout the prescribed business hours so that there may not be any grounds for customers to make complaints.
- iii. Bank will ensure that no counter remains unattended during the business hours and uninterrupted service is rendered to the customers. Further, the banks should allocate the work in such a way that no Teller counter is closed during the banking hours at their branches.
- iv. All the customers entering the banking hall before the close of business hours should be attended to.

4.3.2.4 Extended business hours for non- cash banking transactions

SBM bank shall extend business hours for banking transactions other than cash, up till one hour before close of the working hours.

The following non-cash transactions should be undertaken by banks during the

extended hours, i.e., up to one hour before the close of working hours:

a) Non-voucher generating transactions

- Issue of pass books/statement of accounts
- Issue of cheque books
- Delivery of term deposit receipts/drafts
- Acceptance of share application forms
- Acceptance of clearing cheques
- Acceptance of bills for collection

b) Voucher generating transactions

- Issue of term deposit receipts
- Acceptance of Cheques for locker rent due
- Issue of travelers cheque
- Issue of gift cheques
- Acceptance of individual cheque for transfer credit

4.3.2.5 Banking facilities to Visually Impaired Persons

SBM bank should ensure that all the banking facilities such as cheque book facility including third party cheques, ATM facility, net banking facility, locker facility, retail loans, credit cards etc., are invariably offered to the visually challenged without any discrimination. For detailed procedures on providing banking facilities to the visually impaired persons, SBM bank should follow the guidelines stated in the Deposit Policy

4.3.2.6 Doorstep Banking Service for Senior Citizens & Differently Abled or Infirm Persons

SBM to provide Doorstep banking to senior citizens of more than 70 years of age and differently abled or Infirm persons

SBM to provide adequate publicity to the availability of these services in their public awareness campaigns. The charges, in this regard, shall also be prominently indicated in brochures and published in their websites.

The service to be provided within distance of 10 KM from the Branch Premises

A process for the same to be prepared and displayed in the website of the bank

4.3.3 Extension of Safe Deposit Locker / Safe Custody Article Facility

SBM bank should follow the RBI guidelines regarding the allotment of Lockers, security aspects relating to Safe Deposit Lockers and customer due diligence for allotment of Lockers. For detailed

procedures on extension of safe deposit locker facility, SBM bank should shall refer the Deposit Policy

4.3.4. Facility of exchange of notes / coins and soiled notes:

SBM bank would follow RBI guidelines and operational instructions on acceptance of small denomination notes, exchange of soiled notes and issue of coins to members of public currency notes and accordingly extend these facilities to its customers at all its branches.

Further, SBM bank shall refer the deposit policy and cash management policy

4.3.5 Transfer of account from one branch to another

Instructions of a customer for transfer of his account to another office should be carried out immediately on receipt of, and in accordance with, his / her instructions. It should be ensured that along with the balance of the account, the relative account opening form, specimen signatures, standing instructions, etc., or the master sheets wherever obtained, are also simultaneously transferred, under advice to the customer.

4.3.6 Fees, Charges and Interest Rates

1. SBM bank should make available to customers the rates of fees and charges, if any, payable in connection with the operation of their account.

2. SBM bank customers shall be informed of published tariffs covering basic account services at the time of account opening and may be subsequently communicated at any time on reasonable request.
3. SBM bank should conspicuously display fees and charges with respect to their products and services in branches and on the SBM bank website. Details of any changes to the rates of those fees and charges should be given in a timely manner to customers.
4. SBM bank should inform customers of the nature and amount of charges debited from their account, including inactive accounts.
5. SBM bank should inform customers of the interest rates applicable to their account. SBM bank will, on request, provide customers with information relative to the manner in which interest is calculated and when it will be charged to their account. These will include the rates applicable and any other applicable fees / charges when the account is overdrawn without prior agreement or exceeds the agreed borrowing limit.
6. SBM bank should ensure that the charges for various types of services are reasonable and are not out of line with the average cost of providing these services. SBM bank should also take care to ensure that customers with low volume of activities are not penalized.

