

# **ANNUAL REPORT**

(2013-2014)

## **ENGLISH VERSION**



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## Governor's Speech

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The "Help Desk" which was launched in the head office of Bangladesh Bank in March, 2011 with a view to making banking service more customer-friendly, has now been turned into a full-fledged department named Financial Integrity & Customer Services Department (FICSD). It is definitely a tiding of progress & success. It is the commitment of the banking sector to provide hassle free services to the customers and Bangladesh Bank, as the central bank of the country, is determined to support and assist in fulfilling this commitment. Financial Integrity & Customer Services Department has been playing an important role in establishing a customer-friendly banking service by resolving the complaints of the financial customers of all categories of the country through proper analysis and examinations and by strengthening the public confidence and reliability on banks and consolidating the banks-customers' relationship. Now, I can opine confidently that FICSD has been able to stir the entire country through its activities. This is indeed a job of an Ombudsman in the banking sector. And exactly that is what this department is doing now. The resolution of almost eleven thousand complaints by June, 2014 by this department undoubtedly proves that FICSD has proved its worthiness in fulfilling the expectations of the increasing financial customers of the country. Further more, FICSD has also prepared and circulated a comprehensive 'Guidelines for Customer Services & Complaint Management' this year. I strongly believe that these guidelines will help to maintain a minimum standard of customer services in the financial sector. I am very glad to know that FICSD, like every year, is going to publish an annual report (2013-2014) on its one year's activities. I expect that in near future this department will be established as a model of trust and confidence to every client and customer of the banks and financial institutions of Bangladesh and it will play vital role in redressing their grievances.

My heartiest felicitations to all concerned officials of this department.



**Dr. Atiur Rahman**  
Governor

## Deputy Governor's Speech

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In the modern world, the matter of protecting the interest of the financial customers along with maintaining the stability of the financial system is getting importance. To keep pace with the standard of banking services in the developed as well as developing countries of the world, Bangladesh Bank has also given much emphasis on the matter of developing and monitoring of the customer services, rendered by the banks and financial institutions of Bangladesh. Therefore, the "Help Desk" which was established in the head office of Bangladesh Bank in March, 2011 with a view to making banking service more customer-friendly, has now been turned into a full-fledged department named Financial Integrity & Customer Services Department (FICSD) and some necessary steps have also been taken to expose the activities of this department to the financial consumers of all categories as well as corners of the country. It is a very happy tiding that Financial Integrity & Customer Services Department has prepared and circulated a comprehensive 'Guidelines For Customer Services & Complaint Management' by this time. I firmly believe that these guidelines will help to maintain a minimum standard of customer services and side by side bring a discipline and uniformity in the financial service sector. I also trust that FICSD will do better in future than it did in the past to upgrade the standard of banking services and to uphold the image of the banking sector of the country in the world. I am very glad to know that FICSD, like every year, is going to publish an annual report (2013-2014) on its one year's activities. I hope, through the publication of the annual report the transparency and accountability of the department will increase more and it will also consolidate the confidence of the customers or public to a great extent.

I wish the rapid progress and success of the department.



