

# COMPLAINTS HANDLING POLICY

NATIONAL SAVINGS BANK

(Version 2)

Classification | **NSB Use Only**

## 01. Introduction

Listening to the customer is one major component of the Consumer Satisfaction of any Business Organization. In addition, customer frequently provide constructive ideas for improving products, adapting marketing practices, upgrading services or modifying promotional material and product information.

The Central Bank of Sri Lanka has issued guidance; Under the Banking Act Direction No.08 of 2011, to follow recommendations on Customer Charter which is applicable to all Licensed Banks.

One major component of Customer Charter is “Complaints measures and relief”. The banks are required to prepare a *written complaint handling procedure* to meet this requirement.

Also, various legal provisions are in place to get relief for customers and customer care.

National Savings Bank as being a Government owned Licensed Specialized Bank has the responsibility to respond to the customers’ request; complaints or suggestions in a fair and accepted manner.

The Bank has to proceed with a better understanding on customers’ right to verify at any time and get relief on grievances at a reasonable period.

In addition to the Customers, General public and various kinds of interested parties may present comments over the service of Bank. It is the Bank’s view that we should draw priority and should be polite to address them in an acceptable manner. Therefore’ the management has initiated a complaint handling mechanism within the Bank for the betterment of accountability.

This complaint handling procedure is the mechanism to address the customer complaints in an accepted manner throughout the Bank, in order to cover requirements of Customer Charter.

## **02. Addressing to Customer Charter**

Right to present complaints or grievances is one major component under Customer Charter. Bank has to adopt a customer driven code of conduct and address the customers' complaints and request patiently to cover the following.

- ❖ Quick response to solve; or continue on necessity; take immediate action to correct if any mistake etc.
- ❖ Written process on receiving complaints and written mechanism of complaints handling.
- ❖ Informe the complaints
- ❖ Formulate Management Information System [MIS] process on customers' complaints at the Integrated Risk Management Committee [IRMC] level.
- ❖ An officer to be appointed / assigned at branch level and Head Office level to handle customers' complaints
- ❖ The customer should be informed von the facility to submit their complaints to the Bank & to the Financial Ombudsman, If the client did not get a reasonable solution.

## **03. Customers' Right to present Grievances**

As describe under Customer Charter, Customers have the right to present grievances. Also, the Stake holders and the General Public may be interest in receiving information on the services of the Bank. Any kinds of dissatisfaction or unhappiness may have an impact on the Bank's image. These grievances and complaints may be applicable to customers personally while sometimes may be applicable to total customer base for which such matters policy decisions to be adopted.

## **04. Complaint Background and Nature**

Complaints may be presented to the Bank of various natures. Bank has to understand the sense of complaint and respond to the complainant without considering the language or the writing skills. Also Bank should be very careful at responding to the complaint since

it may be determinant of retaining or returning the customer. Complaints can be divided in various natures on its way of presenting.