For detailed procedures on bank charges, SBM bank shall refer the deposit policy

4.3.7 Guidance to customers and Disclosure of Information

4.3.7.1 Assistance/guidance to customers

All branches, except very small branches should have “Enquiry” or “May I Help You” counters either exclusively or combined with other duties, located near the entry point of the banking hall

Customer Service Managers to ensure that the “May I Help You” and no counter remains unattended during the business hours and uninterrupted service is rendered

to the customers. Additionally, no Teller counter is closed during the banking hours at their branches.

4.3.7.2 Display of time norms

Time norms for specialized business transactions should be displayed predominantly in the banking hall. Customer Service Managers (CSM's) /Branch Operations Managers will ensure that all the customers entering the banking hall before the close of business hours should be attended to

4.3.7.3 Display of information by banks – Comprehensive Notice Board

A format has been devised by Reserve Bank for display of information relating to interest rates and service charges etc. which would enable the customer to obtain the desired information at a quick glance. The Bank ensures the requisite data is updated and displayed on a timely basis in the given format.

Notice Boards

The Comprehensive notice board in at the branches will be as per the instructions and format mentioned as per the RBI circular.

Booklets/Brochures

The booklets / brochures may be kept in a separate file / folder in the form of 'replaceable pages' so as to facilitate copying and updation. In this connection, banks may also adhere to the following broad guidelines:

- The file / folder may be kept at the customer lobby in the branch or at the 'May I Help You' counter or at a place that is frequented by most of the customers.
- The language requirements (i.e. bilingual in Hindi speaking states and trilingual in other states) may be taken into account.
- While printing the booklets it may be ensured that the font size is minimum Arial 10 so that the customers are able to easily read the same.
- Copies of booklets may be made available to the customers on request.

Website

Details as per RBI circular – Customer Service and shall be made available on bank's website.

Display of information relating to Interest Rates and Service Charges

A format has been devised by Reserve Bank for display of information relating to interest rates and service charges which would enable the customer to obtain the desired information at a quick glance. Additionally, SBM bank shall not charge any foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers. SBM bank shall follow uniform, fair and transparent pricing policy and not discriminate between their customers at home branch and non-home branches. SBM bank is advised to display the information as per the format given on their website.

Display of Timelines for Credit Decision

Bank will clearly delineate the procedure for disposal of loan proposals, with appropriate timelines, and institute a suitable monitoring mechanism for reviewing applications pending beyond the specified period. There should not, however, be any compromise on due diligence requirements. Banks may also make suitable disclosures on the timelines for conveying credit decisions through their websites, notice-boards, product literature, etc

For more detail information on display of information refer the Branch Management Policy

4.3.9 Inactive accounts, abandoned funds and unclaimed demand drafts

In terms of handling inactive accounts, abandoned funds and unclaimed demand drafts, the SBM Bank collates RBI mandated requirements and supersedes the Policy.

For detailed procedures on inactive accounts abandoned funds and SBM bank according to Section 26 of the Banking Regulation Act, 1949 within 30 days after close of each calendar year should submit a return in the prescribed form and

manner to the Reserve Bank of India as at the end of each calendar year (i.e., 31st December) of all accounts in India which have not been operated upon for 10 years.

4.3.9.1 Handling of Inactive Accounts

1. A savings as well as current account should be treated as inoperative / dormant if there are no transactions in the account for over a period of two years.
2. SBM bank should make an annual review of accounts in which there are no operations (i.e., no credit or debit other than crediting of periodic interest or debiting of service charges) for more than one year. The bank may approach the customers and inform them in writing that there has been no operation in their accounts and ascertain the reasons for the same.
3. The amount to the credit of any account which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to the Depositor Education and Awareness Fund, within a period of three months from the expiry of the said period of ten years. The depositor is however entitled to claim from SBM bank his / her deposit or any other unclaimed amount or operate his / her account after the expiry of ten years, even after such amount has been transferred to the Fund. SBM bank would be liable to pay the amount to the depositor / claimant and claim refund of such amount from the Fund.

For detailed procedures on inactive accounts, SBM bank shall refer to the Deposit Policy

4.3.9.2 Display list of Inoperative Accounts

SBM bank should display the list of unclaimed deposits / inoperative accounts which are inactive / inoperative for ten years or more on their respective websites.