**Sitangshu Kumar Sur Chowdhury**  
Deputy Governor

## Executive Summary

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The 'Help Desk' which was established on March, 2011 with a view to redressing the harassments and grievances of the customers in getting banking services and for maintaining their confidence and satisfaction on banking sector, is now a full-fledged department named 'Financial Integrity & Customer Services Department' (FICSD). At present, under this department there are three sub-divisions namely Customer Services Division, Vigilance & Anti-fraud Division and Technical Services Division. Besides, to cover the people of all areas of the country "CIPC" is working in 10 (Ten) branch offices of Bangladesh Bank and "Complaint Cells" have also been set up in all the Head Offices, Regional Offices and in the branch offices of the scheduled banks and Non-bank Financial Institutions. Besides receiving complaints from the complainants through phone, fax, SMS, websites, mail/email a short code 16236 has been introduced in the department to give replies to the queries of the people of home and abroad during the office hours round the week except weekly & government holidays and the number is being circulated periodically in the electronic and the print media. Among the activities of the department in the last financial year, one thing specially mentionable here that the department formulated and circulated a complete guidelines named "Guidelines for Customer Services & Complaint Management" which will help in maintaining an uniformity in the procedure of customer services along with maintaining a minimum standard in the customer services of the bank/Financial Institutions working in the country. The department has got popularity by resolving more than 11,000 complaints and answering thousands of queries of the general public up to June, 2014. This department tries to solve the problems within three working days by analyzing the information gathered through telephone or e-mail. If the case is a more complex one, it gathers required information through onsite inspection conducted by the Vigilance & Anti-fraud Division. Besides these, the department always keeps keen eyes whether any irregularity happened in the banking sector. When any irregularity occurred in that sector the department takes immediate actions after conducting field level investigation and thus playing an important role in maintaining financial discipline. Now, people hold a positive attitude towards FICSD for its quick problem solving attitude. So, to honor the belief and expectation of the people FICSD will continue its endeavor to develop the standard of banking services of the country to international level.

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## **1. Introduction:**

Profit making is one of the main objectives of the Banks/Financial Institutions (FIs). To achieve this objective diversification of the products/services, development of the customer service standard, upholding the confidence and satisfaction of the customers is essential for the banks/FIs. So, the matter of customer service is considered as the prime factor for their earnings, growth and existence in the market competition. As the supervising and controlling authority of banks and financial institutions of the country Bangladesh Bank has kept a keen eye on the standardization of customer service along with maintaining stability in the financial market. With a view to ensuring hassle free smooth banking service for innumerable clients of both home and abroad and to uphold the standard of services of our banks at international level the 'Help Desk' established on March 2011 is now a full-fledged department named "Financial Integrity and Customer Services Department (FICSD)". At present, the department is playing an important role in bringing a financial discipline by resolving the various types of complaints of the customers, developing the banker-customer relationship and protecting the interest of the customers.

## **2. Terms of References of Financial Integrity & Customer Services Department (FICSD):**

There are three divisions under the Financial Integrity and Customer Services Department (FICSD), namely-

- A. Customer Services Division
- B. Vigilance and Anti-Fraud Division
- C. Technical Services Division

### **A. Functions of the Customer Services Division (CSD):**

- Formulating the guidelines to determine the role of the Board of Directors and the necessary structures and activities in the area of Customer Services and Consumer Protection.
- Formulating, revising and developing the policy and procedures related to the resolution of customers' complaints from BB's side, as well as minimum standards of performance by the banks and other Regulated Entities (REs) when a customer complaint is received by BB.
- Formulating policy and guidelines on consumer rights, including interest rate and fee disclosures.
- Taking necessary action on the written complaints:
  - Filtration of the complaints.
  - Invitation of the opinion/comments/explanation of the concerned banks on the complaints.
  - Analyzing the opinion/comment/explanation sent by the concerned banks and to put up the cases with recommendations.
  - Implementation of the decision.

- ❑ Preparing the summary and statement of the complaints received by the Department and submitting the same to the Governor on a monthly basis.
- ❑ Maintaining all time communication with the FICSD of the branch offices of Bangladesh Bank, monitoring their activities, and preparing the consolidated statement on the basis of the monthly statements of complaints received from the branch offices, analyzing and transmitting the same to the G.M and implementing an appropriate, timely, and relevant decision.
- ❑ Monitoring the “Complaint Cells” of scheduled banks and other REs and preparing the report after analysis of the quarterly reports received from the scheduled banks and other REs, transmitting the same to the higher authority and implementing the decision.
- ❑ Receiving the complaints sent over/by telephone, mobile, e-mail and fax during office time on all the working days (except weekends or government holidays).
- ❑ Responding to the incoming calls in time and giving answers to the query of the public.
- ❑ Performing other related works.

