



Indian Overseas Bank
Customer Rights Policy

This policy has been framed adhering to the directives of the Reserve Bank of India (RBI) and the Indian Banks' Association (IBA)

Preamble:

Bank being a service industry, it is our endeavor to extend proper attention to customer service. Bank is committed to being Receptive, Responsive and Responsible, which are the guiding principles. Protecting the Rights of Customers is an integral aspect of the services provided by the Bank.

Objectives:

The objective of the policy is to ensure basic rights of the customers. It attempts to spell out the rights of the customer as also the responsibilities of the Bank.

Scope:

Policy is based on domestic experience and global best practices brought out to enhance customer protection. The policy applies to all products and services offered by the Bank or its agents, whether provided across the counter, over phone, by post, through interactive electronic devices, on internet or by any other service delivery channel. **It covers five basic rights of customer which are:**

1. Right to Fair Treatment,
2. Right to Transparency Fair and Honest Dealing,
3. Right to Suitability,
4. Right to Privacy and
5. Right to Grievance Redressal and Compensation.

1. Right to Fair treatment

"Both the customer and the bank have the right to be treated with courtesy. The customer should not be unfairly discriminated against on grounds such as gender, age, religion, caste and physical ability when offering and delivering financial products."

In pursuance of the above Right, Bank will –

- i. Promote good and fair Banking practices by setting the minimum standards in all dealings with the customers;
- ii. Promote a fair and equitable relationship between the Bank and the customer;
- iii. Train Bank staff adequately and appropriately;
- iv. Ensure that staff members attend to customers and their business promptly and courteously;
- v. Treat all customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, economic status physical ability, etc. Bank however may have special schemes or products, that are specifically designed for members of a target market group or may use defensible, commercially acceptable economic rationale for customer differentiation.





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Bank may also have schemes or products aimed at affirmative action for the benefit of a section of the populace, such as women or backward classes as well as super senior citizens. Such schemes / products will not tantamount to unfair discrimination. The rationale for such special schemes or terms will be explained by Bank wherever required;

- vi. Implement the above principle while offering all products and services;
- vii. Ensure that the products and services offered are in accordance with relevant laws and regulations.
- viii. Ensure to enhance customer awareness related to marginalized customers, financially illiterate and semi-illiterate sections of the society. while creating awareness on the rights available to them, we can make available the pictorial presentation of basic rights contained in the code of Bank's commitment to customers.
- ix. Create awareness through FLC's (Financial Literacy Centers), RSETI (Rural Self Employment Training Institute), SHG's, social media etc. for all sectors in educating their rights through Financial Inclusion Department.
- x. Promote Safe and Fair customer dealing in case of banking in a digital environment.
- xi. For senior citizens, more than 70 years of age, and differently abled or infirm persons (having medically certified chronic illness or disability) including those who are visually impaired, concerted efforts will be made to provide door step banking for basic banking facilities, such as pick up of cash and instruments against receipt, delivery of demand drafts, submission of KYC documents and Life Certificate at the premises/ residence of such customers.

While it shall be the endeavor of the Bank to provide their customers with hassle free service and fair treatment, Bank would expect courtesy and honesty from the customers when dealing with the Bank.

It shall also be the bank's endeavor to encourage their customers to approach the bank's Internal redressal machinery and approach alternate for a, after exhausting all their remedies under bank's internal grievance mechanism.

2. Right to Transparency, Fair and Honest Dealing

"The Bank will make every effort to ensure that the contracts or agreements it frames are transparent, easily understood by and well communicated to, the common person. The product's price, the associated risks, the terms and conditions that govern use over the product's life cycle and the responsibilities of the customer and the Bank, shall be clearly disclosed. The customer shall not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the Bank will not exert undue influence, engage in blatant harassment or threaten the customer with physical harm.





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In pursuance of the above Right, the Bank will -

- i. Ensure transparency so that the customer gets 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. Aim to 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 reasonably be able to make appropriate and informed choice of product;
- iv. Ensure that all terms and conditions are fair and set out the respective rights, liabilities and obligations clearly and as far as possible in plain and simple language;
- v. Make known the key risks associated with the product as well as any features that may especially disadvantageous to the customer. While offering the product, Most Important Terms and Conditions (MITC) associated with the product or service will be made transparent to the customer.
- vi. Provide information on interest rates, fees and charges through appropriate medium such as the Notice Board in the branches, website, help-lines/help- desk and, where appropriate, directly to the customer;
- vii. Display the tariff Schedule on bank's website and a copy will be made available at every branch for customer's perusal. Also Bank will display in its branches a notice about the availability of the copy of the Tariff Schedule at the branch;
- viii. Give details, in their Tariff Schedule, of all charges, if any, applicable to the products and services chosen by customer;
- ix. Aim to Inform the customer of any change in the terms and conditions through Statement of Account, SMS, email or through any other appropriate mode, with prior notice to the revised terms and conditions becoming effective;
- x. Ensure that such changes are made only with prospective effect after giving notice of one month. If the bank has made any change without giving such notice which is favorable to the customer, it will notify the change within 30 days of such change. If the change is adverse to the customer, prior notice of minimum 30 days will be provided and the customer may be provided options, to close the account or switch to any other eligible account without having to pay the revised charge or interest within 60 days of such notice;
- xi. Provide information about the penalties in case of non-observance / breach of any of the terms and conditions governing the product / services chosen by the customer;
- xii. Display on public domain the Banks' Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues and Security Repossession;
- xiii. Make every effort to ensure that staff dealing in a particular product is trained to





