

GUIDELINES FOR CUSTOMER SERVICES AND COMPLAINT MANAGEMENT



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PART-1

INTRODUCTION

1.01. Overview:

Banks/Financial Institutions (FIs), now-a-days, are not only profit making institutions, rather these are the organizations for providing financial services to the people. The banking system in Bangladesh is still the most important conduit for delivery of financial services. And that's why the matter of customer services is the prime factor in banking industry. With the rapid expansion of banking net-work within the country the demands and expectations for service of the customers are increasing rapidly and therefore the quality and content of dispensation of customer service has come under tremendous pressure mainly owing to the failure to handle the soaring demands and expectations of the customers.

The vast net-work of branches spread over the entire territory with millions of customers and a complex variety of products and services offered, add to the enormity and complexity of banking operations in Bangladesh giving rise to complaints for deficiencies in services. Bangladesh Bank, as the regulator of the banking sector, has therefore been actively involved in the review, examination and evaluation of customer service in Banks/FIs. It constantly brings into sharp focus the inadequacy in banking services available to the common people and endeavors to improve the quality and standard of customer services of Banks/FIs through instructions/guidelines.

Financial consumer protection has called for regulators to be able to set minimum standards for financial products to ensure fair contract terms and charges, and comprehensibility. However, in response to competitive business environment and changing consumer demands, customer services and consumer protection issue become more complex and diverse. This diversification has been continuing remarkably. In order to minimize such type of complexity and diversity of services provided by this sector, the regulatory framework for Bank/FIs has to be reviewed for further enhancement of the clientele protection.

The Guidelines are structured and focused on the aspects of institutional and individual ethical standard, customer service quality, customer awareness program and complaint management system. BB puts forward this document for the purpose of providing guidelines to all bank companies and financial institutions on customer services and complaint management systems that are expected to be in place. The document sets out minimum standards that shall be expected to be achieved by complaint cells of any banking company /financial institutions.

1.02. OBJECTIVES OF THE GUIDELINES:

These Guidelines are formulated with some specific objectives like attaining and retaining customers' satisfaction & interest protection, banks/financial institutions' goodwill, reputation and above all financial stability. Therefore, the aims of these Guidelines are-

- a. To provide proper and uniform guidance to all Banks/FIs to set up and follow up their institutional ethical standards, individual code of conduct and customer charter.
- b. To promote fair, equitable and effective service-practices by setting up minimum customer service standard in banking/financial sector.
- c. To increase transparency in financial services.
- d. To foster confidence in the financial service sector.
- e. To provide a formal framework of complaint cell in each bank.
- f. To provide operational and managerial guidance uniformly to all bank officials to handle and manage the customers' complaints satisfactorily, quickly, effectively and efficiently.
- g. To develop consumer activism through a structured consumer awareness and education program.

1.03. LEGAL BASIS:

These Guidelines are issued by BB under section 45(1) of Bank Company Act, 1991 (Amended upto 2013) The instructions described in the guidelines are supplementary to the standards set by the legislative requirements and these will not replace or supersede those.

1.04. APPLICATION:

These guidelines deliberate the complete procedures to ensure the comfortable and affordable customer services provided by the banks/FIs in a more prudent way. It will also address the responsibilities of banks/FIs to their customers. The guidelines will also emphasize the risk management issues associated with the customer services. So, The Guidelines shall be applicable to all Banks and financial institutions regulated by Bangladesh Bank.

PART-2

CUSTOMER SERVICES

2.01. INSTITUTIONAL FRAME WORK:

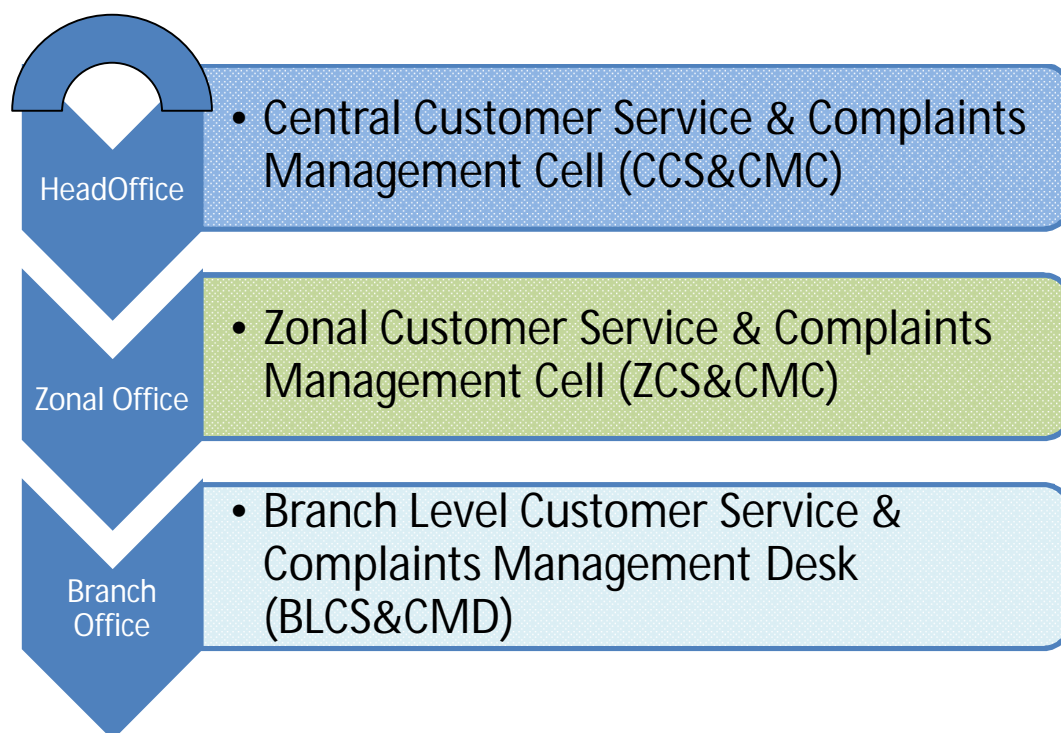
Customer service should be projected as a priority objective of a bank along with its profitability, growth and social responsibility and therefore the Managing Authority of each bank/FI should have direct involvement with customer service quality. With this end in view each bank shall form a separate framework for customer services and complaint management. With a view to strengthening the corporate governance structure of the bank/FI and also to bring about improvement in the quality of customer services of the Banks/FIs, each bank/FI shall constitute **Customer Service & Complaints Management Cells** as stated below-

At the head office/country office level this cell will be named as **Central Customer Service & Complaints Management Cell (CCS&CMC)**. It will be constituted under the direct supervision of the Managing Director or the Chief Executive Officer (CEO)/Country Manager of the bank. Of course, there are complaint cells in existence in the head offices of the Banks/FIs at present. These complaint cells at the head offices of the Banks/FIs will be renamed as CCS&CMC. It may be mentioned here that this cell will be exclusively for dealing with the complaints & customer Service related matters. The number of personnel of this cell will be determined by the Managing Authority of the bank. The personnel of this cell will be the dignitaries and they will be delegated with adequate power to settle the disputes with due diligence.

