



LAKSHMI VILAS BANK

Operations Department

Policy on Customer Service and Grievance
Redressal Mechanism



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POLICY ON CUSTOMER SERVICE AND GRIEVANCE REDRESSAL MECHANISM

In the present scenario of competitive banking excellence customer service is the most important tool for sustained business growth. Customer complaints are part of the business life of any corporate entity. Banks continue to provide an increasing number of financial services and products; hence they face the challenge of integrating these disparate systems into a coherent and efficient infrastructure, while delivering the highest level of customer service and convenience without exposing their customers to the Bank's internal / external issues/problems.

With the opening up of the economy, customer satisfaction has acquired new meaning and different dimensions. Moreover, the customer preferences are changing at a rapid pace and their service level expectations are increasing. In order to cater to the changing preferences and to survive in the midst of intense competition, banks are bound to provide suitable level of services as per the customer needs.

Customer complaints are part of the business life of any corporate entity. This is more so in Banks because Banks are service organizations. As a service organization, customer service and customer satisfaction are the prime concern of any Bank.

Our Bank believes that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. This policy document aims at minimizing instances of customer complaints and grievances through proper service delivery and review mechanism and to ensure prompt redressal of customer complaints and grievances. The review mechanism helps in identifying shortcomings in product features and service delivery, since customer dissatisfaction would spoil Bank's name and image.

The Bank's policy on grievance redressal follows the under noted principles.

- ⌘ Customers are to be treated fairly at all times
- ⌘ Complaints raised by customers are dealt with courtesy and on time.
- ⌘ Customers are to be fully informed of procedure and process to escalate their complaints/grievances within the organization and their rights to alternate remedy, if they are not fully satisfied with the response of the Bank to their complaints.
- ⌘ Bank will treat all complaints efficiently and fairly as they can damage the Bank's reputation and business, if handled otherwise.
- ⌘ The Bank employees will work in good faith and without prejudice to the interests of the customer.

In order to make Bank's redressal mechanism more meaningful and effective, a structured system needs to be built up towards this end. Such system would ensure that the redressal sought is just and fair and is permissible within the given frame-work of rules and regulation. The policy document would be made available at all branches. All employees will be made aware about the Complaint handling process.

1. The customer complaint arises due to:

- a. The attitudinal aspects in dealing with customers
- b. Inadequacy of the functions/arrangements made available to the customers or gaps in standards of services expected and rendered.

Customers' needs are basically,

- Speed
- Timeliness
- Accuracy
- Courtesy
- Concern

The customers are having full right to register their complaint, if they are not satisfied with the services provided by the Bank. they can give their complaint in writing, orally or over telephone. If the complaints are not resolved within given time or if they are not satisfied with the solution provided by the Bank, they can approach the Banking ombudsman with their complaint or other legal avenues available for grievance redressal.

2. Internal Machinery to handle Customer complaints/ grievances

- a) **Registration of complaints:** A customer, if not, satisfied with the services of the branch or has a grievance can lodge a complaint at the branch by giving a written letter to the branch manager/officer and obtain the acknowledgement. Alternatively, customers can drop their complaint/feedback in the boxes made available at the branch.

Customers can also write to the respective Nodal Officer at their regional office / Principal Nodal Officer at Corporate Office, as provided on the Bank's website, in case they are not satisfied with the resolution provided by the branch.