**B. Functions of the Vigilance and Anti-Fraud Division (VAD):**

- ❑ To conduct on-site inspection on consumer complaints which are of a complex nature or that cannot be solved without spot verification.
- ❑ To implement decisions, taken on the basis of on-site inspection/spot verification, requiring corrective action by the banks and other REs regarding legitimate and serious complaints.
- ❑ To inspect banks and other REs for the early warning signs of internal and external fraud and the effectiveness of their internal controls to prevent fraud, in cooperation with the DBIs and DFIM.
- ❑ To conduct investigations proactively when there is probable cause of fraud with banks and other financial institutions, Money Changers, MLM Companies, NGOs etc. and take necessary action on the basis of the findings of the investigation including making criminal referrals when appropriate.
- ❑ To promote accurate reporting of internal and external fraud at banks and other REs in the news media, in a manner that avoids spurious accusations and reassures customers that BB is aware of, and taking action against, fraudulent activities.
- ❑ To preserve the outstanding findings of the investigation/on-site inspection in the corporate memory.
- ❑ To conduct on-site inspection on any other subject/ complaint as per instruction of the higher authority.
- ❑ To perform other relevant activities.

### **C. Functions of the Technical Services Division (TSD):**

- ❑ Developing and disseminating policies and guidelines governing the Information and Communication Technology (ICT) activities of banks and other REs, in the areas of audit, business continuity/disaster recovery, development and acquisition, electronic banking, information security, outsourcing, and retail payments.
- ❑ Conducting in-house training and organizing external training for ICT inspectors.
- ❑ Conducting on-site inspections to determine compliance with abovementioned policies and guidelines, in cooperation with the DBIs.
- ❑ Cooperating with the Vigilance and Fraud Prevention Division to investigate cases of possible misuse of the ICT systems for fraudulent purposes.

### **3. Preparation and Circulation of “Guidelines for Customer Services & Complaint Management” by the department:**

Along with the day to day routine works Financial Integrity & Customer Services Department has accomplished another task in this financial year that can be considered as an outstanding work of this department. The Customer Services Division of the department has formulated a guideline under the title “Guidelines for Customer Services & Complaint Management” for the protection of interests of the financial customers of the country. The guidelines have been prepared with the end in view to help the banks and non-bank financial institutions to form an organizational structure for dealing with the complaints of the clients & customers, to formulate appropriate complaint management system for timely resolution of the complaints and also to punish or reward the responsible officials for being failure or successful in handling the complaints timely, properly and responsibly. Now it can be expected that these guidelines will be very conducive to maintain a minimum standard of customer services and bring a discipline in the financial sector of the country. The guideline was circulated on 13th July,2014 vide FICSD circular No-01/2014.

### **4. Working procedure of the department :**

The activities of FICSD have been designed in a way to accomplish the tasks quickly and easily but having a far reaching effect. FICSD, at Bangladesh Bank Head Office, closely monitors the complaints arising out of the harassment, faced by the customers in getting services from banks. Besides, “Complaint Cells” have also been set up in all the Head Offices, Regional Offices and in the branch offices of the scheduled banks and Financial Institutions and in the branch offices of Bangladesh Bank also there are Customer Interest Protection Centres (CIPC). Complainants can lodge their complaints to their nearest regional/branch offices of the banks/FIs. Again they can also put the issue to the nearest branch office of Bangladesh bank. If the branches cannot solve the issue, they may send it to the FICSD in Bangladesh Bank’s Head office. Regional Offices of the banks and FIs send monthly/quarterly statements to their Head Office a copy of which is sent to the CIPC of the nearest branch of Bangladesh Bank. Complaint Cells in the banks’ head offices compile and consolidate the statements, received from their regional offices and then send the consolidated monthly/quarterly statements to the FICSD in Bangladesh Bank’s Head office, Dhaka through the web portal. Similarly, Bangladesh Bank’s branch offices also prepare monthly statements incorporating

the total number of received complaints, resolved cases and the unresolved cases and send it to the FICSD of its Head Office, Dhaka. In this way FICSD is monitoring the complaints of the customers across the country. At the same time, FICSD in Bangladesh Bank Head Office, Dhaka directly receives complaints against banks/FIs and takes quick initiative to resolve those either by communicating with the banks/FIs or by conducting inquiry in the concerned institutions.