Under the Central Customer Service & Complaints Management Cell (CCS&CMC) there will be the **Zonal Customer Service & Complaints Management Cell (ZCS&CMC)**. Herein also it may be mentioned that the existing Zonal Complaint Cells in the zonal offices of the Banks/FIs will be renamed as the Zonal Customer Service & Complaints Management Cells (ZCS&CMC). The size of the ZCS&CMC (the number of man-power and category of dignitaries) will be determined by the zonal head of the bank/FI.

Under the Zonal Customer Service & Complaints Management Cell (ZCS&CMC) there will be **Branch Level Customer Service & Complaints Management Desk (BLCS&CMD)**. The number of personnel will be determined by the branch manager taking into consideration the number of customers as well as the number of employees of the branch. In the case of very limited or short man-power of the branch, at least one official must be deployed in the BLCS&CMD.

The Institutional Frame Work is shown in diagram below:



2.02. THE FUNCTIONS OF THE CENTRAL CUSTOMER SERVICE & COMPLAINTS MANAGEMENT CELL (CCS & CMC):

2.02.A. POLICY RELATED FUNCTIONS:

The Cell shall, illustratively, play the following policy related roles in developing the standard of customer services of the bank:

1. Establishment of some basic institutional approach or ethical principles regarding customer services in the bank.
2. Issuance of necessary customer- service- related policy for general management of the customer services in the branches.
3. Formulation of Code of Conduct for bank officials (As per para-2.07).
4. Formulation of Service Standard and Customer Charter in each bank. (As per para-2.08 & 2.09)
5. Promulgation of customer awareness program (As per para-2.11).
6. Arrangement of quarterly meeting to review customer services, systematic deficiencies and take corrective measures thereon.
7. The Cell shall submit a brief half yearly report to the board stating the status of complaints received, resolved and outstanding with suggestions for improvement of quality service or products.

2.02.B. OPERATIONAL FUNCTIONS :

1. To deal with the complaints received directly from customers, Zonal Customer Service & Complaints Management Cell (ZCS & CMC)/ Branch Level Customer Service & Complaints Management Desk (BLCS & CMD).
2. To monitor the overall activities and performances of the ZCS & CMC.
3. To maintain liaison and respond duly and timely to the letters of Bangladesh Bank. If the complaints are related to other divisions, CCS & CMC will take the responsibility to communicate with the relevant divisions, collect information and give reply to Bangladesh Bank.
4. To put forward the proposals to the Managing Authority for modification or formulation of new policy related to the customer service.
5. To comply with and implement the directions/instructions of Bangladesh Bank.
6. To maintain a register of complaints, received either from the customers directly or from the zonal and branch offices. (As per para- 3.02)
7. To submit the monthly/quarterly statement containing the number of complaints received, resolved and outstanding to Bangladesh Bank through Web Portal.

2.03. FUNCTIONS OF ZONAL CUSTOMER SERVICE & COMPLAINTS MANAGEMENT CELL (ZCS & CMC):

1. To deal with the complaints received directly from customers and from Branch Level Customer Service & Complaints Management Desk (BLCS & CMD).
2. To monitor the activities of the Branch Level Customer Service & Complaints Management Desk (BLCS & CMD).
3. To maintain liaison with the CCS & CMC and respond to any query of that cell.
4. To maintain a register of the complaints, received from customers directly or through Branch Level Customer Service & Complaints Management Desk (BLCS & CMD).
5. To submit report monthly/quarterly (by tenth of the next month/quarter ended) to the CCS & CMC showing the status of complaints received, in the prescribed format (Annexure-D).
6. To arrange a quarterly meeting (by fifteenth of the next month of the quarter ended) with BLCS & CMD employees for discussing the progress and problems of customer services and complaints management at the branch level.

2.04. FUNCTIONS OF BRANCH LEVEL CUSTOMER SERVICE & COMPLAINTS MANAGEMENT DESK (BLCS& CMD):

1. **Branch Level Customer Service & Complaints Management Desk (BLCS&CMD)** shall deal with all the complaints directly received from the customers either in written form or over telephone. It will also give patient hearing to those customers who physically appear before the desk with complaints.
2. The **BLCS&CMD** shall also give reply to the customer-service-related queries of the customers.
3. The **BLCS&CMD** shall maintain two separate registers to record the written and telephonic complaints. Then it will take action on the complaints received on priority basis.
4. The **BLCS&CMD** shall prepare a monthly/quarterly statement or report in prescribed format (Annex-C) showing the number of complaints received, resolved and outstanding and send it to the ZCS & CMC within fifth of the next month/the quarter ended (Annexure-D).
5. The **BLCS&CMD** may refer any complex complaint to the ZCS & CMC for further suggestion or resolution. The **BLCS&CMD** will keep correspondences with ZCS&CMC for this purpose.

2.05. INSTITUTIONAL APPROACH TO CUSTOMER SERVICES:

Banks and FIs deal with man, money and money equivalent products. Man is always ambitious. Money is a sensitive asset. So, quality service as well as trustworthiness is very crucial for Banks and FIs. The achievement of these two factors mainly depends on the institutional approach, ethics and core principles which are possessed and exercised by the institutions. So, Banks and FIs should establish some corporate principles, ethics, culture, moral standards and collective attitudes for customer services. The strict exercise of these will result in the institutional administrative success as well as the credibility of the banks/FIs to their customers.

