SBM Bank India Ltd

Customer Treatment Policy
Synopsis of Customer Treatment Policy

➢ **Objective:**

To provide fair customer treatment through good banking practices.

➢ **Guiding Principles for Customer Treatment Policy**

1. Ensure to pay due regard to the information needs of its customers and communicate information to them in a clear, fair and not misleading.
2. Ensure customers are provided with products and services that perform as expected and the associated service is of an acceptable standard.
3. To put in place relevant measures to ensure security and integrity of customer information.
4. Senior Management should instill a culture in bank understand importance of fair treatment of customer and ensure staff always achieve this.
5. The staff should be courteous while interacting with customers across all channels.
6. The bank should be sensitive to customer complaints and have in place processes for measuring performance against all customer fairness issues.
7. Bank to institute leading practices in all customer service and complaint management practices.
8. Bank to conduct periodic customer satisfaction surveys to understand customer needs and to improve servicing frameworks.
9. As part of SBM India’s commitment towards CSR, the staff to 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-India Customer Rights Policy” (Annexure-2):
   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

➢ **Customer Servicing Guidelines**

- **Financial Inclusion**

  a. Basic Savings Bank Deposit Account (BSBDA)
  b. Printed Material in Trilingual Form
• **Service at Counters**
  
  a. Banking hours / working days of bank branches
  
  b. Banking facilities to Visually Impaired Persons

• **Extension of Safe Deposit Locker / Safe Custody Article Facility**

• **Facility of exchange of notes / coins and soiled notes:**

Further, SBM India would ensure strict adherence to RBI guidelines / instructions relating to detection and impounding of counterfeit currency notes.

**Policy Review**

The Customer Treatment Policy will be reviewed at least once a year or more frequently (if required) by Risk Management Division. Further, inputs from the India CEO will also be sought at the time of each review.

**Policy Amendment Authority**

SBM Risk Management Committee must recommend to the Board any changes or amendments to the Policy for their approval.
# Table of Contents

1. **INTRODUCTION** ........................................................................................................................................... 4
2. **GUIDING PRINCIPLES FOR CUSTOMER TREATMENT POLICY** ................................................................. 5
3. **ROLES, RESPONSIBILITIES AND AUTHORIZATION LEVELS** ........................................................................... 5-6
4. **OPERATIONAL GUIDELINES FOR CUSTOMER TREATMENT POLICY** ........................................................... 7
5. **POLICY REVIEWS** ............................................................................................................................................. 18
6. **POLICY AMENDMENT AUTHORITY** .................................................................................................................. 19
7. **POLICY AUTHORIZATION** ................................................................................................................................... 19
8. **ANNEXURE 1: RBI Sources** .............................................................................................................................. 19
1 INTRODUCTION

1.1 Definition
SBM India 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.

The India Supplement of the Customer Treatment Policy should be read in conjunction with the Group Customer Treatment Policy (Policy ID 1.11.2).

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.

Also, Group Policy applies where mentioned unless specific guidelines have been included, which will supersede the Group Policy guidelines.

1.2 Context for Customer Treatment Policy
Fair customer treatment through good banking practices is a central tenet to establishing SBM India 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.

For the purpose of this Policy, SBM India refers to India operations of the Group

3 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 India 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 Group 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 India’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-India Customer Rights Policy” (Annexure-2):
   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, RESPONSIBILITIES AND AUTHORIZATION LEVELS

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

#### 3.1 Board of Directors (SBM India)

India Board of Directors should:
1. Ensure that an appropriate Customer Treatment Policy is in place in SBM India to manage mandatory RBI disclosures.
2. Provide the necessary approval for the Customer Treatment Policy India Supplement.
3. Provide management oversight to the aspects related to Customer Treatment.

#### 3.2 Risk Management Committee (RMC) (SBM India)

India Risk Management Committee should:
1. Ensure that the India 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 India Board of Directors and the Group Risk Management Committee, 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 India’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.

3.4 Customer Service Executive Forum
The constitution and functions of the Forum are detailed below:
1. The Forum may be chaired by the Chief Executive and include non-officials as its members to enable an independent feedback on the quality of customer service rendered by the bank.
2. The Forum may be entrusted not only with the task of ensuring timely and effective compliance of the RBI instructions on customer service, but also that of receiving the necessary feedback to determine that the action taken by various departments of the bank is in tune with the spirit and intent of such instructions.
3. The Forum may review the practice and procedures prevalent in the bank and take necessary corrective action, on an ongoing basis as the intent is translated into action only through procedures and practices.
4. A brief report on the performance of the Forum during its tenure indicating, inter alia, the areas reviewed, procedures / practices identified and simplified / introduced may be submitted periodically to the Customer Services Committee of the Board.