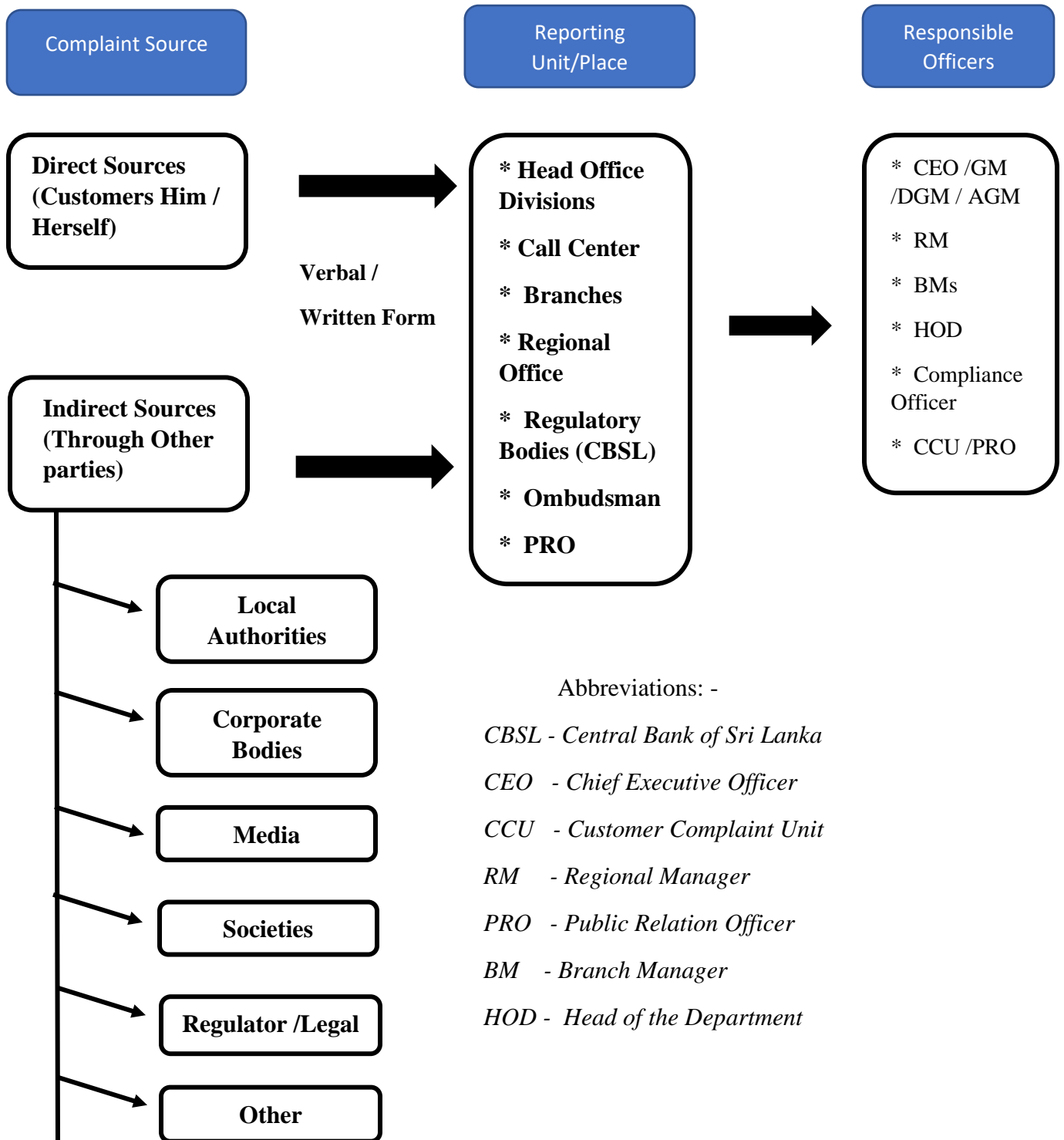
01. Verbal / Oral or Written Complaints
02. Direct or Indirect Complaints
03. Complaining to Bank or other relief authorities
04. Regular or irregular complaints
05. Individually or Organized manner complaints
06. Addressing to Bank / Regulator bodies / General Public / Media
07. Complaining on bottom-up Approach or Top-to-Bottom approach

Bank has a responsibility to respond for any nature of complaints as stated above and take in positive manner with due care and treat the customer as a major role of the ongoing business and also as a feedback for rectification process of the Bank operation.

## **05. Complaint Sources**

The complaints can be in verbal or written form and may flow to different units/places through different sources. Bank should have process to capture complaint from all sources and should respond to the complaint.

Given below the complaint flow at NSB.



## 06. Complaints Handling Mechanism

Better Responding to complaints; enhance the image of the Bank. Each and every unit of the Bank such as Head office, Regional office and Branches can use the following mechanism on complaints handling.

### A. Complaints received directly by the Branch, Regional Office & Head Office Business Divisions (i.e. Credit / Card Centre)

I. The Divisions / Branches should maintain a register to document the complaints and allocate a unique reference number.

Fields to be included in the register –

- Complaints Reference Number
- Date of the complaint made
- Name of the person who made the complaint (Complainant)
- Account Number (If Any)
- Description of the Name
- Status <sup>11</sup>[Action Taken]
- Date of resolution
- Authentication [Signature of the Officer]

II. The complaint which can be attended by the Manager / Head of the Division, should be completed and responded to the complainant immediately. The register should be updated in the status column as “Attended” on successfully completion.

