

**FINALEAP FINSERV PRIVATE LIMITED**



**CUSTOMER GRIEVANCE  
REDRESSAL POLICY**

## Table of Contents

1. Introduction .....	2
2. Objective .....	3
3. Applicability .....	4
4. Governance Structure .....	5
4.1 Customer Service Committee of the Board .....	5
4.2 Standing Committee on Customer Service .....	6
4.3 Customer Service Division .....	<b>Error! Bookmark not defined.</b>
4.4 Grievance Redressal Cell and Principal Nodal Officer .....	6
5. Role of Branches in Customer Grievance Redressal .....	7
6. Complaints Handling and Resolution Process .....	8
6.1 Types of Complaints .....	8
6.2 Registration & Tracking of Complaints .....	8
6.3 Resolution of Complaints / Grievances .....	9
6.4 Escalation of Complaints .....	9
7. Customer Compensation .....	11
8. Reporting Requirements .....	12
9. Record Keeping .....	13
10. Policy Review & Updates .....	14
11. Regulatory References .....	15

## 1. Introduction

Finaleap Finserv Private Ltd (hereinafter referred to as “the NBFC”), being a service industry player, needs to have an ongoing and focused approach towards customer service. Moreover, the competitive market scenario makes it imperative for the NBFC to have a robust mechanism in place to resolve/ address customer complaints and for compensating customers if required. The NBFC shall strive to provide the highest quality of customer service to ensure continued customer satisfaction, retention and sustained growth of business. It shall also operationalise a mechanism for effective redressal of customer grievances.

## 2. Objective

The NBFC, through a comprehensive Customer Grievance Redressal Policy, intends to put in place systems, procedures and review mechanism for minimizing instances of customer complaints and grievances and to ensure their prompt redressal. The key objectives of this policy are as under:

- Ensure unbiased, fair and just treatment to customers on an ongoing basis
- Consistently assess the impact of services in order to serve clients better
- Provide clients formal and informal channels for feedback and suggestions
- Put in place a formal grievance redressal mechanism for clients and educate customers on such mechanism
- Ensure speedy and efficient resolution of customer issues with adherence to basic principles of transparency and integrity
- Educate the customers about alternate escalation mechanisms within and outside the NBFC, for resolution of the complaints / issues if they are not satisfied with the NBFC's response
- Ensure that there is a mechanism for compensating customers for any financial loss incurred by them on account of service gaps

### **3. Applicability**

The policy document shall cover the details of grievance redressal mechanisms for customers and the procedure the employees of the NBFC need to follow when such a complaint arises or received. The policy shall apply to employees of the NBFC as well as Business Correspondents (BCs)/ Agents and shall be applicable in respect of all customers catered to by branches or by BCs/ Agents of the NBFC. The policy shall cover all the products and services offered by the NBFC including third party products distributed by the NBFC.

## 4. Governance Structure

In line with RBI Guidelines<sup>1</sup>, the NBFC shall have a grievance redressal mechanism at three levels i.e. the Board, Senior Management and Branches. The Customer Service Committee at the Board level shall assess and review the overall implementation of customer service policies and initiatives. The Standing Committee on Customer Service at Senior Management level shall serve as a micro level executive committee for driving the implementation of customer service policies and initiatives. It shall act as a bridge between the various units of the NBFC and Customer Service Committee of the Board. The Branch Level Customer Service Committee shall act as a formal channel of communication between the customers and the NBFC at the branch level. The detailed responsibilities of each of the aforesaid Committees are elaborated as below:

### 4.1 Customer Service Committee of the Board

The Committee shall be chaired by the designated independent director of the Board and report to the Board of the NBFC and shall comprise the Heads of following areas as its permanent members:

- Compliance /Credit /Risk
- Operations
- Business teams

The Committee shall meet at least four times in a year to review customer service/ customer care aspects, and to understand difficulties faced by the customers and to get feedback on ways to improve customer service.

Each Committee meeting shall be attended mandatorily by any two of above permanent members.