The list so displayed on the website

must contain only the names of the account holder(s) and his / her address in respect

of unclaimed deposits / inoperative accounts. In case where the accounts are not in the names of individuals, the names of individuals authorized to operate the accounts should be indicated. For detailed procedures on display of this information, SBM bank should follow the Deposit Policy

4.3.10 Liability for losses

1. SBM bank shall not be liable for any loss caused by circumstances that are beyond SBM bank's reasonable control, including but not limited to:
 - a. Customer negligence leading to theft or fraud;
 - b. Customer inability to access internet banking, or any other application associated with or reliant on internet, at any time, or any failure or delay in providing a service via the internet;
 - c. Customer inability to access telephone or mobile banking, or any other application associated or reliant on telephone or mobile banking, at any time, or any failure or delay in providing a service via telephone or mobile;
 - d. A disruption of services caused by force majeure; and
 - e. Customer inability to access a card or an ATM.
2. SBM bank must ask their customers to mandatorily register for SMS alerts and whenever available for email alerts for electronic banking transactions. The sms alerts shall mandatorily be sent to customers, while email alerts would be sent, wherever registers. The customers must notify the bank / branches of any unauthorized electronic banking transaction at the earliest after the occurrence of such transaction and the longer the time taken to notify the bank, the higher will be the risk of loss to the bank / customer.
1. SBM bank shall follow standard guidelines to inactivate accounts where the customer informs SBM of an unauthorized activity which may potentially lead to losses.

2. Any refunds for transactions executed after the breach has occurred should be made as per terms and conditions for the account.

4.3.11 Settlement of Claims of Deceased person

SBM bank should undertake a comprehensive review of their extant systems and procedures relating to settlement of claims of their deceased constituents with a view to evolving a simplified policy/ procedures for the purpose, with the approval of the Board, taking into account the applicable statutory provisions, foregoing instructions as also the Model Operational Procedure formulated by the IBA. For further details on settlement of claims in case of deceased person SBM bank shall refer the deposit policy

4.3.12 Settlement of Claims in respect of missing persons

SBM bank should follow the following system in case a claim is received from a nominee / legal heirs for settlement of claim in respect of missing persons:

1. The settlement of claims in respect of missing persons would be governed by the provisions of Sections 107 and 108 of the Indian Evidence Act, 1872. As per these, presumption of death of a person can be raised only after a lapse of seven years from the date of his / her being reported missing. As such, the nominee / legal heirs have to raise an express presumption of death of the subscriber under Section 107 / 108 of the Indian Evidence Act before a competent court. If the court presumes that he / she is dead, then the claim in respect of a missing person can be settled on the basis of the same.
2. SBM bank should have a policy which would enable them to settle the claims of a missing person after considering the legal opinion and taking into account the facts and circumstances of each case. Further, keeping in view the imperative need to avoid inconvenience and undue hardship to the common person, the bank should fix a threshold limit, up to which claims in respect of missing persons could be settled without insisting on production of any documentation other than (i) FIR and the non-traceable report issued

by police authorities, and (ii) Letter of indemnity.

For detailed procedures on settlement of such claims, SBM bank refer Deposit Policy

4.3.13 Operation of Accounts by Old & Incapacitated Persons

The bank will extend certain facilities to account holders who are sick/old/incapacitated and who are not willing to open and operate joint accounts (by which the problem could be solved). The cases of sick/old/incapacitated account holders fall into the following categories:

- An account holder who is too ill to sign a cheque/cannot be physically present in the bank to withdraw money from his bank account but can put his/her thumb impression on the cheque/withdrawal form
- An account holder who is not only unable to be physically present in the bank but is also not even able to put his/her thumb impression on the cheque/withdrawal form due to certain physical defect/ incapacity.

4.3.14 Opening of a bank account of a person who cannot sign due to loss of both hands

SBM bank must follow the guidelines of the IBA on the question of opening of a bank account of a person who has lost both his hands and could not sign the cheque / withdrawal form. IBA's opinion is as under:

In terms of the General Clauses Act, the term "Sign" with its grammatical variations and cognate expressions, shall with reference to a person who is unable to write his name, include "mark" with its grammatical variations and cognate expressions. The Supreme Court has held in AIR 1950 – Supreme Court, 265 that there must be physical contact between the person who is to sign and the signature can be by means of a mark. This mark can be placed by the person in any manner. It could be the toe impression, as suggested. It can be by means of mark which anybody can put on behalf of the person who has to sign, the mark being put by an instrument which has had a physical contact with the person who has to sign.