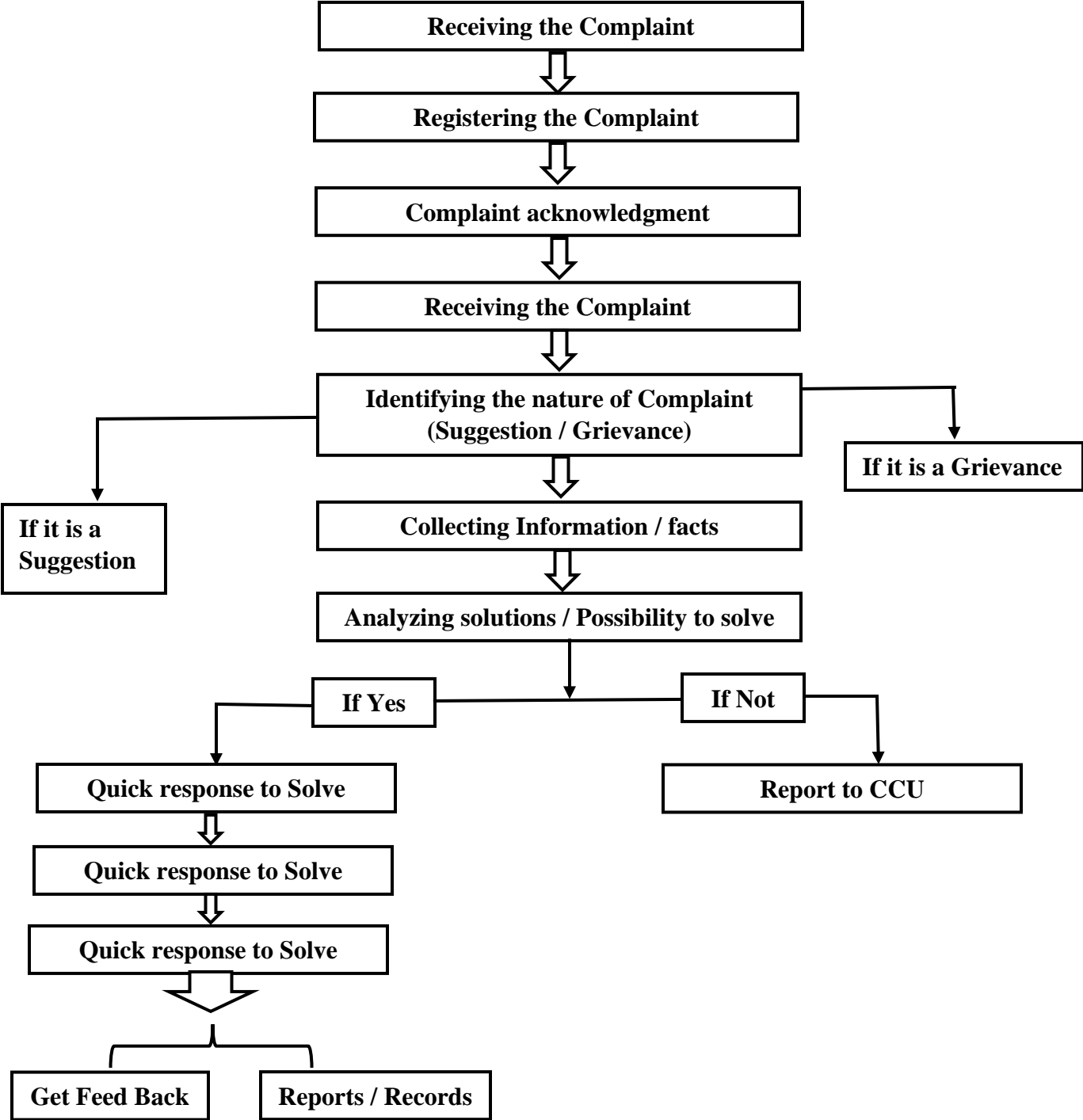
III. The complaints which cannot be attended by the Manager / Head of the Division, should be reported to the Customer Complaint Unit (CCU) at Head Office using format – 1 which is under the direct supervision of Senior DGM.