### **5. Medium and timing of receiving complaints:**

FICSD receives complaints from the complainants through phone, fax, SMS, websites, mail/email, round the week except weekly and government holidays during the office hours. The Center also receives complaints directly from the complainants.

### **6. Logistics:**

The FICSD is equipped with required logistics so that the complainants from home and abroad can easily communicate with it and lodge their complaints to the division quickly. Every desk of the department has been provided with a desktop computer with internet connection. Moreover, there is a short code in the department bearing number '16236'. This short code is connected with 5(five) T&T direct lines in auto-hunting system. As a result, anyone can easily communicate with the department through this short code. It's a remarkable advancement in providing services to the financial service seeking people and safeguarding their interest. It is expected that the department will be able to provide more satisfaction with increased logistic support in the near future.

### **7. Answering to Questions:**

It is to be noted that the activities of FICSD are not only limited to receiving complaints from the people but it also covers answering the customers' numerous queries related to banking and financial services. People of different stratum of the society are asking multifarious questions to the officers of the Center over telephone or cell phone every day and they are instantly responding to those questions. If any question cannot be answered instantly, concerned officer informs the questioner later after collecting the information from the respective department of the bank. Frequently Asked Questions (FAQ) have been collected from different departments of Bangladesh Bank so that the officers can enrich themselves and promptly answer various questions. In this way answering the queries of people at home and abroad FICSD is working hard for paving the path of financial services to general people.

### **8. Publicity:**

The FICSD also takes initiative to publicize its activities to the general public along with answering the queries of the customers and resolving the written complaints. FICSD has launched a short code number 16236 so that the people of all walks can easily lodge their complaints or can get the answers to their queries from the Division just dialing a short code number. In order to publicize the number to the public FICSD has taken the following measures:-

- On last 19-01-2012 the short code (16236) was formally inaugurated by the Governor in the presence of all banks' representatives and journalists of print & electronic media in a ceremony, held in the conference hall of the bank and from the same day the short code was also advertised both in print & electronic media ( BTV, Channel I, ATN Bangla & Radios).
- Necessary measures have been taken to append the STICKER containing the short code (16236) at the cash counter of each branch of Banks & Financial Institutions so that the customer can easily lodge their complaints when they are harassed.
- Arrangement has also been made to keep the DESK DISPLAY containing the short code (16236) on the table of the front desk officer of each branch of Banks & Financial Institutions.
- The short code number is delivered to all the mobile phone users through SMS with the help of BTRC.
- The Phone & FAX number, e-mail ID, address of the FICSD are also published in the web-site of Bangladesh Bank. Besides, a complainant can immediately lodge his grievances just filing up the electronic complaint form in the web-site of Bangladesh Bank.
- Apart from these, in the 132th meeting of EMT, dated 14-03-2012 a decision has been taken to advertise the short code number in the Television & frequently read National Dailies in every three months interval to make the people know the activities of the FICSD to the public. The decision has also been executed by this time.

## 9. Statistical Statement of the activities of FICSD:

The department receives complaints over telephone, mobile, e mail, mail, fax and SMS from all over the country and abroad. The three divisions of this department namely Customer Services Division (CSD), Vigilance and Anti-Fraud Division and Technical Services Division (TSD) are working to protect the interests of the bank customers who were once afraid of the decorated chamber of the bank authority. Since inception up to 30 June, 2014 the summary of the complaints received in the FICSD is shown in the following table:

**Table-1: Complaints dealt by FICSD: At a glance**

Period	Number of Complaints Received			Resolved	Unsolved	Resolution Rate
	Over Phone	Written	Total			
March 28, 2011 to June 30, 2014	3,468	7,522	10,990	10,805	185	98.31%

The table in the previous page shows that during the period total 10,990 complaints were received by the department. Among those complaints 3,468 were received over phone and 7,522 in written form. After receiving the complaints, action has been taken instantly by the department and 10,805 complaints out of 10,990 have been resolved. The remaining 185 cases are under investigation. The rate of resolution is 98.31 %.