4.3.15 Need for Bank Branches / ATMs to be made accessible to persons with disabilities

SBM bank should take appropriate steps including providing ramps at the entrance of the bank branches so that the persons with disabilities / wheel chair users can enter the bank branches and conduct business without much difficulty.

4.3.16 Cheque Drop Box Facility

SBM bank should ensure that both the drop box facility and the facility for acknowledgement of the cheques at regular collection counters should be available to the customers and no branch should refuse to give an acknowledgement if the customer tenders the cheques at the counters. The customers should not be compelled to drop the cheques in the dropbox.

For detailed procedures on cheque drop facility, SBM bank shall refer the Cheque Collection Policy

4.4 Guidelines for the purpose of opening/ operating bank accounts of Persons with Autism, Cerebral Palsy, Mental Retardation, Mental Illness and Mental Disabilities

The following guidelines would be applicable for the purpose of opening / operating bank accounts of the above persons:

- i. The Mental Health Act, 1987 provides a law relating to the treatment and care of mentally ill persons and to make better provision with respect to their property and affairs. According to the said Act, “mentally ill person” means a person who is in need of treatment by reason of any mental disorder other than mental retardation. Sections 53 and 54 of this Act provide for the appointment of guardians for mentally ill persons and in certain cases, managers in respect of their property. The prescribed appointing authorities are the district courts and collectors of districts under the Mental Health Act, 1987
- ii. The National Trust for Welfare of Persons with Autism, Cerebral Palsy,

Mental Retardation and Multiple Disabilities Act, 1999 provides a law relating to certain specified disabilities. Clause (j) of Section 2 of that Act defines a “person with disability” to mean a person suffering from any of the conditions relating to autism, cerebral palsy, mental retardation or a combination of any two or more of such conditions and includes a person suffering from severe multiple disabilities. This Act empowers a Local Level Committee to appoint a guardian, to a person with disabilities, who shall have the care of the person and property of the disabled person.

- iii. Bank shall take note of the legal position stated above and may rely on and be guided by the orders/certificates issued by the competent authority, under the respective Acts, appointing guardians/managers for the purposes of opening/operating bank accounts. In case of doubt, care may be taken to obtain proper legal advice.

4.5 Remittance

Remittance of Funds for Value ₹ 50,000/- and above

SBM bank should ensure that any remittance of funds by way of demand drafts/mail transfers / telegraphic transfers or any other mode and issue of travellers cheques for value of ₹ 50,000/- and above is effected only by debit to the customer’s account or against cheques or other instruments tendered by the purchaser and not against cash payment . These instructions are extended to retail sale of gold/silver/platinum. In the current scenario, where the integrity of the financial system in general and the banking channels in particular is of paramount importance, breach of these guidelines is a matter of serious regulatory concern in view of the wide ranging ramifications. Any violation of these instructions will be viewed seriously.

4.5.1 Demand Drafts

4.5.1.1 Issue of Demand Drafts

SBM bank shall ensure that demand drafts of ₹ 20,000/- and above are issued invariably with account payee crossing. All superscriptions about validity of the

demand draft should be provided at the top of the draft form. A draft should be uniformly valid for a period of three months and procedure for revalidation after three months should be simplified.

4.5.1.2 Encashment of drafts

SBM Bank shall ensure that drafts drawn on their branches are paid immediately. Payment of draft should not be refused for the only reason that relative advice has not been received.

4.5.1.3 Issue of Duplicate Demand Draft

Duplicate draft, in lieu of lost draft, up to and including ₹ 5,000/- may be issued to the purchaser on the basis of adequate indemnity and without insistence on seeking non payment advice from drawee office irrespective of the legal position obtaining in this regard.

SBM bank shall issue duplicate Demand Draft to the customer within a fortnight from the receipt of such request. Further, for the delay beyond this stipulated period, banks were advised to pay interest at the rate applicable for fixed deposit of corresponding maturity in order to compensate the customer for such delay. The period of fortnight prescribed would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or the beneficiary and would not be applicable in the case of third party endorsements.