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<sup>11</sup> Status column should include the action taken. Status will be “Completed” if the Complaint is successfully attended by the Manager/ Division Head. If the complaint cannot be handled by the Manager, he should direct it to the Customer Complaint Unit (CCU), therefore status will be “Directed to CCU”

Special attention / care should be given to customers such as elderly, differently able or customer with low financial literacy in the process of receiving and handling of complaints.

Following flow chart help to determine the complaint addressing steps.



**B. Complaint received by the Head Office**

- I. The Bank should establish a Customer Complaint Unit (CCU) at the Head Office Call Centre and appoint an officer, who's responsible for investigating complaints thoroughly and in a prompt manner with an intention of rectifying customer problems immediately.
- II. CCU receive the complaints directly or through Branches / Divisions.
- III. These complaints should be recorded in a database / register with a unique reference number including all steps taken by the Bank
- IV. The CCU complaint receiver should acknowledge the customer working day of receiving a complaint. In the event of the complaint is to be referred to higher authority / another authority the acknowledgment should provide contact details of the respective party (Format 2)
- V. At the same time, CCU should inform the relevant Divisions / Responsible Officer. This letter should include the contact details of the complainer.
- VI. On receipt of complaint information, the relevant officer should resolve the customer complaint and acknowledge the complainant within 3 working days of receiving the letter with a copy to the CCU (Format 3)
- VII. If the complaint cannot be resolved, the relevant division / Responsible Officer should inform the complainant requesting additional time to resolve the complaint. This letter should be copied to the complaint officer to keep him informed.
- VIII. If the complaint is anonymous, CCU should inform the relevant Division / Responsible Officer. Such Division / Responsible Officer should investigate the same and inform a reasonable resolution to the CCU. The date if resolution should be recorded in the complaint register.
- IX. CCU on receiving a written information from the relevant Division / Responsible Officer on the resolution of a complaint, update the Complaint Database / Register under the respective reference number as "completed/ resolved", indicating the date of resolution.
- X. Irrespective of the nature, the maximum time to be taken to resolve any complaint should not exceed 30 days of receiving a complaint. If the Bank require additional time should inform the complainant in writing with a copy to the CCU.
- XI. The outstanding complaint must be reviewed weekly by the "Customer Complaint Unit". Outstanding issues over 30 days (without requesting extension for the time), must be notified to a higher authority.



- XII. In the event of the complaint is not resolved, the Head of CCU should refer the matter of Snr. DGM, and if required, to GM/CEO, through Snr. DGM. However, in the event a complaint received by Divisional Heads, those can be referred to GM/CEO directly, if critical and immediate action required.
- XIII. The complaint received by DGM-Audit will be handled directly (if so decided) and convey the decision/ complaint to CCU.
- XIV. The complaint received by The Chairman, Directors and GM/CEO can be reported to DGM-Audit directly.
- XV. The complaints received by the Compliance Officer from CBSL, Courts and any other legal authority, CO should attend/ co-ordinate the same and report to the respective authorities in consultation with GM/CEO.

Any complaints are to be received to DGM-Audit, should be inquired through GM/CEO.

## **07. Complain Monitoring & Reviewing**

- I. Senior DGM acts as the “compliant overseer” and take immediate steps to resolve the unresolved complaints.
- II. The final authority for decisions on complaints is vested with the General Manager/CEO and complaints referred up to Senior DGM level, if not resolved should be referred to GM/CEO through Senior DGM.
- III. The concerns raised in the complaints must be reviewed at the Customer Complain Unit (CCU) level. A regular assurance exercise should aim at examining whether the complaint handling procedures fulfill the stated aims of the policy and the procedures are operating effectively.**

## 08. Management Information

- I. All complaints received by Branch Managers/ Regional Manager Head Office Divisions (resolved and outstanding) should be recorded in a Register maintained in the respective Branch/Region/Division as per the format no. 4 attached.
- II. A summary of complaints received should be submitted to the Senior DGM and to the Head of Risk Management Division including resolved and unresolved complaints separately.
- III. The Branch Management Division should submit a summary of complaint information to the Corporate Management Committee on monthly basis.
- IV. The Risk Management Division should report the management information to IRMC and the Board on quarterly basis.
- V. The Operational Risk Unit of the Risk Management Division should examine the root cause on operational vulnerabilities to take corrective action and to report the KIR's to ERMC, IRMC on regular basis.
- VI. Customer complaints register/data base of CCU & the Branch/ Division level complaint registers should be reviewed by the Internal Audit Division to ensure all customer complaints are resolved and/or outstanding complaints are being dealt with.
- VII. CCU should record and retain the details of complaints for a period of one year from the date of completing the process. The record should be kept in a convenient and accessible form to facilitate examination by the Audit Division during regular on-site or ad hoc examination.**