The fundamental ethics and principles that the Banks/FIs should follow in dealing with customers' affairs are furnished below:

The fundamental ethics and principles

| SL No | Core principles/ ethics | Details of approach |
|-------|-----------------------------|---|
| 1 | Accountability | Accountability and Responsibility of each employee engaged in customer service should be designed clearly and specifically. Bank/FI official should provide service to their customers with a sense of urgency and commitment. |
| 2 | Transparency | There should be transparency in all terms & conditions and information relating to all banking products and services provided by the bank/FI to the customers. |
| 3 | Equity and integrity | Bank/FI officials must exhibit their honesty, integrity, loyalty, impartiality to their customers. The officials dedicated to customer services should avoid conflict of interest. |
| 4 | Compliance | Bank/FI officials must comply with their relevant rules & regulations, policies and BB's instructions while rendering services to the customers. |
| 5 | Safety and security | Banks/FIs should ensure safety and security in operating system and dealings of their banking products and services. |
| 6 | Privacy and confidentiality | Bank/FI officials should maintain privacy and confidentiality of the banking transactions of their customers with some exception such as disclosure under compulsion of law, public interest, bank's interest customer's consent etc. |

2.06. POLICY FOR GENERAL MANAGEMENT OF THE BRANCHES:

Banking system should be oriented towards providing better customer service and therefore, Banks/FIs should periodically study their system and its impact on customer service. Banks/FIs should also have a Managing Authority approved policy for general management of the branches which may include the following aspects:

- a) Providing customers with booklets containing all details of services and facilities available at bank branches in Bengali and English.

- b) Displaying indicator boards at all service counters in both English and Bengali.
- c) Surprise inspection and survey of customer services.
- d) Reviewing and improving existing security system in branches and ATM booths.
- e) Providing enquiry counters at big branches.
- f) Training of staff in line with customer service orientation.
- g) Developing banking products or services keeping view to suitability and appropriateness for general customers.
- h) Annual survey of customer satisfaction and grievances resolution.

2.07. CODE OF CONDUCT:

Generally Code of conduct is a set of rules for employees' personal behavioral pattern, official decorum, dress code, environmental and disciplinary arrangement for staff, stakeholders and stock holders in the banking premises set forth by Bank Company. The purpose of the code of conduct is to create a sense of oneness among a group of employees, customers and guests in spite of individual differences. The aim of the code of conduct is also to develop a common perspective towards a mission & vision of the company. A Code of Conduct acts as an internal watchdog and memorandum of the basic requirements of appropriate professionalism within the organizational culture. Exercising code of conduct helps to make customers happy and improve long term banker-customer relationship. So each bank/FI shall formulate the basic code of conduct for the employees and it will be applied in five essential areas (5Ps) as listed below:

- a. People - The team who serve the customers.
- b. Premises - The location from which bankers serve and communicate with customers and colleagues.
- c. Papers - The documents which are used to provide and receive information.
- d. Processes -The operation processes that enable bankers to delight customers.
- e. Practices - The way in which bankers interact with customers.

2.07.A. The formulated code of conduct must cover the following topics:

1. **Behavioral pattern**- Banks/FIs shall set forth some basic behavioral standard or indicators for all employees, especially for the officials concerned with Customer Services and Complaints management. Behavioral pattern includes the standard in speaking, listening, greetings that will exhibit loyalty, modesty, impartiality and proactive attitude in providing service and that will not show obscene or abusive language, materials or messages in any way.

- 2. Disciplinary arrangement-** Banks/FIs shall make some rules and arrangements which will help to keep customer service point neat, clean, comfortable and disciplined. There should be sitting arrangement, waiting lounge, drinking water, smoking or non-smoking zone, line or array at customer service point and counter for customers etc.

2.07.B. Some standard Behavioral pattern and indicators at customer service point are given below as example:

Bank/FI authority should strive to motivate their employees to expose standard behavior while delivering their service to customers over the telephone, cell phone or face-to-face. Some examples are given below:

1. Use basic courtesies such as always try to say "Please" and "Thank you" while conversing with the customers.
2. Address customers properly such as Mr. or Ms. and surname of customer may acceptable. Never use casual terms of endearment such as "honey", "yeah", "huh", or "dear."
3. Treat others as you would like to be treated in the same situation.
4. Never show emotional impression or expression
5. Be positive, pleasant, courteous and cheerful with a good impression.
6. Never interrupt interactions with a customer to take a break, lunch or any lame excuse etc.
7. Avoid any rubbish or junk word to the customers.
8. Never disparage or criticize another employee or customers.
9. Do not react negatively when someone approaches any help.
10. Do not take anything personally.
11. Avoid technical terminology with all customers
12. Assume everything (remark, comment or any approach) positively and take the best theme or idea , even if the customer actually meant the comment in a negative manner, he or she will see that you sincerely want to help them and then their attitude will change.
13. Present a professional approach and appearance by practicing good personal hygiene and dressing appropriately in the work place

14. Be a bank employee, not just a department employee as the customers see us as “the bankers” - they do not see individual departments or divisions.

2.08. SERVICE STANDARDS:

Service standard is a guideline showing the timeline or time frame, initiating level and disposal level of each banking service at the customer service point or counter in the bank premise. It will control the dedicated official to render services in time and efficiently through proper channel. If the employees are not given clear standards, they can make up their own personal practice. The lack of clear service standards also increases the chance of inconsistent and irregular service. Each employee and each department will choose the level of service they wish to deliver. Customer should be informed of Service Standard of the bank/FI so that they can assume or plan in advance the required timeline to obtain services. Hence each bank/FI shall –

- a) formulate their **Service Standard** considering relevant factors such as number of employees, customers, environment, customers' requirement, availability of logistic support etc. Service Standard may vary from bank to bank but each bank should follow it strictly. It must be kept in mind that standard of each service should be set in such a manner as it would be achievable, reasonable and measurable. Here, a sample of Service Standard is shown in [annexure-A](#):
- b) ensure the compliance of the Service Standard time to time.