4.5.1.4 Remittance through electronic mode

In case of remittance through electronic funds transfer, originating banks should provide the option to the customer to choose between RTGS system and NEFT system at the time of initiation of the funds transfer. The option should be made available to all the customers who may originate remittance either at the branch or through internet or any other means. The funds are to be transferred necessarily through the option chosen by the customer.

4.5.1.5 Providing Positive Confirmation to the Originator

SBM bank shall put in place appropriate mechanism to ensure positive confirmation is sent to the remittance originator confirming the successful credit of funds to the beneficiary's account when funds are transferred through NEFT.

4.5.1.6 Payment of penal interest for delayed credit /refunds of NEFT transactions

SBM bank shall pay penal interest at the current RBI LAF Repo Rate plus two percent for the period of delay / till the date of refund as the case may be to the affected customers, without waiting for claim from customers. SBM bank shall ensure call/ e-mails sent to Customer Facilitation Centres are promptly attended to and sufficient resources are dedicated for the same.

4.5.1.7 National Electronic Funds Transfer (NEFT) – Requirement of Indian Financial System Code (IFSC) in transactions

To facilitate electronic modes of remittance and enhancing customer service at branches for NEFT transactions, SBM bank shall provide customers with necessary assistance in filling out the details as required in the NEFT application form, including ensuring that beneficiary account details etc. are duly filled in.

4.5.1.8 National Electronic Funds Transfer (NEFT) System - Rationalisation of customer charges

Maximum Customer charges that can be levied by the banks for NEFT transactions are as under:

Value Band	Maximum Charges (exclusive of service tax)
Amounts up to ₹10,000/-	₹ 2.50/-

Amounts from ₹ 10,001/- to ₹ 1 lakh	₹ 5/-
Amounts above ₹ 1 lakh up to ₹ 2 lakh	₹ 15/-
Amounts above ₹ 2 lakh	₹ 25/-

4.6 Customer Information and Complaints Handling

4.6.1 Disclosure of Information

The disclosure of information on products and services on websites is an effective channel for reaching out to customers and the public at large. The bank should use various modes of display such as notice boards, websites, booklets and brochures.

For detailed procedures on display of information, SBM bank shall refer the Complaints Handling Policy

4.6.2 Handling of Customer Information

- 1 SBM bank shall treat customer information as strictly private and confidential. SBM bank shall not reveal personal details or details about customer accounts to anyone except when required or allowed under the law or when provided with prior customer permission to do so.
- 2 SBM bank will not press the customers by restricting access to standard services and products upon the condition that customers consent to pass their personal information to any company, including those in the SBM Group.
- 3 SBM bank may be required to disclose information about the customer credit exposure to credit bureaus, and will do so in accordance with RBI laws.
- 4 In addition as required by the RBI Master Circular on Customer Service wherever SBM bank desires to collect any information about the customer for a purpose other

than KYC requirements, it should not form part of the account opening form. Such information may be collected separately, purely on a voluntary basis, after explaining the objectives to the customer and taking his express approval for the specific uses to which such information could be put.

For detailed procedures on handling of customer information, SBM bank shall refer the Complaints Handling Policy.

4.6.3 Complaints Handling

Complaints made by customers will be treated fairly, objectively and within set timelines as per the Complaints Handling Policy (Policy ID 1.11.1_IND).

4.6.4 Switching banks by customers

SBM bank shall ensure that depositors dissatisfied with customer service have the facility to switch banks and thwarting depositors from such switches would invite serious adverse action from the RBI.

4.6.5 Incentives & Penalties for branches based on customer service

SBM bank should ensure that all branches including currency chests provide suitable customer service with regard to exchange of notes and coins. For detailed procedures on Incentives & Penalties for branches, SBM bank should follow the guidelines mandated by the Master Circular on Scheme of Incentives & Penalties for bank branches based on performance in rendering customer service to the members of public.