## 09. Policy Review

The responsibility of the implementation, review and the management of the complaint policy process is vested by the Branch Management Division and the policy review is to be carried out at least once in three (3) years or as per the direction given by the CBSL or other circumstances whichever occurs earlier.

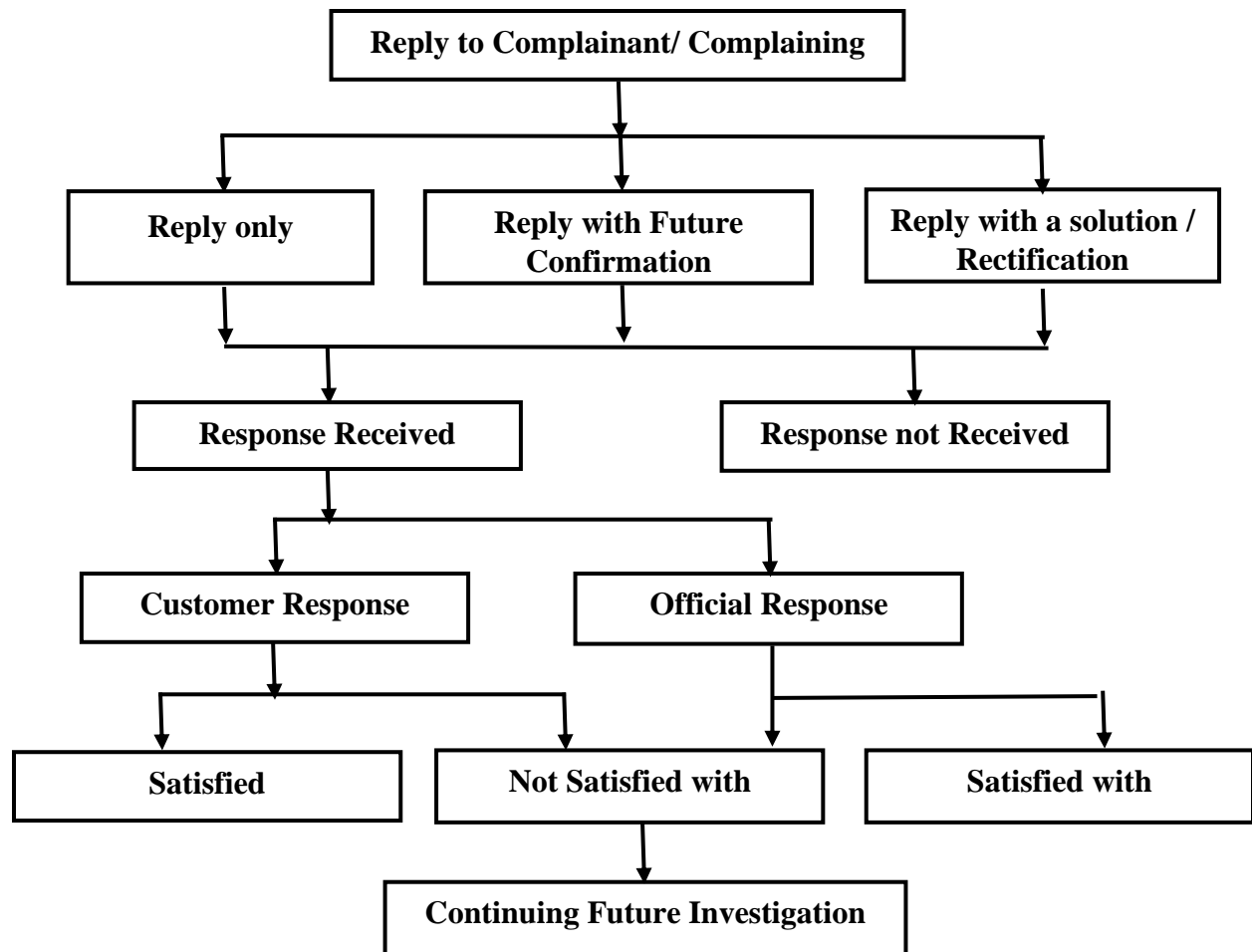
## 10. Violation of the Policy guidelines

Any violation of the policy is subject to the disciplinary management policy of the Bank.