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 India shall be designed to meet the needs of specific customer segments and shall be targeted accordingly.
2. For existing and prospective customers, SBM India 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 India 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 India customer service executives should provide guidance to customers on using its tools and services. SBM India intends to have online support on its web site and social media sites to treat customers efficiently and swiftly.

5. SBM India should periodically conduct customer satisfaction surveys and report to appropriate forums to ensure continuous improvement in customer servicing. SBM India shall continuously strive to improve basic banking services through product innovation.

4.1.2 Terms and Conditions

1. SBM India 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 India should ensure that explanations and clarifications are made available when it uses legal or technical language.

3. SBM India should inform customers about any changes to terms and conditions through appropriate communications prior to the changes being implemented.

4. SBM India 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 India should not close a customer’s account without giving reasonable written notice (not less than 30 days). However, SBM India 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 any employee.

4.2 Customer Service Governance

4.2.1 Customer Service Committee

SBM India 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. This has been included in the mandate of the Risk Management committee of the Board.

SBM India should also have established a branch level customer service forum at each of its branches to encourage a formal channel of communication between the customers and the bank at the branch level. The branch level forum meets at least once a month to study complaints / suggestions, cases
of delay; difficulties faced / reported by customers / members of the forum and evolve ways and means of improving customer service.

The branch level customer service forum should have the following responsibilities:
1. The forum shall evaluate feedback on quality of customer service and implementation of commitments;
2. The forum is responsible for ensuring that all regulatory instructions regarding customer service are followed by the bank. To achieve this, the forum would obtain necessary feedback from zonal / regional managers / functional heads;
3. The forum will consider unresolved complaints / grievances referred by functional heads responsible for redressal and provide their advice; and
4. The forum will submit reports on its performance to the Risk Management Committee of the Board on a quarterly basis.

The Customer Service forum 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.

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 India 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 India 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 Customer Service Executive Forum
SBM India should delegate the Customer Servicing responsibilities to the existing Operational Forum at SBM IOPS. This would serve as the micro level executive committee driving the implementation process and providing relevant feedback with reference to Customer Servicing, while the Risk Management Committee of the Board would oversee and review / modify the initiatives. The Forum will be constituted at the India level and will report to the Risk Management committee.

4.2.3 Nodal Officers
SBM India should have a nodal department / official for customer service in the Controlling 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. The Nodal Officer in India is responsible for the implementation of customer service and complaints handling for the entire Indian operations of the bank.

4.2.4 Board approved policies on Customer Service
SBM India should 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
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. The Head of Marketing and Communication should be consulted while publicizing the Policies. For detailed procedures for publicizing the Policies, SBM India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

SBM India 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 India 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)

SBM India should offer a “Basic Savings Bank Deposit Account” in pursuance of instructions contained in circular DBOD.No.Leg.BC.44/09.07.005/2005-06 dated November 11, 2005 on Financial Inclusion. For detailed procedures on Basic Savings Bank Deposit Account, SBM India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

4.3.1.2 Printed Material in Trilingual Form
SBM India 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.

4.3.2 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 India 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

For detailed procedures on Banking hours, SBM India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

4.3.2.2 Banking facilities to Visually Impaired Persons
SBM India 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 India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

The bank reserves the right to decline the request if they think the customer is not fit to bank with them.

4.3.3 Extension of Safe Deposit Locker / Safe Custody Article Facility
SBM India 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 India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

4.3.4 Facility of exchange of notes / coins and soiled notes:
SBM India 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 India would ensure strict adherence to RBI guidelines / instructions relating detection and impounding of counterfeit currency notes.

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.

For detailed procedures on transfer of account, SBM India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

4.3.5 Advertising and Marketing
1. SBM India shall make sure that all advertising and promotional material is clear, fair and not misleading.
2. SBM India shall market and approve credit responsibly, based on the information supplied by the customer, to match their requirements and capabilities and supply them with suitable products, in an attempt to ensure that they do not subscribe to obligations beyond their financial means.
3. SBM India should launch customer education campaigns on a periodic basis to ensure customers understand their rights and are aware of the process of making and resolving a complaint.

4.3.6 Fees, Charges and Interest Rates
1. SBM India should make available to customers the rates of fees and charges, if any, payable in connection with the operation of their account.
2. SBM India 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 India should conspicuously display fees and charges with respect to their products and services in branches and on the SBM India website. Details of any changes to the rates of those fees and charges should be given in a timely manner to customers.
4. SBM India should inform customers of the nature and amount of charges debited from their account, including inactive accounts.
5. SBM India should inform customers of the interest rates applicable to their account. SBM India 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 India 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 India should also take care to ensure that customers with low volume of activities are not penalized.