2.09. CUSTOMER CHARTER:

Customer Charter is, in fact, a general statement of commitments for providing banking services and necessary information to customers. This may be in the form of written document, banner, poster, leaflets etc. that exhibit the names of banking products and services available in the bank. It also contains road maps or indicators for the customers to get services in the bank premises. For example, the indications of Information desk, Customer Relationship Desk, Remittance Desk, Credit Desk etc may be displayed in the charter for the customers for tracing the service points easily. The Charter will also include a list of customers' rights & obligations to Banks/FIs. The main objective of the “Customer Charter” is to make the customers conscious about their general rights, obligations, grievance approach process and thereby help customers taking their own decision. Copies of the Customer Charter should be available on request to all customers at all branches, Customer-Service-Points and at bank's web site. All Banks/FIs shall-

- a) prepare and preserve their "**Customer Charter**" in their respective branches and exhibit in their premises.
- b) inform, publish or display customers' rights & obligations as well as Bankers' rights & obligations through their web site, leaflets, notice boards , posters or in any other communication channels.

2.09.01 CUSTOMERS' RIGHTS/BANKERS' OBLIGATIONS:

Banks/FIs shall allow their customers to obtain the following rights at least, i e, Banks/FIs shall carry out the following obligations to their customers:

A) Disclosure of Current Interest Rates-

Prior to signing the contract with the consumers for both interest-bearing deposits and loans, Banks & FIs shall-

- 1) inform the customers of the term of the fixed deposit or loan;
- 2) inform the customers of the charges, if any, and consequences of premature termination of a fixed deposit or loan;
- 3) inform the customers whether the interest rate is fixed or variable;
- 4) inform the basis and frequency on which interest payments or deductions are to be made;
- 5) explain the method used to calculate interest of each product;
- 6) disclose prominently the total amount of income that the customers shall receive on the fixed deposits; and
- 7) disclose the total cost of credit with break up, if any.

B) Disclosure of latest Schedule of Charges, Fee, Commission etc.

As financial service provider Banks/FIs shall, for all charges and fees to be levied at the time of service rendered or on request,

- 1) provide the customers with a schedule of charges, fees, commissions payable for the products or services that the customers have chosen;
- 2) display prominently their standard fees and charges at all branches,
- 3) inform the customers of any additional charges or expenses that the customers have to pay, such as searching fees to retrieve available past records etc.

C) Notice of Changes to Terms and Conditions:

The terms and conditions provided by banks/FIs shall highlight to a consumer the fees, charges, penalties, relevant interest rates and any other consumer liabilities or obligations in the use of the financial products or services. Banks/FIs shall ensure that a consumer is notified-

- 1) at least thirty days in advance before implementing any changes to the terms and conditions, fees or charges, discontinuation of services or relocation of premises of the financial services provider.
- 2) immediately of any changes in interest rates regarding the product or service

D) Value Added Services:

Banks/FIs must take written consent from their customers for any value added services, such as, internet banking, SMS banking, ATM services etc. and inform the customers of the terms and conditions along with the charges, levied for that.

E) Guarantor:

Prior to a person acting as a guarantor, banks/FIs shall in writing:

- 1) advise the person of the quantum and nature of his or her potential liabilities; and
- 2) advise the person to seek independent legal advice before acting as a personal guarantor.

F) Disclosure of other facts, such as-

1. Buying and selling rates of foreign currencies
2. Financial statement ,financial performance indicators etc
3. Banking hours and holiday notices
4. Operating cycle or road map of services (indicators showing desk Number, floor number, room number etc.).

2.09.02 CUSTOMERS' OBLIGATIONS/BANKERS' RIGHTS:

- a) Customers shall follow the banking norms, practices, functional rules etc
- b) Customers shall abide by the terms and conditions prescribed for each banking product and services.
- c) Customers shall maintain disciplinary arrangement at the customer service points.
- d) Customers shall convey their grievance to the bank in proper way or in prescribed form.
- e) Customers shall convey the bank any changes in their address, contact numbers, KYC & TP

- f) Customer shall not try to show unreasonable persistence, demand, argument & behaviour.
- g) Customers generally shall ask any query at prescribed desk such as Customers' Service Desk, Help Desk, Information Desk or Enquiry Desk at first instance.
- h) Customer should avoid misunderstanding as far as possible.

2.10. DISPLAYING THE CONTACT DETAILS OF THE OFFICIALS OF CUSTOMER SERVICES AND COMPLAINT MANAGEMENT CELLS:

With a view to making the complaint lodgment easier banks/FIs shall-

- a) display the contact details including names, complete address, telephone number, fax number, email address, etc. of the officials of CCS&CMC, ZCS&CMC and BLCS&CMD in the prominent place of the branches.
- b) display on their web-sites the contact details including names, complete address, telephone number, fax number, email address, etc. of the officials of CCS&CMC and ZCS&CMC.

2.11. CUSTOMER AWARENESS PROGRAM:

Now a days it has been observed that financial scams, financial frauds & forgeries, financial crisis, financial corruptions and customer harassment have been incurring frequently in financial sector with the development of E-banking (E- banking generally refers to the provision of banking products and services through electronic channels such as the personal computer, through land phone and mobile phone connections, or through automated teller machines - ATMs, Point of Sales etc.). The primary reasons behind these are identified as the information gap as well as the communication gap between customers & bankers and the lack of awareness & financial education of customers. In such a situation customer awareness is a key defence against fraud, forgery and identity theft and security breach. That's why bank/FI should take attempt to make customers aware of and to make educated for financial literacy with a view to strengthening customers' knowledge and experience and thereby to reduce fraud, forgery and harassment. Customer Awareness and Education Program for customers can be arranged for providing customers with the knowledge and understanding of the wide range of banking products and services. Thus, the customers will be aware and conscious of their own rights and responsibilities, safety measure thereof independently. Besides, bank shall continue monitoring off- line risks as well as online threats such as hacking, phishing, identity theft etc and reviewing security procedures day to day.

As a part of Customer Awareness Program bank/FI shall perform the activities as stated below:

- a. Banks/FIs shall publish or declare customers alert and precautionary message, guidelines etc. on their products and services time to time through brochures, leaflets and advertisement in communication channels on the following topics.
 - Customer alert and precautionary message on general banking.
 - Customer alert and precautionary message on Internet banking
 - Customer alert and precautionary message on loan and advances.
 - Customer alert and precautionary message on local and foreign remittances etc.
- b. Banks/FIs shall arrange meeting, seminar, workshop or any other non-formal programs periodically to convey their awareness message and alert tips to the customers relating to their own banking products and services.
- c. Banks/FIs shall also train up their customer-service-related officials to enhance their efficiency, skill, knowledge, tact, technique for excellent customer services.