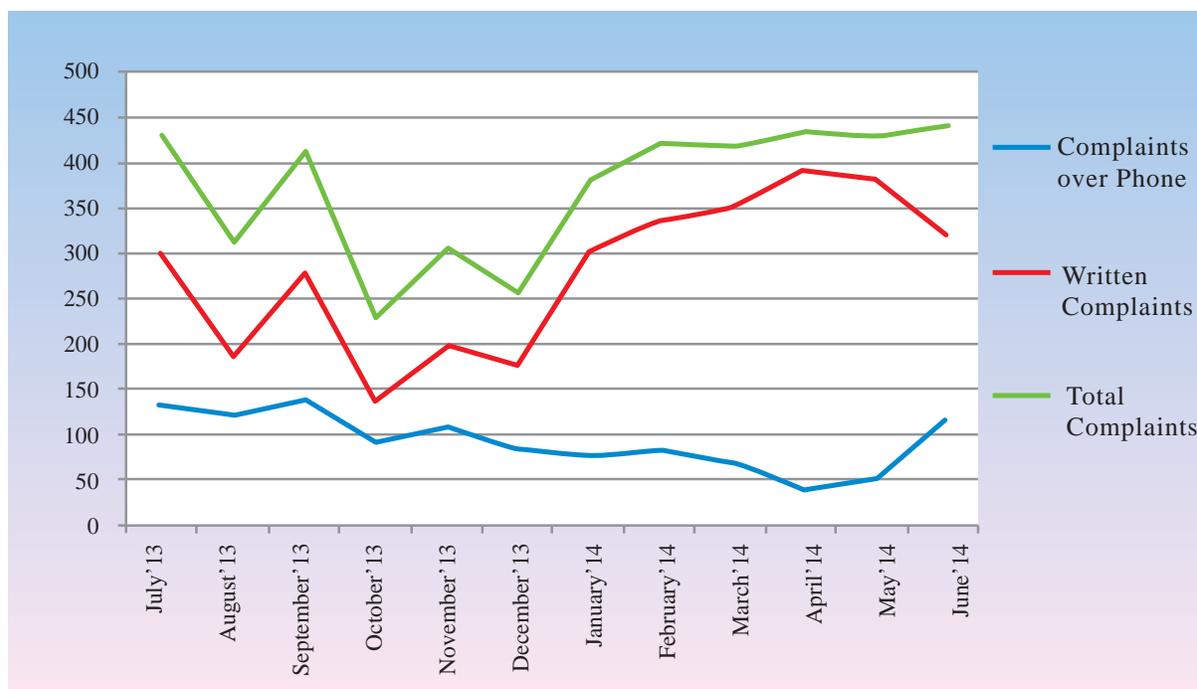
#### 10. Month-wise Statement and Trend of received complaints:

The month-wise statement of complaints received in the fiscal year 2013-2014 is shown in the following table:

**Table 2: Month-wise statement of complaints**

Month	No. of Complaints Received over Phone	No. of Complaints Received in Written Form	Total No. of Complaints
1	2	3	4(2+3)
Jul '13	133	296	429
Aug '13	123	187	310
Sep '13	138	277	415
Oct '13	93	136	229
Nov '13	108	198	306
Dec '13	83	175	258
Jan '14	80	302	382
Feb '14	85	336	421
Mar '14	70	350	420
Apr '14	42	393	435
May '14	49	382	431
Jun '14	116	324	440
Total	1120	3,356	4,476

**Figure-01: Trend of Complaints received**



The table-2 & figure-01 exhibit that the highest number of complaints over phone (138) was received in the month of September, 2013. Though the number of complaints over phone was lowest in the month of April, 2014, the highest number of written complaints was received in that month. On the other hand, the total number of complaints was lowest in October, 2013 and from that point the complaints were increased gradually with a slight dropping in December, 2013 and reached the peak (440) in June, 2014. Notable that the number of complaints is showing a positive trend and this may be due to the increased public awareness created by the publication of functions of this department both in print and electronic media.