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- provide relevant information to customers fully, correctly and honestly;
- xiv.** Ensure to Communicate to the applicant within a reasonable time period, as decided by the Bank, about the acceptance / non-acceptance of applications submitted for availing a product / service and convey in writing the reasons for not accepting / declining the application. Such period will be notified in the Bank's website and also in the application of the particular product or service
- xv.** Communicate unambiguously the information about -
 - a. discontinuation of products,
 - b. relocation of offices
 - c. changes in working hours
 - d. change in telephone numbers
 - e. closure of any office or branch
- with advance notice of at least 30 days. Also affirms that disclosure of information is an on-going process through the life-cycle of the product/relationship and will be diligently followed by bank. Ensure to use all possible channels of communication including web-site, to ensure that information on all changes are made known to the customer upfront.
- xvi.** Advise the customer at the time of selling the product of the rights and obligations embedded in law and/or Banking regulation including the need to report to the Bank any critical incidents that the customer suspect, discover or encounter;
- xvii.** The Bank's staff members shall, when approached by the customer for availing a product or service, provide all relevant information related to the product / service, 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 and financial relationship by providing regular inputs in the Bank's realms such as account statements/passbooks, SMS alerts, timely information about the term deposits maturity etc.
- xx.** Ensure that all marketing and promotional material is clear and not misleading;
- xxi.** Not threaten the customer with physical harm, exert influence or engage in behavior that would reasonably be construed as unwarranted harassment. Ensure adherence only to the normal appropriate business practices.
- xxii.** Ensure that the fees and charges on products/services and its structure are reasonable.
- xxiii.** Ensure that our advertisements will also include any relevant messages which require to be conveyed for enhancing awareness against unscrupulous / fictitious offers.





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3. Right to Suitability

"The products offered should be appropriate to the needs of the customer and based on an assessment of the customer's financial circumstances and understanding."

In pursuance of the above Right, the Bank will –

- i. Ensure that it has a Board Approved Policy for assessing suitability of products for customers prior to sale.
- ii. Endeavour to make sure that the product or service sold or offered is appropriate to the customer's needs and not inappropriate to the customer's financial standing and understanding based on the assessment made by it. Such assessment will be appropriately documented in the it's records.
- iii. Sell third party products only if it is authorized to do so, and only after putting in place a Board Approved policy for marketing and distributing third party financial products;
- iv. Not compel a customer to subscribe to any third party products as a pre-condition for any service availed from the Bank;
- v. Ensure that the products being sold or service being offered, including third party products, are in accordance with extant rules and regulations;
- vi. Inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by Bank to determine the suitability of the product to the customer,
- vii. Adhere to all statutory guidelines of RBI, IRDA, SEBI, etc. on para banking activities like sale of insurance / mutual fund / other third-party investment products.

4. Right to Privacy

"Customers' personal information should be kept confidential unless they have offered specific consent to the Bank or such information is required to be provided under the law or it is provided for a mandated business purpose (for example, to credit information companies). The customer should be informed upfront about likely mandated business purposes. Customers have the right to protection from all kinds of communications, electronic or otherwise, which infringe upon their privacy."

In pursuance of the above Right, Bank will -

- i. Treat customer's personal information as private and confidential (even when the customer is no longer Banking with us), and, as a general rule, not disclose such information to any other individual/institutions including its subsidiaries/associates, tie-up institutions etc. for any purpose unless:
 - a. The customer has authorized such disclosure explicitly in writing.
 - b. Disclosure is compelled by law/regulation;
 - c. Bank has a duty to the public to disclose i.e. in public interest.
 - d. Bank has to protect its interests through disclosure.
 - e. It is for a regulator mandated business purpose such as disclosure of default





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to credit information companies or debt collection agencies

- ii. Ensure such likely mandated disclosures be communicated immediately to the customer in writing.
- iii. Shall not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it;
- iv. Shall adhere to Telecom Commercial Communications Customer Preference Regulations, 2010 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

5. Right to Grievance Redress and Compensation

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

In pursuance of the above Right, Bank will –

- i. Deal sympathetically and expeditiously with all things that may go wrong;
- ii. Correct mistakes promptly;
- iii. Cancel any charge that has been applied wrongly or by mistake;
- iv. Compensate the customer for any direct financial loss that might have been incurred by the customer due to lapses if any, established as per compensation policy of the Bank.

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 who shall be approached by the customer.
- iv. Make Grievance Redressal Mechanism easily accessible to customers;
- v. Advise the Customer about how to make a complaint, to whom such a complaint is to be made when to expect a reply and what to do if the customer is not satisfied with the outcome.
- vi. 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;





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- vii. 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;
- viii. Place in public domain information about Banking Ombudsman Scheme;
- ix. 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, not exceeding 30 days (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for Grievance Redressal). The 30-day period will be reckoned after all the necessary information sought from the customer is received;
- ii. Provide the 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 the customer is refunded without delay and demur, if it cannot show beyond reasonable doubt on Bank's non-liability, on any disputed transaction (along with interest/charges) as per its Compensation policy/ limited liability policy.

6. **Validity of the policy:** The policy is valid for a period of 3 years from the date of Approval with Review of the policy every year. MD and CEO has powers to extend the policy by another 6 months after the expiry.

7. We confirm that there were no new guidelines/circular etc. issued by RBI/IBA/Other Regulated entity during the period. So, there is no change/Modification in the existing policy. Any changes suggested by RBI / Other regulatory authorities during the currency of the said Policy, will automatically form part of the Policy.

8. **References of Circulars/ Guidelines used for drafting Customer Rights Policy**

- a. RBI Circular letter CEPD. CO. PRS. No. 9957 / 20.60.001/2014-15
- b. "Charter of Customer Rights" for banks formulated in Bi-monthly Policy Statement (2014-15) of RBI.