For detailed procedures on bank charges, SBM India should follow the guidelines mandated by the RBI Master Circular on Customer Service in banks.

4.3.6.1 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. SBM India is advised to display the information as per the format given on their website.

4.3.7 Account Maintenance
1. SBM India shall provide account statements in writing or electronic form on a regular basis, unless customers request otherwise or if this is not appropriate for the type of account (such as an account with a passbook).
2. SBM India may provide additional services and advise for account maintenance from time to time based on customer needs. These services should be in the best interests of the customer, and should be transparent in terms of obligations from the customer and on the bank.
3. SBM India shall provide, as per RBI requirements or customer requests, clear guidelines on bank deposits, cheque collection, etc. as part of account maintenance.
4. SBM India shall, to its best efforts, keep customer information up-to-date. However, it is the prerogative of the customer to keep SBM India informed of any change with respect to any information provided at the time of the opening of the account and which may have an effect on the day-to-day running of the account (e.g. name, address, revenue, and employer).
5. SBM India shall comply with the KYC / AML / CFT Policy and any local laws and regulations.
6. SBM India should offer pass book facility to all its savings bank account holders (individuals) and in case the bank offers the facility of sending statement of account and the customer chooses to get statement of account, the bank must issue monthly statement of accounts. The cost of providing such Pass Book or Statements should not be charged to the customer.
7. SBM India as per RBI requirements should have clear guidelines on bank deposits, cheque collection as part of account maintenance.

4.3.7.1 Securing Electronic Payment Transactions
SBM India should ensure the following with respect to the electronic modes of payment like RTGS, NEFT and IMPS:
1. Customer induced options to be provided for fixing a cap on the value / mode of transactions / beneficiaries. In the event of customer wanting to exceed the cap, an additional authorization may be insisted upon.
2. Consider placing a limit on the number of beneficiaries that may be added in a day per account.
3. A system of alert may be introduced when a beneficiary is added.
4. SBM India may put in place mechanism for velocity check on the number of transactions effected per day / per beneficiary and any suspicious operations should be subjected to alert within the bank and to the customer.
5. Introduction of additional factor of authentication (preferably dynamic in nature) for such payment transactions should be considered.
6. SBM India may consider implementation of digital signature for large value payments for all customers, to start with for RTGS transactions.
7. Consider capturing of Internet Protocol (IP) address as an additional validation check.

4.3.8 Provision of Credit
1. SBM India shall subject any lending to an assessment of the customer’s ability to afford such facility and their willingness to repay. This assessment will include - but will not be limited to credit bureau checks, previous and existing account conduct, purpose of the borrowing, security or collateral provided, credit scoring and financial statements.
2. SBM India shall encourage customers to take independent financial and legal advice. SBM India shall explain to customers the interest calculations, applicable fees or other charges and the manner in which they are to be calculated, terms and conditions applicable to the credit, and the additional interest and costs payable should the account fall into arrears, as well as the benefits and possible additional fees with regard to accelerated payments, and any other material information which SBM India deems to be important in the context of the loan.

4.3.9 Inactive accounts, abandoned funds and unclaimed demand drafts

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

For detailed procedures on inactive accounts abandoned funds and SBM India 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.

For detailed procedures on inactive accounts, SBM India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

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 India 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 India 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 India 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 India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

4.3.9.2 Display list of Inoperative Accounts

SBM India 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 India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

4.3.10 Foreign exchange services and cross-border payments

1. SBM India shall explain to customers, the services, details of the exchange rates and the charges which will apply to foreign exchange services. The rates of the fees or charges will also be displayed in SBM India branches and on the SBM India website.

2. SBM India shall provide details of services for cross-border payments on request. As a minimum, the information shall include:
   a. A basic description of the appropriate services available and the manner in which they can be used;
   b. Information as to when money sent abroad may be expected to arrive; and
   c. Details of the exchange rates, any commission or charges payable to SBM India including a warning where agents’ charges may also be incurred.

3. If money is transferred to customer bank accounts from abroad, SBM India shall inform the customer of the amount received and any charges applicable.

4.3.11 Liability for losses

1. SBM India shall not be liable for any loss caused by circumstances that are beyond SBM India’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 India 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.

4. SBM India shall follow standard guidelines to inactivate accounts where the customer informs SBM of an unauthorized activity which may potentially lead to losses.