4.7 Customer Confidentiality Obligations

Wherever bank desire to collect any information about the customer for a purpose other than KYC requirements, it will not form part of the account opening form. Such information may be collected separately, purely on a voluntary basis, after explaining the objectives to the customer and taking his express approval for the specific uses to

which such information could be put. The bankers' obligation to maintain secrecy arises out of the contractual relationship between the banker and customer, and as such no information should be divulged to third parties except under circumstances which are well defined. The following exceptions to the said rule are normally accepted:

- Where disclosure is under compulsion of law
- Where there is duty to the public to disclose
- Where interest of bank requires disclosure and
- Where the disclosure is made with the express or implied consent of the customer.

4.8 Collecting Information from customers for cross-selling purpose

The Bank is aware, that the information provided by the customer for KYC compliance while opening an account is confidential and divulging any details thereof for cross selling or any other purpose would be in breach of customer confidentiality obligations. Banks should treat the information collected from the customer for the purpose of opening of account as confidential and not divulge any details thereof for cross selling or any other purposes. The Bank will ensure that information sought from the customer is relevant to the perceived risk, is not intrusive, and is in conformity with the guidelines issued in this regard. Wherever we decide to collect any information about the customer for a purpose other than KYC requirements, it will not form part of the account opening form. Such information may be collected separately, purely on a voluntary basis, after explaining the objectives to the customer and taking his express approval for the specific uses to which such information could be put.

4.9 Declaration of Holiday under the Negotiable Instruments Act, 1881

The bank will declare holidays, in terms of Section 25 of the Negotiable Instruments Act, 1881, the expression "public holiday" includes Sunday and any other day

declared by the Central Government by notification in the Official Gazette to be a public holiday.

4.10 Business Continuity

SBM bank shall take necessary measures to ensure the continuity of business operations and to minimize recovery time in the case of a disaster (natural or otherwise) or in the event of an emergency as per the SBM Bank's Business Continuity Management Policy (Policy ID 1.3.0_IND). Customers shall be notified in accordance with the BCM communications plan.

If SBM bank plans to close or move a branch, customers will be given advance notice and informed of relevant procedures to ensure business continuity. The customers should also be given advance notice around outage of services such as call center, phone / internet banking, website due to reasons such as technical upgrades and any delays in publishing and delivery of their account statements.

4.11 Miscellaneous

4.11.1 Sunday banking

Sunday banking: In predominantly residential areas the Bank may keep the branches open for business on Sundays by suitably adjusting the holidays. The Bank will ensure that rural branches are open on weekly market day.

4.11.2 Accepting standing instructions of customers

Standing instructions will be accepted on all current and savings bank accounts, including payments on account of taxes, rents, bills, school / college fees, licenses, etc.

4.11.3 Clean Overdrafts for small amounts

Clean overdrafts for small amounts may be permitted at the discretion of branch manager (subject to policy to be framed) to customers whose dealings have been satisfactory.

4.11.4 Rounding off of transactions

All transactions, including payment of interest on deposits/charging of interest on advances, should be rounded off to the nearest rupee i.e., fractions of 50 paise and above shall be rounded off to the next higher rupee and fraction of less than 50 paise shall be ignored. Issue prices of cash certificates should also be rounded off in the same manner. However, banks should ensure that cheques/drafts issued by clients containing fractions of a rupee are not rejected or dishonored by them.

5 Policy Reviews

This Customer Treatment Policy will be reviewed at least once a year or more frequently (if required) by the Customer Service Committee.

6 Policy Amendment Authority

SBM Risk Management Committee must recommend to the Board any changes or amendments to the Policy for their approval. The regulatory guidelines take precedence over the provisions of this policy and the policy will be suitably amended during next review so as to avoid any conflict between the regulatory guideline and the policy.

8 Regulatory Reference

The documents have been referred to while working of the Customer Treatment Policy:

1. Master Circular on Customer Service in Banks (DBR No. Leg. BC. 21 /09.07.006/2015-16) dated July 01, 2016
2. Master Circular - Scheme of Incentives & Penalties for bank branches based on performance in rendering customer service to the members of public (DCM (CC) No. G-4/03.44.01/2018-19 dated July 01, 2018).
3. Banking Codes and Standards

Any updates in the relevant RBI circulars with regards to Customer Treatment Policy would supersede the Policy supplement statements given here and would accordingly need to be incorporated in the next revision to the supplement.