In order to facilitate and early resolution of complaints received through various forums, an in-house LVBNET tool has been developed and launched to all branches / offices, which will help to track and resolve complaints easily. Also an Online Complaint uploading / tracking facility has been given in our website for customers

b) Resolution of Grievances

Branch Manager is responsible for the resolution of complaints/grievances in respect of customer's service by the branch. He/She would be responsible for ensuring closure of all complaints received at the branches. It is his/her foremost duty to see that the complaint should be resolved fully to the customer's satisfaction and if the customer is not satisfied, then the customer should be provided with alternate avenues to escalate the issue. If the branch manager feels that it is not possible at his/her level to solve the problem he/she has to refer the case to Regional Office for guidance. Similarly, if Regional office finds that they are not able to solve the problem such cases may be referred to the Nodal Officer/Principal Nodal Officer.

c) Nodal Officer and other designated officials to handle complaints and grievances

Bank would appoint a Principal Nodal Officer of the rank of General Manager (or its equivalent), who will be responsible for the implementation of customer service and complaint handling for the entire Bank. The Bank may also appoint *Nodal Officers* at specified centres to handle complaint grievances in respect of branches following under their control. The name and contact details of Principal Nodal Officer / Nodal officer (s) will be displayed on branch notice boards/website. In addition to that the bank has appointed a "Chief Customer Service Officer" (also known as Internal Ombudsman) to improve the Internal Grievance Redressal Mechanism and also to ensure the minimum number of cases gets escalated to the Banking Ombudsman and the Scheme is utilized only as an appellate mechanism.

d) Guidelines at branch level

- Ensure proper customer service, so that complaints do not arise.
- Complaints received from customer orally / written should be attended by branch manager and it should be recorded in the complaint register.
- Complaints at counter should be addressed through personal discussion/email/phone etc. by the fastest mode.
- Complaints not settled at branch level, should be immediately taken up with next nodal point by the branch itself, keeping the customer informed of the same.
- Acknowledgement should be given to the complainant within 24 hours.
- Branch should cooperate at any point of time if RO / CO need information regarding the complaints.
- Once the complaint is redressed, it should be intimated to the complainant within 24 hours.

3. Time frame/Escalation Matrix

Complaint has to be seen in the right perspective because they indirectly reveal a weak link in the working of the Bank. Complaint received should be analyzed from all possible angles. Specific time schedule has been set up for handling complaints and disposing them at all levels including Branches, Regional and Corporate office. Branch manager should try to resolve the complaint within specified time frames, decided by the Bank.

All complaints are redressed within a maximum period of one month by the bank.

However escalation matrix for redressal of each complaint is prescribed at different levels in the organization. The matrix prescribes the time period for unresolved complaints / grievances not redressed to customer satisfaction to be escalated by customers to higher authorities. The escalation matrix for customer complaints is given below:

Lodging / Escalation	Days available for redressal
Branch	12 Days
Regional Office	8 Days
Corporate Office	10 Days

The complaint lodged by the customer, if not received by the branch directly, is first assigned to the branch for redressal. The customer may, if the complaint is not redressed within 12 days or not happy with the redressal by the branch may escalate the complaint to respective regional office on the 13th day of the first lodging of the complaint. If the complaint is not redressed within the next 8 days (20th day from first day) by the regional office, the customer may escalate the complaint for redressal to the Corporate Office. The complaint will invariably be redressed within a maximum period of one month.

Time-Schedule for resolving the complaint:

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Complaints due to	Received from	Period for redressal
1. Deficiency in normal banking service	Directly from public	30 days from the date of receipt
	Government of India/ Reserve Bank of India/other forums	15 days from the date of receipt
2. Deficiency in normal banking service, which	Directly from public	Normally within 30 days from the date of receipt in the cases requiring detailed

may result in monetary loss to the customers, subject to policy guidelines as per Compensation Policy.		investigation by branch or external agency, the settlement period may go beyond 30 days but within 6 weeks.
	Government of India/ Reserve Bank of India/other forums	Normally within 15 days from the date of receipt in the cases requiring detailed investigation by branch or external agency, the settlement period may go beyond 15 days but within 30 days.
3. Deny/Non-granting of credit facilities/other services	Directly from public	30 days from the date of receipt
	Government of India/ Reserve Bank of India/other forums	15 days from the date of receipt
4. Staff attitude/behavior	Directly from public	30 days from the date of receipt
	Government of India/ Reserve Bank of India/other forums	15 days from the date of receipt
5. Other matters	Directly from Public or through GOI/RBI/other forums	No time limit stipulated. However, the complaint will be acknowledged / resolved as indicated above.