2.11.01 Tips for customers' alert as examples:

A. GENERAL BANKING ISSUES

1) Read the terms and conditions of each product and services carefully:

Customers have to read and understand the terms and conditions of an agreement/contract for any loan or investment related product prior to signing any related documents.

2) Responsibilities of a guarantor:

Customers have to understand the responsibilities and obligations of a guarantor. Guarantors are legally bound to make repayment if the borrower fails to settle the loan.

3) Disclosure of financial information:

Customer should not disclose their financial information such as account number, credit card number, password and other personal particulars to third parties either via telephone, e-mails or any links in websites.

4) Transactions at ATM booth:

Customer should not allow third parties to make transactions at ATM machines on behalf of customer, even to those whom customers know such as spouse, son or daughter, personal assistant etc.

5) Credit card transactions:

Customers should use Credit Cards as a payment instrument and utilization should be within customers' means. Customers should also verify the amount deducted after each credit card transaction and make sure the card returned belongs to customer.

6) Submission of documents:

Customers should be cautious themselves before submitting photocopies of their identification card or passport to third parties, other than to financial institutions or lawyers acting on your behalf.

7) Internet banking facilities:

Customer should be alert not to be deceived in opening an internet banking account in order to win prizes or inheritance from an unknown party. This could be a scam if one has already done so. In such cases the customers should contact and report to bank and to the police immediately for their further action, also keep Bank informed.

8) Memory cache function:

Customer should make sure that customers have logged-out properly after using the internet banking and clear the memory cache after completing the transactions.

B. INTERNET BANKING SECURITY ISSUES:

Customers should

- 1) not to share or give out own access ID, user name, passwords, or security challenge questions & answers
- 2) not to use same personal information as own access ID, user name & password in all cases
- 3) create difficult or uncommon passwords that include letters & numbers and upper & lowercase letters combined.
- 4) change own password frequently
- 5) avoid using public computers to access your internet banking.
- 6) not provide any personal information to web sites that do not use encryption or other secure methods of protection.
- 7) ensure that computer is equipped with up to date anti-virus software protection .

PART-3

COMPLAINT MANAGEMENT

Safeguarding the interest of depositors and other customers is a fundamental requirement in the financial system. The bank-customer relationship is disrupted and complaints are raised when interests of the customers are neglected. Unresolved complaints may cause losses for the customers, or Banks/FIs. The publication of complaints through the media may also damage the reputation of Banks/FIs in the public eye and can erode public confidence in the financial system if complaints are not handled promptly with proper procedures. Therefore, with a view to safeguarding the interests of bank customers as well as fostering public confidence to the banking sector the Banks/FIs must have an effective complaint management System for addressing complaints of their customers with specific emphasis on resolving such complaints fairly and expeditiously. The complaint management is a series of activities such as facilitating complaint lodgment, developing complaint recording system, complaint resolution process, root cause analysis of the complaints raised and necessary policy formulation. These are illustrated below:

3.01. COMPLAINT LODGMENT PROCEDURE:

- a) Banks/FIs may facilitate the customers to lodge complaints by any available means (for example, letter, telephone, facsimile, email, or in person) and the banks/FIs shall not insist that complaints be necessarily made only in writing.
- b) Electronic complaints lodgment system can be produced in the web portal of the bank.
- c) Banks/FIs may facilitate the customers to lodge their complaints at any branch of the bank regardless the branch at which the customer opened an account or branch at which the customer conducted a financial activity or transaction.
- d) Banks/FIs shall accept complaints lodged by customers, or authorized representative of the customers.
- e) A description of the complaints handling system, or bank's/FI's prescribed form (Annexure-C) for submitting complaints should be accessible/available to customers, via the banks/FIs website, or through pamphlets and posters.

3.02. COMPLAINT RECORDING

- a) Banks/FIs must maintain Complaints Registers (Annexure-B) and records of complaints received. The registers should include, but not be limited to the followings:
- Date of complaints received;
 - Name and contact details of the complainants or authorized customer representatives;
 - Brief description of the complaints;
 - Name and designation of the official, handled the complaints;
 - Resolution status;
 - Settlement date;
- b) Banks/FIs are required to retain the detailed records of handling and resolution of complaints.

3.03. PRIORITIZATION OF COMPLAINTS:

Banks/FIs must prioritize the complaints on the basis of the gravity and sensitivity of the matter involved. For this purpose, complaints received at any level of the banks/FIs, shall be classified into the following categories and shall be marked as **H.S.** for Highly Sensitive, **S** for Sensitive or **G** for General category on the complaints:

| Nature of complaint | Category |
|---|---------------------------------|
| <ul style="list-style-type: none">- Allegations of fraud forgery- Allegations that require prompt action in the failure of which it may cause great loss to the complainant.- References from Ministries of Govt./ Bangladesh Bank/ BAB/VIPs | Highly Sensitive (HS) |
| <ul style="list-style-type: none">- Allegations of rude behavior, bribery- Allegation related to foreign remittance, non-payment of overdue foreign bills.- Allegations related to the different prioritized products of the bank- Allegations related to the Govt. prioritized products (Agricultural Credit, subsidies to the farmers etc.), loans under Government's Poverty Alleviation Programs, Social Security Products (old age allowances, widow allowances etc.) | Sensitive (S) |
| Other kinds of complaints | General (G) |

Banks/FIs shall take necessary action on the basis of priority of the complaints.