The primary responsibilities of the Committee are as follows:

- Review and approve Customer Grievance Redressal Policy of the NBFC
- Review details and types of complaints, ombudsman awards, implementation etc., and the time taken by the NBFC to resolve the said complaints. While examining the customer complaints data, the Committee shall also review staff accountability aspects.
- Take regular inputs on customer experience and service delivery from the Standing Committee on Customer Service, which in turn shall obtain inputs from Branch Level Customer Service Committees and give suitable recommendations on key areas of improvement.
- Review the audit findings on quarterly basis of the services rendered to the customers
- Review results of survey of customer satisfaction and decide on steps for improvements in quality of customer service
- Review the details of the number of claims pending beyond the stipulated period, giving reasons
- Assess various types of customer complaints. Analyse the trend of such cases to ensure timely closure of complaints and also taking steps to prevent recurrence of complaints of similar nature.

---

<sup>1</sup> RBI circular on Master Circular on Customer Service in Banks (RBI/2015-16/59 DBR No.Leg.BC. 21/09.07.006/2015-16) dated July 1, 2015

- Review NBFC Ombudsman (NBFC-O) awards on a periodic basis, address systemic deficiencies brought out by these awards and report cases with delayed implementation of more than 3 months to the Board through the Customer Service Division with reasons for delay to facilitate necessary remedial action on priority
- On a quarterly basis, review the position of the complaints against the NBFC with the NBFC-Ombudsman offices/ Consumer Courts/ Courts and analyse the reasons for these complaints not getting resolved by the NBFC itself and suggest measures for reducing the TAT for resolution of complaints.
- Ensure correct disclosure of the customer complaints in the financial statements.
- Review the minutes of the Standing Committee on Customer Service

#### **4.2 Standing Committee on Customer Service**

The Standing Committee on Customer Service shall meet at least on a quarterly basis to review the implementation of customer service initiatives across the NBFC.

The primary responsibilities of the Committee shall be as under:

- Analyse the complaint received – number, nature, turnaround time, systemic deficiencies noticed and improvements required
- Ensuring timely and effective compliance of the RBI instructions on customer service
- Obtaining independent feedback on the quality of customer service to ascertain if the action taken by the NBFC are in tune with the spirit and intent of such instructions
- Reviewing existing practices and procedures which maybe leading to frequent customer complaints, and initiate necessary corrective actions on an ongoing basis to improve these procedures
- Submitting the report/minutes of the meeting to the Customer Service Committee of the Board covering the areas reviewed, procedures/ practices identified and simplified
- Examining the quarterly reports submitted by the Branch Level Customer Service Committees and providing relevant feedback to the Customer Service Committee of the Board.

#### **4.3 Customer Service Division**

The NBFC shall form a Customer Service Division (CSD) for the overall responsibility of customer service. The primary responsibility of CSD shall be as under:

- Perform root cause analysis of customer complaints
- Placing minutes to Standing Committee on Customer Service capturing customer grievances, cases of delay and other difficulties faced by customers and customer feedback/suggestions to improve customer service.
- Enable the Standing Committee to examine the inputs/suggestions and provide relevant feedback to the Customer Service Committee for necessary policy/procedural action.

#### **4.4 Grievance Redressal Cell and Principal Nodal Officer**

The NBFC shall form a Grievance Redressal Cell (GRC) as a part of its Customer Service Division at its Head Office to oversee the customer complaint handling mechanism of the entire bank. This cell shall be headed by a Principal Nodal Officer (PNO) Head – Customer Service. The PNO at the Head Office level shall be the point of contact with whom the NBFC-O and RBI can liaise for resolution of customer complaints.

The GRC shall ensure that following details are displayed in the branches and on the website of the NBFC.

- Names of officials who can be contacted for redressal of complaints along with direct telephone number, fax number, complete address and email address
- Details of Principal Nodal Officers
- Names and other contact details of CEO and other business heads to enable customers to approach them if required
- Contact details of the NBFC-Ombudsman Offices of the respective areas
- Detailed Grievance Redressal Mechanism

## **5. Role of Branches in Customer Grievance Redressal**

The customer service framework shall be embedded into the NBFC's culture across the Head Office, Regional offices, branches and BCs/ Agents in order to drive the larger objective of driving an intuitive customer experience. Each customer touch point of the NBFC shall drive towards creating a lasting impression in the customer's mind through a seamless experience, ease of accessibility, faster resolution of grievances and transparency in communication.