### **11. Category-wise complaints:**

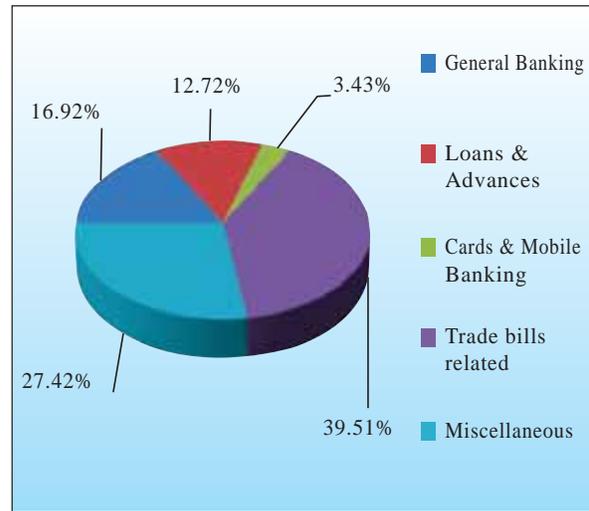
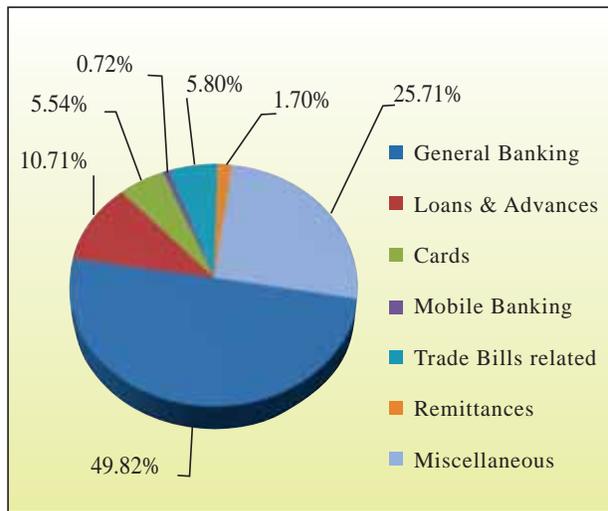
Complaints of varieties of nature are received in FICSD. The analysis of the complaints received over phone shows that most of the complaints were about general banking (49.82%). Then 10.71% of the complaints were about loans and advances, 5.80% about trade bills related, 5.54% about cards, 1.70% about remittances, 0.72% about mobile banking and 25.71% miscellaneous.

On the other hand, the analysis of the complaints received in written form, shows that most of the complaints were about trade bills related (39.51%). Then, 16.92% about general banking related, 12.72% about loans and advances, 3.43% about cards and mobile banking and miscellaneous complaints were 27.42%.

The analyses in the previous page are shown in the two pie charts juxtaposed below:

Figure-2: Complaints received over phone

Figure-03: Complaints received in written form



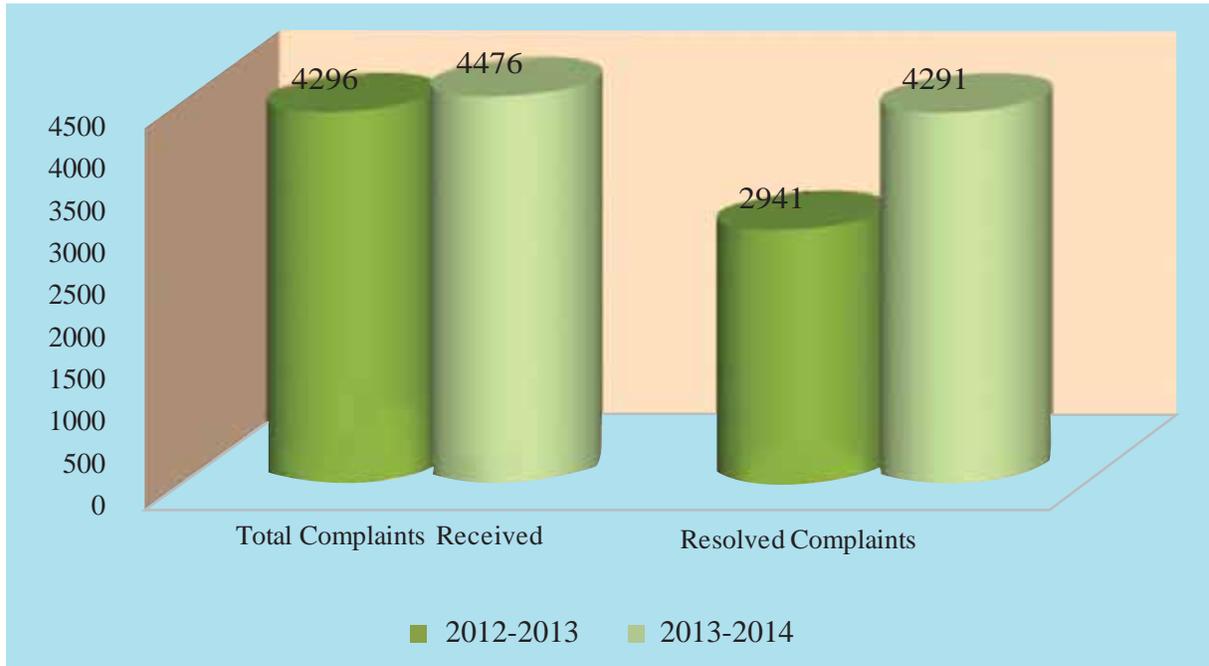
## 12. Comparative Statistics of the Complaints Received and Resolved by the Department:

Table-3:

Items	Fiscal Year 2012-2013	Fiscal Year 2013-2014
Complaints Received	4,296	4,476
Complaints Resolved	2,941	4,291
<b>Rate of Resolution</b>	<b>68.46%</b>	<b>95.87%</b>

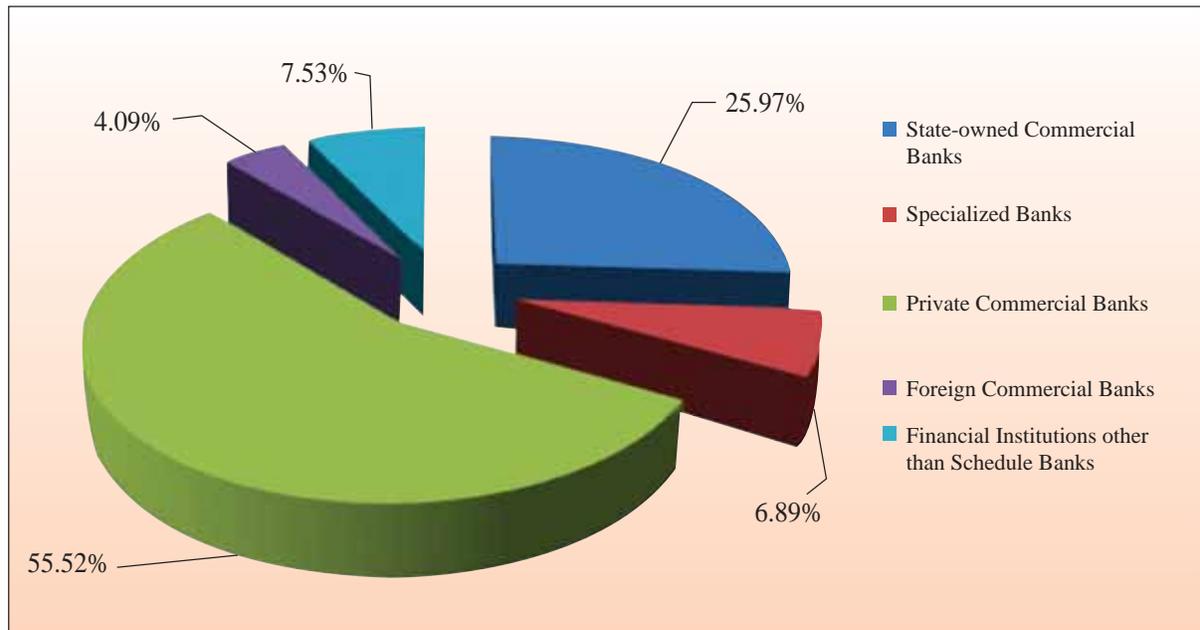
The above table shows that in the financial year 2013-14 the amount of complaints increases by 4.19% than the previous financial year 2012-13. At the same time, the rate of resolution of complaints also increases by 27.41%. The comparative statistics of the received and resolved complaints are shown in the next page with bar diagram.