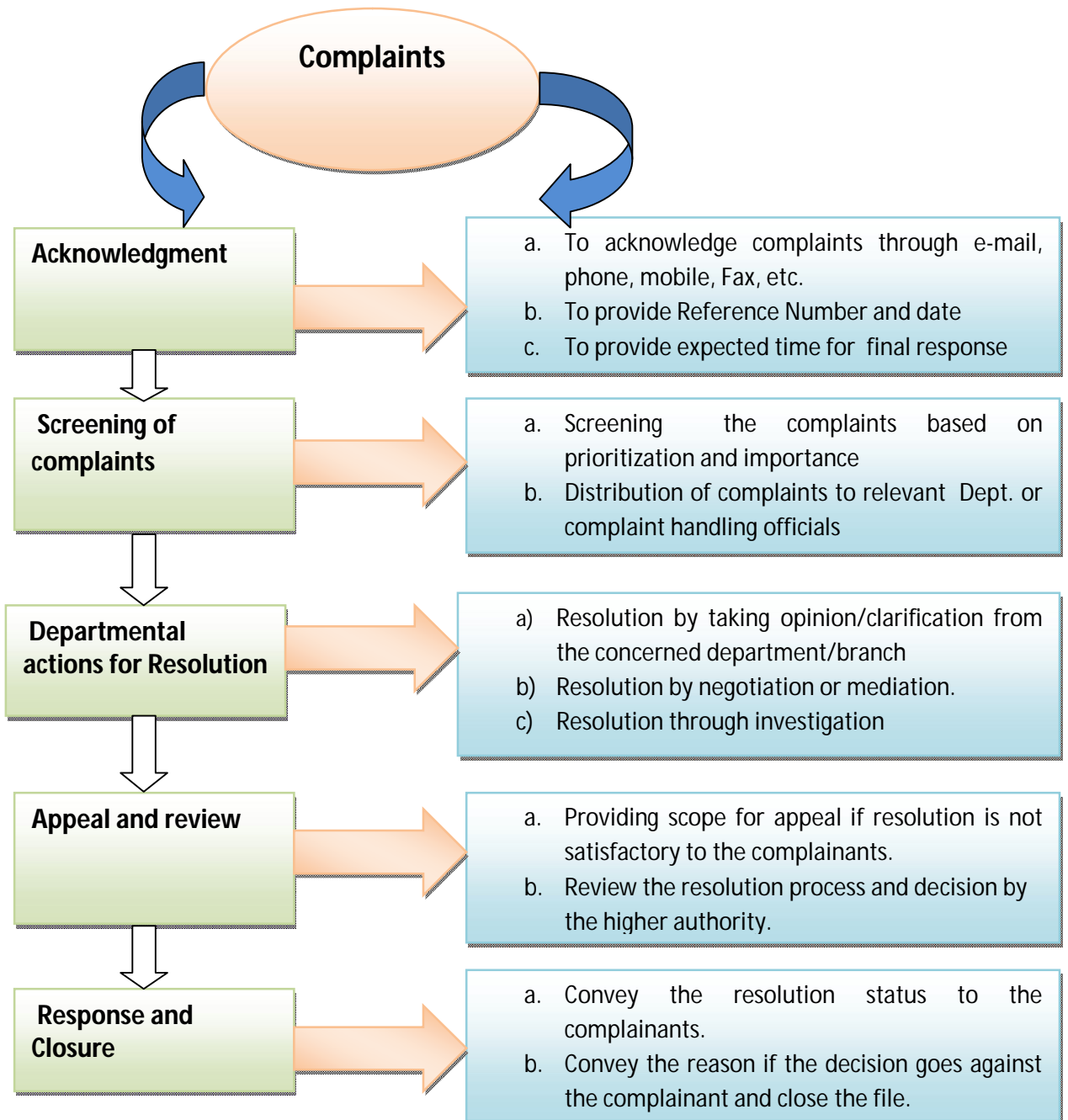
3.04. COMPLAINT RESOLUTION PROCESS:

Complaint handling is one of the important functions in an organization for their institutional reputation and existence. The Complaint Management Team should follow a systematic procedure to settle the complaints against Banks and FIs. The Complaint Resolution process requires at least the following five stages:-

- a) Acknowledgment,
- b) Screening of complaints
- c) Departmental actions for resolution.
- d) Appeal and review
- e) Response and closure

The stages of resolution process are depicted below in a diagram and stated in details for easy references and understanding:

DIAGRAM: COMPLAINT RESOLUTION PROCESS



3.04.01 ACKNOWLEDGEMENT

- A complaint must be acknowledged promptly to assure the client that the complaint has been taken into consideration. The acknowledgement should outline the complaint process and provide contact details, preferably the name of a contact person. It should also mention the probable time for resolving the complaint.

- b) It is not always necessary that the acknowledgement will be in written form. If the complaint is received through telephone, the acknowledgement can be conveyed to the complainants over Phone.
- c) The complainants should be kept informed of the progress and the outcome of the complaint if it is a long outstanding case.
- d) Electronic complaint lodgment systems can also be programmed to send an automatic acknowledgement to the customers.

3.04.02 SCREENING OF COMPLAINTS

- a. The nature of complaint may vary case to case. Some complaints may be highly sensitive whereas some may be of general sensitivity. Some complaints may deserve quick disposal whereas other complaints may be of normal importance. So, the Head of Complaint Cell (HCC) shall go through, screen and scrutinize each complaint and determine the priority of the cases on the basis of merit and urgency.
- b. Then HCC shall forward the complaints to the concerned officers or to the concerned department with appropriate direction/advice and shall confirm dispatch or record keeping of each complaint.

3.04.03 DEPARTMENTAL ACTIONS FOR RESOLUTION:

a) Resolution by taking opinion/clarification from the concerned department/branch:

If prima-facie scrutiny of a complaint reveals that it requires some clarifications, opinions, any additional information or documents for better understanding of the complaint from the concerned or accused branch/department, the Complaint Cell shall ask for those in written (through letter or e-mail) and then settle the complaint amicably. In such a situation the accused branches/departments will be bound to follow the advice and instructions thereof.

b) Resolution by mediation or negotiation:

In some cases, dispute may arise between the bank/FI and the complainant and for the solution of the problem mutual discussion may be needed. In such cases, Complaint Cell shall arrange a meeting, mediation or negotiation with the complainant and thus help to resolve the case peacefully. The mediator will facilitate the process, but not insist the parties to abide by the decision.

c) Resolution through investigation:

In the cases of complex nature such as fraud, forgery, financial corruption, financial embezzlement which need physical inspection or investigation, an inspection or investigation can be conducted by the bank/FI either by their Internal Audit and Inspection Department or by forming a special inspection team with qualified officials of the bank/FI to find out factual event. The inspection report should contain their findings in details, the specific indication of the persons/officials responsible for the event and the recommendation thereon. If any complaint involves in criminal activity, legal actions/steps should also be taken by the bank/FI as per rule.

d. Action on Anonymous and Pseudonymous Complaints:

Any complaint that does not bear the name, addresses, contact number of the complainant, will be treated as anonymous complaint. The complaint which does not bear the full particulars of the complainant or is unsigned or is renounced subsequently by a complainant is a pseudonymous complaint. As a general rule, no action is required to be taken on anonymous and pseudonymous complaints. But the bank must take it into consideration for taking action on it when the complaint contains the allegations like fraud, forgery, corruption that may harm the interest of the bank or of the customers. Any complaint which is not related to Banks/FIs will not be considered as complaint and therefore no action is required on it.