A complaint book shall be maintained at each of the branches/ office of the NBFC to register complaints of the customers.



## 6. Complaints Handling and Resolution Process

A 'complaint' means a representation in writing, through electronic means/telephone or oral containing a grievance alleging deficiency in service.

### 6.1 Types of Complaints

- **Transaction related:** In the areas of cash, service charge, etc.
- **Branch related:** Basic facilities to customers/ ambience/ Customer service area/ long queue, etc.
- **Staff related:** Alleged harassment, misbehaviour /use of rude language, alleged bribery etc.
- **Lending related:** Delayed disbursements, modifications in terms and conditions of sanction , excessive follow-up for collections, improper behaviour of recovery agents, discrimination based on gender, caste, religion, loan frauds and such other lending related complaints
- **Business Correspondent related:** Misbehaviour/ use of rude language, mis-selling of products, levy of fees/ commission/ additional charges, technology related issues at BC outlets, non-availability of the BC agents at field level, denial of services to customers, etc.

The customer complaints received by the NBFC shall be categorized on the basis of the criticality and severity of the complaint, which shall be guided by the NBFC's Standard Operating Procedures (SOPs). While all categories of grievances shall be dealt with the same urgency and speed, the resolution provided and the action taken may vary on the basis of the severity.

The NBFC's grievance redressal mechanism provides for a comprehensive framework for registration, tracking, resolution and analysis of customer complaints. A robust review mechanism shall assist the NBFC in identifying and resolving gaps in the customer service, product features and the delivery of the products through its own branches and BCs/ agents.

### 6.2 Registration & Tracking of Complaints

1. The customer shall be able to register the complaint through multiple channels which may include:
  - a. Complaint form/ suggestion box
  - b. Complaints register or oral complaints at the branches/ Regional Offices
  - c. Written or verbal complaints from customers at centre meetings, compulsory group trainings, exit interviews, etc.
  - d. Complaint calls to the Branch, / helpdesk number
  - e. Grievances received through emails or through internet or mobile banking
  - f. Complaints received through NBFC-Ombudsman, RBI, Centralized Public Grievance Redress & Monitoring System (CPGRAMS) of the Government of India
2. The customer shall be given an acknowledgement of his complaint within 2 working days by way of a reference number. All customer complaints received through digital channels shall be acknowledged through emails/ SMS.

3. A copy of the complaint shall be sent to the Customer Service Division - Head Office of the NBFC along with remarks by the Branch Manager mentioning a suitable time frame for resolution of the complaint. The Branch CRM shall ensure that the complaints are resolved within the timelines as stipulated in the SOPs, if the complaints are received through complaint/ suggestion box or complaint register. For any customer complaints received through alternate channels such as customer care numbers, website, or emails or through external channels such as NBFC-Ombudsman or CPGRAMS, the PNO shall ensure that the complaints are assigned to the respective business units responsible for resolution within the stipulated timelines as specified in the SOPs.
4. The Branches shall send action taken report on complaints received to the Customer Service Division at the end of every month.
5. An automated system shall be devised to record digitally the customer complaints received through multiple channels, which shall also be accessible to the branches who can monitor and update the status of the complaint. Each of these complaints shall be assigned a unique tracking number which shall be shared with the customer for future reference and monitoring purpose.

### 6.3 Resolution of Complaints / Grievances

1. The Branch Managers shall monitor the resolution of complaints pertaining to their Branch, complaints received through alternate channels and complaints pertaining to BCs/ agents within their branch jurisdiction and ensure that these complaints are not escalated.
2. The governance structure for addressing complaints against BCs has been outlined in the policy on Business Correspondents of the NBFC
3. The NBFC shall put in place appropriate procedures along with timelines to redress the complaints received for transactions undertaken through various channels such as branches, internet banking, mobile banking and BCs.
4. The customer grievance escalation mechanism shall be displayed in the branches and on the website.
5. The timeframe for resolution of complaint shall be communicated to the customers and in case, additional time shall be required for redressing the grievance, an interim response shall be sent to the customers.
6. A dedicated GRC at the Head Office shall review the classification and allocation of complaints to respective departments and check whether the resolution is complete and correct.