## 11. Responding Authority

Corporate Management is responsible to respond the complaints in a very positive manner. Officer at CCU, Division Heads, Branch Manager/ Officer in charge are responsible for handling of complaints. Responding process should be a meaningful answer to complainant with a maximum effort to give a solution to resolve the problem of the complainant. The final authority on the decision on complaints is vested with the General Manager/CEO.

### Behavior on responses and feedback




## 12. References

1. Banking Act No.30 of 1988
2. Directions issued to Licensed Specialized Bank by Central Bank of Sri Lanka.
3. Financial Transaction Reporting Act No.06 of 2006
4. Prevention of Money Laundering Act No.05 of 2006
5. Consumer Protection Act No (Amendment) 17 of 1995
6. Consumer Credit Act No (Amendment) 07 of 1990

## 13. Formats

Format 1 – Reporting of Complaints which cannot be attended by the Manager/ Head of Division, to the Customer Complaint Unit (CCU) at Head Office.

 <p style="text-align: center;"><b>Complaint Details</b></p> <p>Name :-----</p> <p>Date of Complaint : -----</p> <p>Account No : -----</p> <p>Contact Details :- 1. Postal Address-----</p> <p style="padding-left: 100px;">2. Email-----</p> <p style="padding-left: 100px;">3. Telephone No.-----</p> <hr/> <p>Complaint :- -----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>Annex herewith a copy of the customer complaint received through Post / Email for reference</p> <p>Reporting Branch/ Division -----</p> <p>Signature -----</p>
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Format 2- Acknowledge the customer on receiving a complaint.



### Complaint Details

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-----,  
-----.

(Customer Address)

Sir/Madam,

Please accept our sincere apologies for the inconvenience.

Your complaint is registered and will be attended by the following officer without delay.

Name of the Officer :-----

Designation :-----

Contact Details :- 1. Postal Address-----

2. Email-----

3. Telephone No.-----



## 14. Attachment

Direction issued on Customer Charter by CBSL

### Directions, Determinations and Circulars issued to Licensed Specialized Banks

Directions issued by the Monetary Board of the Central Bank of Sri Lanka in terms of Sections 46(1) and 76(J)(1) of the Banking Act, No. 30 of 1988, as amended.

Nivard Ajith Leslie Cabral

Chairman of the Monetary Board/

Governor of the Central Bank of Sri Lanka.

Colombo

05 October 2011

BANKING ACT DIRECTION NO. 8 OF 2011

CUSTOMER CHARTER OF LICENSED BANKS

In order to ensure the soundness of the banking system, Sections 46(1) and 76(J)(1) of the Banking Act, No. 30 of 1988, last amended by the Banking Act, No. 46 of 2006, empowers the Monetary Board to issue Directions to licensed banks regarding the manner in which any aspect of the business of such banks is to be conducted. Safeguarding the interests of the customers, building up a healthy relationship between customers and banks; and improving the customer confidence in the banking sector would promote and ensure stability in the banking sector. In view of the above, the Monetary Board issues this Directions to all licensed banks to adopt a “Code of Conduct” in line with the Customer Charter annexed to this Direction.

1. All licensed banks shall ensure that the customers’ right are protected in line with “Customer Charter” annexed to this Direction and adopt a “Code of Conduct” based on the charter.
2. All licensed banks shall obtain written confirmation on adherence to the “Code of Conduct from the current employees and all new employees (prior to taking up their employment in the bank).

3. All licensed banks shall publish the “Customer Charter” in their websites, make copies available for customers on request in their preferred language and educate them when necessary.
4. All licensed banks shall ensure the implementation of this Direction within 6 months from the date of the Direction.