3.04.04 APPEAL AND REVIEW PROCESS:

Banks/FIs must have a provision for reviewing the appeals of the customers. If any complainant is not satisfied with the decision of the bank/FI regarding the resolution of his complaint, he/she may appeal to the upper tier of the concerned bank/FI. In such cases the bank/FI shall review the whole process of the complaint resolution conducted by the bank/FI in the first instance and may collect further necessary documents for better judgment. Then the bank/FI shall determine whether they will uphold the original decision or review it. The review process should be conducted by a different set of people or team and they should demonstrate impartiality and credibility to the complainants.

If any complainant still remains dissatisfied with the decision of the concerned bank/FI, he/she may lodge a formal complaint to the Bangladesh Bank along with the supporting documents and the copy of bank/FI's final decision about the complaint.

3.04.05 RESPONSES AND CLOSURE:

Banks/FIs shall-

- 1) convey the resolution status to the complainant
- 2) convey the reason if the decision goes against the complainant and then close the file.

3.05 ATTITUDE AND ATTRIBUTES OF COMPLAINT HANDLING OFFICIALS (CHO):

Efficient Complaint Handling staff are the most important factors in ensuring that an organization's complaint handling system is responsive and effective to complainants. But to handle complaints effectively and efficiently the concerned officials should have some common attributes. Complaint Resolution is a team work. The success of the said cell depends on common attitude and attributes of the team. So, the competent authority of each bank & FI will ensure that the complaint handling officials should have at least the following attitude and attributes. :

- a) **Commitment:** Attitude and commitment of the Management are reflected generally in the conduct of the employees and the performances of the company. Their commitment to effective complaint management establishes the motive and incentives for all personnel to strive for customer satisfaction. So Management will ensure committed attitude for complaint handling staff to handle each complaint responsively.
- b) **Impartiality and fairness:** The impartiality and fairness are the crucial attributes for the officials involved in complaint management to handle the complaints properly and accurately. If the designated officials have vested interest in the outcome of the dealings/investigation, it may undermine the complaint handling process and can cause further distress to those concerned. Therefore, the management must ensure impartiality and fairness of the officials in all aspects of complaint handling procedure.
- c) **Competency:** The officials assigned for investigations should have sufficient knowledge and skills to take appropriate action and/or decision to settle the complaints. So Management will ensure competency and efficiency of Complaint Management Team.
- d) **Avoiding conflict of interest:** A conflict of interests exists when an employee has a personal interest that may lead to interfere potentially with his/her objectivity in performing his/her duties or exercising his/her judgment on behalf of bank. So Management will monitor and motivate to avoid conflict of interest for Complaint Handling Staff.

3.06. TIME LIMIT FOR COMPLAINT RESOLUTION:

There must be a time limit for every task to complete it in time. So, banks/FIs must set a time limit in the initiating and disposal level of the complaints as mentioned below:

| SL No | Nature of Complaints/actions | Initiating Level | Disposal Level | Time Limit |
|-------|---|----------------------------------|------------------------------|--------------------------------|
| 1 | FAQ | Call Centre | Call Centre | Instantly |
| 2 | Highly Sensitive but No investigation Required | Complaint Handling Officer (CHO) | Head of Complaint Cell (HCC) | 3 days |
| 3 | Highly Sensitive and investigation required | CHO | CEO | Two week |
| 4 | Sensitive and a lot of money involved. | CHO | CEO | 5 days |
| 5 | Sensitive but a little amount of money involved | CHO | HCC | 3 days |
| 6 | General complaints | CHO | HCC | 3 days |
| 7 | Response to complaints | CHO | HCC | Within 3 days after resolution |

If any complaint cannot be resolved within stipulated time due to any unavoidable circumstances, the CHO shall explain the facts to the HCC and will issue reminder giving another 3/5 five days time limit for response or settlement. Similarly, if any investigation requires a long process and requires additional times, HCC will convey the fact to CEO and monitor the investigation process time to time and fix up time limit again.

3.07. CONTROL AND COMPLIANCE

3.07.01 COMPLIANCE TO BANGLADESH BANK

- a) Banks/FIs must comply with Bangladesh Bank's advice/order in the matter of handling complaints against them. In regard to all first resort complaints forwarded by BB, the concerned banks/FIs shall resolve the complaints in the shortest possible time and inform BB accordingly.
- b) When BB calls for opinions/comments/explanations on the complaints received or any additional information/documents from the concerned bank/FI, the same should be furnished within the stipulated time mentioned in the letter of BB.

- c) When BB asks the bank/FI to investigate about a particular complaint, the bank/FI concerned should submit the findings from its investigation along with the copies of supporting documents to BB within the stipulated time.
- d) When awards/decision on a particular complaint is passed by BB and BB orders the concerned bank/FI to implement such awards/decision or take administrative/punitive action against the staff/official(s) concerned in the case of proven allegations, the bank/FI must comply with such advice/order within the stipulated time and inform BB accordingly.

3.07.02 COMPLIANCE OF THE GUIDELINES:

- a) BB will conduct ongoing monitoring of banks'/FIs' compliance with the requirement of the Guidelines. For this, BB may require a bank/FI to provide information in respect of the compliance of the Guidelines. The information thus provided must be fair, accurate and complete in all aspects.
- b) In addition to the ongoing monitoring, BB may conduct on site inspection on the implementation and compliance of the Guidelines.
- c) BB will periodically evaluate the standard of customer services and complaint management of the banks/FIs.
- d) BB shall determine appropriate sanctions under the Bank Company Act, 1991 (Amended upto 2013) against the bank who fails to comply with the requirements of the Guidelines.