5. Any refunds for transactions executed after the breach has occurred should be made as per terms and conditions for the account.
4.3.12 Settlement of Claims of Deceased Constituents
SBM India 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.

4.3.13 Settlement of Claims in respect of missing persons
SBM India 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 Section 107 / 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 India 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 India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

4.3.14 Operation of Accounts by Old & Incapacitated Persons
SBM India should extend the facilities offered to pension account holders to the non-pension account holders also who are sick / old / incapacitated and are not willing to open and operate joint accounts.

For detailed procedures on operation of such accounts, SBM India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

4.3.15 Opening of a bank account of a person who cannot sign due to loss of both hands
SBM India 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.

4.3.16 Need for Bank Branches / ATMs to be made accessible to persons with disabilities
SBM India 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.

4.3.17 Cheque Drop Box Facility
SBM India 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 India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

4.4 Customer Information and Complaints Handling

4.4.1 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 India should follow the guidelines mandated by the RBI Master Circular on Customer Service in Banks.

4.4.2 Handling of Customer Information
1. SBM India shall treat customer information as strictly private and confidential. SBM India 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 India 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 India 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 India 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 India should follow the guidelines mandated by the Master Circular on Customer Service in Banks.

4.4.3 Complaints Handling

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

4.4.4 Switching banks by customers

SBM India 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.

4.4.5 Incentives & Penalties for branches based on customer service

SBM India 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 India 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.

4.5 Business Continuity

SBM India 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 India supplement of the Business Continuity Management Policy (Policy ID 1.3.0_IND). Customers shall be notified in accordance with the BCM communications plan.

If SBM India 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.

5 POLICY REVIEWS

This Customer Treatment Policy will be reviewed at least once a year or more frequently (if required) by Risk Management Division. Further, inputs from the CEO will also be sought at the time of each review.

6 POLICY AMENDMENT AUTHORITY

SBM Risk Management Committee must recommend to the Board any changes or amendments to the Policy for their approval.

7 POLICY AUTHORIZATION
By their signatures below, on behalf of the Board of SBM, the Chief Executive and Head of Risk hereby certify that this Customer Treatment Policy has been drafted to comply with, and is in accordance with, practices at SBM and will be fully adopted and adhered to.

**ANNEXURE 1: RBI Sources**
The below documents have been referred to while working on the India Policy supplement of the Customer Treatment Policy:


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.
1) **INTRODUCTION**

Customer protection is an integral aspect of financial inclusion. The following comprehensive Customer Rights Policy based on domestic experience and global best practices is brought out to enhance such protection.

The Customer Rights Policy enshrines basic rights of the customers of the Indian Operations SBM Bank (Mauritius) Ltd (hereinafter referred to as the “Bank”), regulated by the Reserve Bank of India (RBI). It spells out the rights of the customer and also the responsibilities of the Bank. 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.

2) **Customer Rights – Guiding Principles**

1. **Right to Fair Treatment**

Both the customer and the financial services provider 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, the bank will:

i. Promote good and fair banking practices by setting minimum standards in all dealings with the customers

ii. Ensure that minimum banking facilities of receipt and payment of cash / cheques, etc. at the Bank’s counter

iii. Promote a fair and equitable relationship between the Bank and the customer.

iv. Operate a secure and reliable banking and payment systems

v. Ensure that the bank’s staff members attend to customers and their business promptly and courteously

vi. Train the Bank staff attending to the customers, adequately and appropriately

   a. for providing prompt, efficient and courteous service to the customer

vii. Treat all customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, physical ability, etc.. The Bank may, however, have special schemes or products which are specifically designed for members of a target market group or may use defensible, commercially acceptable economic rationale for customer differentiation. The Bank may also have schemes or products as part of an affirmative action such as for women or backward classes. Such schemes / products will not tantamount to unfair discrimination. The rationale for such special schemes or terms will be explained by the Bank wherever required;

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

ix. Ensure that the products and services offered are in accordance with relevant laws and regulations;
While it shall be the endeavor of the Bank to provide its customers with hassle free and fair treatment, it would expect its customers to behave courteously and honestly in their dealings with the Bank.

It shall also be the Bank’s endeavour to encourage its customers to approach its internal grievance redressal machinery and approach alternate fora after exhausting all their remedies under the Bank’s internal grievance redress mechanism.