### 6.4 Escalation of Complaints

The NBFC shall adopt a three-tier approach for handling escalation of complaints/ grievances by the customers. Escalation of customer complaints/ grievances shall be handled in a structured manner as under:

Level of Escalation	Official to be approached	Channel to be followed
First Level	Branch Manager	In-person/ Call/ In writing
Second Level	PNO (central level)	Call/ In writing

Third Level	Banking Ombudsman/ CPGRAMS	Call/ In writing/ Internet (through portal)
-------------	----------------------------	--

1. The NBFC shall inform the customers that if their complaints are not resolved to their satisfaction, they may approach the PNO, whose details are displayed in branches and on the website. The NBFC shall ensure that appropriate efforts are made to resolve the escalated complaints within the NBFC itself. In case of inability to resolve the complaint within the NBFC, appropriate reasons shall be documented for non-resolution of such complaints.
2. If the customer is still not satisfied, the NBFC shall inform the customer that he may approach the NBFC-Ombudsman within one month from the date of such intimation. The NBFC shall endeavour to redress all customer grievances through its internal grievance redressal mechanism.

## 7. Customer Compensation<sup>2</sup>

The NBFC shall compensate the customer for financial losses, if any, in the following cases only after proper verification:

- Failure to execute direct debit/ ECS debit instructions
- Delayed collection of local/ outstation cheques
- Lost cheques/ instruments while in transit, during clearing or at the Branch
- Violation of code by the NBFCs' staff or agent
- Mis-selling of third party products
- Direct losses on account of internet banking security breaches
- Incorrect authorisation or decline of transactions through Digital channels that result in loss to customers

The procedure for the pay-out of compensation amount shall be in line with the NBFC's Customer Compensation Policy. The pay-out of compensation shall be approved as per the approval matrix outlined in the Delegation of Financial Authority approved by the Board.

---

<sup>2</sup> RBI circular on Master Circular on Customer Service in Banks (RBI/2015-16/59 DBR No.Leg.BC. 21/09.07.006/2015-16) dated July 1, 2015.

## 8. Reporting Requirements

The following matters shall be reported to the Customer Service Committee of the Board:

- Audit findings on quarterly basis of the services rendered to the customers
- Results of annual survey of customer satisfaction
- Status of implementation of Code of Conduct
- Minutes of the meetings of the Standing Committee
- Statement of complaints along with an analysis of the complaints
- Position of pending complaints against the NBFC with the NBFC-Ombudsman offices/ Consumer Courts/ Courts
- Any customer service impact due to unplanned downtime of IT systems or failure of business continuity plans
- Complaints emanating out of outsourced services including recovery agents
- Any adverse reporting in media with respect to customer servicing

The Committee shall oversee that the Customer Service Division places to the Board a report following the key aspects, on a periodic basis,

- Gaps in implementation of code of conduct towards customers
- Changes required in products/ services/ procedures to improve customer service
- Instances of mis-selling of products
- Position of complaints against the NBFC with NBFC-Ombudsman & Consumer Courts
- Root cause analysis of the top five complaints category for each quarter

## 9. Record Keeping<sup>3</sup>

The records pertaining to customer complaints shall be maintained for a minimum period of eight years from the date of resolution. Moreover, timely backup of system data related to customer complaints and redressal shall be taken to ensure availability of data at all times.

---

<sup>3</sup> The requirement of eight years for record retention is as per Companies Act 2013 and Income Tax Act. The Master Direction – Know Your Customer (KYC) Direction (DBR.AML.BC.No.81/14.01.001/2015-16) dated February 25, 2016 specifies a period of five years from the date of transaction for retention of records.

## **10. Policy Review & Updates**

This policy shall be reviewed on an annual basis or earlier, if required for incorporating changes and regulatory updates, if any, in overall grievance redressal mechanism, to improve customer experience and satisfaction.

## 11. Regulatory References

- IBA Fair Practice Code
- IBA Fair Practice on Lending
- IBA Model Customer Rights Policy