3.08. REWARD AND PUNISHMENT:

Banks/FIs may have reward and punishment provision for their officials for the compliance of the Guidelines. Banks/FIs officials, who shall perform with the best practices of the guidelines, may be rewarded or recognized under the banks/FIs existing policy. Simultaneously, banks/FIs should have the punishment provision for the officials who are reluctant or noncompliance with the requirement of the guidelines.

Where allegations of fraud-forgery, embezzlement of money or any irregularity raised by customers or any media including print and electronic media against one or more officials of bank and the said allegations appeared true in the inquiry/investigation conducted by the bank, then bank must take disciplinary action or appropriate punishment measures against those officials under the existing rules and procedure of the bank/FI.

3.09. ROOT CAUSE ANALYSIS AND POLICY FORMULATION:

Complaint information provides a picture of weaknesses in existing products, policies, and services and system of the concerned banks/FIs. Complaints are also rich source of information about the performance of the bank and the necessary improvements it might make. This is possible when good records of complaints are kept and the information is regularly analyzed. The analysis should cover the followings:

- Identify customer service areas in which the complaints are frequently received;
- Identify frequent sources of complaint—for example, whether they are businesses, community groups or individuals.
- Identify systemic deficiencies;
- The geographical spread of complaints etc.

Numerous ongoing complaints about the same thing are usually a sign of a systemic or recurrent problem that requires further investigation and possible action by the bank/FI. For example, the complaints might reveal that policy is being wrongly interpreted or applied, an internal manual contains confusing guidelines or incorrect advice, recordkeeping needs to be improved, or staff needs further training. It is good practice for banks/FIs to produce regular reports on complaints for presentation to senior management. Information of this nature can help organizations improve services, safeguard their reputation and better prepare for the future.

Banks/FIs may analyze the complaint data in various ways, but care must be taken in the interpretation. For example, an increase in complaints could suggest problems with a new product or service or it could reflect greater public awareness and use of complaint mechanisms, or both. It is important not to look for only one cause of a problem: often there will be several, such as process, behavioral, system and organizational causes. Effective root-cause analysis of complaints information (how did this particular problem happen?) should be carried out by a team of people in the bank who have a range of skills and organizational knowledge. The likelihood recurrence of the problems and complaints can be reduced only if the root causes of problems are identified and dealt with in a coordinated way.

Banks/FIs should regularly review and analyze their complaint handling systems to measure the systems' efficiency and effectiveness. Both quantitative measurement (for example, the number of complaints resolved in a given period) and qualitative measurement (for example, the degree of customer satisfaction with the process) should be undertaken. A major element of good complaint handling, and one that is relatively easy to measure, is timeliness—at each stage of the process and overall. How customers feel at the end of the complaint process is equally important. Customer satisfaction can be assessed through routine feedback from complainants and by periodic surveys.

Complaint information can also be useful for staff management. It can identify Individual staff members or teams that are performing well, as well as those that are not. Information about problem areas and common concerns can also help the banks/FIs to determine staff training and development needs.

Having considered all these things the bank/FIs should have a system of root cause analysis for better performance in coming days.

THE END

SAMPLE OF SERVICE STANDARD

| List of service | Initiating Level (Customer Service Point) | Disposal Level | Total Time Limit (Duration) |
|---|--|----------------|--------------------------------|
| Account Opening 1. Current A/C 2. Saving A/C 3. FDR 4. DPS | | | |
| Cash cheque payment 1. High value 2. Poor value | | | |
| Cash Deposit | | | |
| Domestic -Cheque Clearing | | | |
| Foreign -Cheque Clearing | | | |
| Short Term Loan sanction | | | |
| Long Term Loan sanction | | | |
| Remittance issue Issue of PO/DD/TT 1. Local DD/TT 2. Foreign DD/TT | | | |
| Utility Bill receipt | | | |
| Bill Payment | | | |
| LC Issuance 1. Master LC 2. BTB LC | | | |
| Bank Guarantee issuance | | | |
| Bill Acceptance | | | |
| Issuing Cheque Book | | | |
| Balance confirmation certificate 1. Personal A/C 2. Institutional A/C | | | |
| Statement of Account issue | | | |
| Issuing Debit/credit card | | | |

SAMPLE OF COMPLAINT REGISTER

| Sl No. | Date of receipt | Name & Address of the Complainant | Subject Matter | Concerned Branch/ Official | Resolution Status | Settlement Date | Complaint Handling Officer | Remark if any |
|--------|-----------------|-----------------------------------|----------------|----------------------------|-------------------|-----------------|----------------------------|---------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | | | | | | | | |

COMPLAINT LODGMENT FORM TEMPLATE

(AṛfthvM `vL.tj i bgly dg)

To *(eiwei)*

Subject *(weiq)*: _____

Concerned Branch/Officials: _____

(mswk e'isK kvLw/KgRZ)

Details of the Complaint (Please add pages if required):

[AṛfthvMi we'hwZ weeiY (c0qvRtb AwZwi³ c0v e'envi Kiab)]

What you like us to do *(Aṛgv` i wBKU wKiJc c0ZKvi Pvb)*:

Signature *(`ryi)* _____ Date *(ZwiL)*: _____

Full name *(c0jv bvg)*: _____

Address *(wKvbi)*: _____

Phone number *(tdvb b#f)*: _____ Email *(B-vgBj)*: _____

MONTHLY/QUARTERLY STATEMENT OF COMPLAINTS

For the month/quarter _____

| Received Date | Bank/Fl Name | Branch ID | Complaint Reference | Complaint Date | Name of Complainant | Nature of Complaint * | Subject matter of Complaint | Amount involved | Date of resolve | Remark |
|---------------|--------------|-----------|---------------------|----------------|---------------------|-----------------------|-----------------------------|-----------------|-----------------|--------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| | | | | | | | | | | |

* Nature of Complaints

- General Banking
- Loans & Advances
- Debit Card/Credit Card/ATM card
- Mobile Banking
- Internet Banking
- Remittance
- Import Bill (Local)
- Import Bill (Foreign)
- Export Related
- Bank Guarantee
- Miscellaneous