2. Right to Transparency, Fair and Honest Dealing

The financial services provider should 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 the use over the product’s life cycle and the responsibilities of the customer and financial service provider, should be clearly disclosed. The customer should not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the financial services provider 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 equity, 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 expected to make an appropriate and informed choice of product;

iv) ensure that the Bank’s advertising and promotional literature is clear and not misleading

v) 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;

vi) Make known the key risks associated with the product as well as any features that may especially disadvantage the customer to him/her. Most Important Terms and Conditions (MITC) associated with the product or service will be clearly brought to the notice of the customer while offering the product. In general, it will be ensured that such terms will not inhibit a customer’s future choice.

vii) Provide information on interest rates, fees and charges either on the Notice Board in the branches or website or through help-lines or help-desk and where appropriate the customer will be informed directly;
viii) Display the tariff Schedule on the website and a copy of it will be made available at every branch for customer’s perusal. Also display in its branches a notice about the availability of the Tariff Schedule at the branch;

ix) Give details, in the Bank’s Tariff Schedule, of all charges, if any, applicable to the products and services chosen by customer;

x) Inform the customer of any change in the terms and conditions through a letter or Statement of Account, in bank’s notice board as agreed by the customer reasonably prior to the revised terms and conditions becoming effective;

xi) Ensure that such changes are made only with prospective effect after giving reasonable notice in notice board. If the Bank has made any change without giving such notice which is favorable to the customer, it will notify the change within reasonable period of such change.

xii) 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;

xiii) Display on public domain the Bank’s Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues and Security Repossession;

xiv) 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;

xv) 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.

xvi) Communicate unambiguously the information about –

a. discontinuation of particular products,

b. relocation of their offices

c. changes in working hours

d. change in telephone numbers

e. closure of any office or branch

- with advance notice of reasonable period.

The Bank 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 it. It shall 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;

xvii) Ensure that the Bank’s staff members shall, when approached by the customer for availing a product or service, provide all relevant information related to the product / service and also provide direction to informational resources on similar products available in the market with a view to enable the customer to make an informed decision;

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) Not threaten the customer with physical harm, exert influence or engage in behaviour that would reasonably be construed as unwarranted harassment. Ensure adherence only to the normal appropriate business practices.

xxi) Ensure that the fees and charges on products/services and its structure are not unreasonable to the customer

3. Right to Suitability & Appropriateness

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) 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 it’s records

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

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

iv) Ensure that the products being sold or service being offered, including third party products, are in accordance with extant policies.
vi) Inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by THE BANK to enable them to determine the suitability of the product to the customer.

4. Right to Protection & Personal Information:

Customers’ personal information should be kept confidential unless they have offered specific consent to the financial services provider 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, the Bank will -

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

   a. The customer has authorized such disclosure explicitly in writing. In case the Bank receives a request for a banker’s reference about the customer, it will be given only after obtaining the customer’s written permission for the same.

   b. Disclosure is compelled by law / regulation;

   c. The bank has a duty to the public to disclose i.e. in public interest

   d. The Bank has to protect its interests through disclosure

   e. It is for a regulatorily 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, wherever bank is under such obligation.

iii) Not use or share customer’s personal information for marketing purpose, unless the customer has specifically authorized it;

5. Right to Grievance Redress and Compensation

The customer has a right to hold the financial services provider accountable for the products offered and to have a clear and easy way to have any valid grievances redressed. The provider should also facilitate redress of grievances stemming from its sale of third-party products. The financial services provider must communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or
delays in performance, whether caused by the provider or otherwise. The policy must lay out the rights and duties of the customer when such events occur.

In pursuance of the above Right, the 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 –

i) Place in public domain its Customer Grievance Redressal Policy, including the grievance redressal procedure available for the customer;

ii) Place in public domain the compensation policy for delays / lapses in conducting / settling customer transactions within the stipulated time and in accordance with the agreed terms of contract;

iii) Ensure to have a robust and responsive grievance redressal procedure and clearly indicate the grievance resolution authority that shall be approached by the customer;

iv) Make grievance redressal mechanism easily accessible to customers;

v) Display name, address and contact details of the Grievance Redressal Authority / Nodal Officer. The time limit for resolution of complaints will be clearly displayed / accessible at all service delivery locations;

vi) 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;

vii) Place in public domain information about Banking Ombudsman Scheme;

viii) Display at customer contact points the name and contact details of the Banking Ombudsman under whose jurisdiction the Bank’s branch falls.

Further, the bank will -

i) Acknowledge all formal complaints (including complaints lodged through electronic means) within three working days and work to resolve it within a reasonable period, (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for grievance redressal).
The reasonable period will be reckoned after all the necessary information sought from the customer is received;

ii) Provide aggrieved customers with the details of the Banking Ombudsman Scheme for resolution of a complaint if the customer is not satisfied with the resolution of a dispute, or with the outcome of a dispute handling process;

In addition, the Bank will
a) 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.).
b) Ensure that 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)