4. Forums to review customer grievances and enhance the quality of customer service:

4.1 Branch level customer service committee:

The Bank has constituted the branch level customer service committee at monthly intervals. The committee would preferably also have a senior citizen customer/s as invitee. It acts as a forum to enable customers meet and interact with the branch officials to improve customer service level:

- Collect customer feedback on services provided by the Bank
- Enable branch officials to get first hand feel of requirements / demands
- Reduce information gap between customers and Bank
- Most importantly build trust amongst customers

4.2 Standing Committee on Customer Service

- The Standing Committee on Customer Service will be chaired by the Managing Director/ Presidents of the Bank with senior executives of the Bank as members. The committee would also have customer/s as invitee. The committee would have the following functions.
- The committee would also review comments/feed-back on customer service and implementation of commitments in the Code of Bank's Commitments to Customers received from BCSBI.
- The Committee would be responsible to ensure that all regulatory instructions regarding customer service are being followed by the Bank. Towards this, the committee would obtain necessary feed-back from regional heads/functional heads.
- The committee also would consider unresolved complaints/grievances referred to it by functional heads responsible for redressal and offer their advice/views.
- The committee would submit report on its performance to the customer service committee of the board at half-yearly intervals.

4.3 Customer Service Committee of the Board

This sub-committee of the Board would be responsible for formulation of a Comprehensive Deposit Policy incorporating the issues such as the treatment of death of a depositor for operations of the account, the product approval process and the annual survey of depositor satisfaction and the triennial audit of such services. The committee would also have customer/s as invitee/s. The Committee would also examine any other issues having a bearing on the quality of customer service rendered. This Committee would also review the functioning of Standing Committee on Customer Service.

5. Interaction with customers

The Bank recognizes that customer's expectation/requirement/grievances can be better appreciated and resolved through personal interaction with customers by Bank's staff. Structured customer service committee meets, once in a month will give a message to the customers that the Bank cares for them and values their feed back/suggestions for improvement in customer service. Many of the complaints arise on account of lack of awareness among customers about Bank's services and such interactions will help the customers appreciate Banking services better. As for the Bank the feedback from customers would be valuable input for revising the products and services to meet customer requirements.

The following are the tools adopted to achieve customer satisfaction and to avert any complaints/issues with the customers, by the frontline staff/team:

- Attitude
- Politeness
- Listening
- Promptness
- Knowledge
- Communication
- Customer education

6. Sensitizing operating staff on handling complaints

Staff has to be properly trained for handling complaints by the branch heads. The Bank is dealing with people and hence difference of opinion and areas of friction can arise. With an open mind and a smile on the face the Staff should be able to win the customer's confidence. Imparting soft skills required to handle irate, agitated customers - will be an integral part of the role of the staff at counter. It would be the responsibility of the Nodal Officer to ensure that internal machinery for handling complaints/grievances operates smoothly and efficiently at all levels.

The following general guidelines need to be followed, at all levels, for prompt redressal of complaints and to improve customer service levels.

General Guidelines

- All branches and Regional offices should ensure the entry of receipt of complaint in the system / complaint register and closing it, once resolved.
- However, register of complaints to be maintained. Such entry should be made within 24 hours.
- Name of the nodal officer at branch / RO / CO should be displayed at a prominent place in branch premises, along with information on Banking Ombudsman.
- If complaints are received simultaneously at more than one nodal point, the lowest level should initiate the redressal procedure and all the three levels will register the complaints with their system / register.

- During the customer service committee meeting held every month at the branches, the complaints position should be discussed without fail, to enhance the level of customer service by avoiding the bottlenecks in the system.

7. Modifications to the Policy:

The alterations/ modifications made to the policy will be made known to the customer through website.