**Figure 04: Comparative figures of the received & resolved complaints in the Fiscal year 2012-2013 & 2013-2014**



**13. Statistics of Bank group-wise complaints:**

**Figure-05: Statistics of Bank group-wise complaints**



The figure indicates that the highest numbers of complaints were received against Private Commercial Banks which is 55.52% of total complaints. Then complaints received against State-owned Commercial Banks were 25.97%, Specialized Banks 6.89%, Foreign Commercial Banks 4.09% and Financial Institutions other than Schedule Banks were 7.53% of total complaints.

#### **14. Top 10 (Ten) banks in respect of received complaints in written form:**

The list of top 10 Banks on the basis of complaints received in written form at FICSD in the financial year 2013-14 are shown in the following table.

**Table-04: Top 10 (Ten) banks on the basis of written complaints received**

<b>Sl. no.</b>	<b>Name of banks</b>	<b>Total complaints received in written form</b>
01	Sonali Bank Limited	291
02	Janata Bank Limited	186
03	Agrani Bank Limited	185
04	Islami Bank Bangladesh Limited	152
05	Prime Bank Limited	146
06	BRAC Bank Limited	135
07	Mercantile Bank Limited	129
08	Bangladesh Krishi Bank	127
09	The Premier Bank Limited	85
10	Shahjalal Islami Bank Limited	77

Table-4 shows that in respect of volume of written complaints received at FICSD, the highest number of complaints (291) has been received against Sonali Bank Ltd. Then two other state-owned banks namely Janata Bank Ltd. (186) and Agrani Bank Ltd. (185) are in the second and third position respectively. As the private commercial bank Islami Bank Bangladesh Ltd. is in the fourth position in this respect.

**15. Information (Bank group-wise) of Special Inspections conducted by the department in the financial year 2013-2014:**

Name of Bank Group	No. of Special Inspection
State-owned Commercial Banks	19
Specialized Banks	7
Private Commercial Banks	83
Foreign Commercial Banks	4
Financial Institutions and Others	13

**16. Effectiveness of Special Inspections conducted by FICSD:**

In an emerging and continuously developing economy the desired indicators in the financial sector are stable bank interest rate (including call money rate), stable foreign exchange rate, increasing foreign exchange reserve, adequate supply of credit fund, controlled inflation, import (specially capital machineries), positive growth of export, increasing employment and per capita income and high GDP growth. To control these indicators a timely and effective monetary policy is necessary. Monetary policy is mainly implemented through the banking system. Supervision of the banking system is also the responsibility of the central bank. If the banking system does not work properly and loan/investments are not used in the proper way according to the monetary policy it is not possible to achieve the desired targets.

In the recent year special inspection teams of FICSD have taken a number of actions against corruption and forgeries in the banking sector and contributed to maintain growth and macroeconomic stability of the country. FICSD, former Foreign Exchange Inspection Department, has strengthened issue based special inspections focusing on trade, financing through which many irregularities and fraudulent activities were revealed. Bangladesh Bank special inspection team identified probable fraud of approximately 3000 crore taka by Destiny group at the beginning of the year 2011. Destiny group was involved in the embezzlement of money deceiving general people in the name of Multi Level Marketing. People were saved from further losses as the government took actions on the basis of the findings of special inspection conducted by Bangladesh Bank. Other MLM companies became aware after the shutdown of Destiny. Mass people became more aware about these issues too. Subsequently other big scams of the financial sector were revealed through special inspections. Among them financial scam of a large group at Rupali Bank, Hall Mark scam at Sonali Bank Ltd., Bismillah group scam at different banks, corruption and malpractices at Basic Bank Ltd. are significant that were unearthed by the special inspection teams of FICSD. Following the actions taken by BB on the above mentioned scams, corruption and malpractices in the banking sector have been checked, establishing discipline in the banking sector. This helped achieving stability in the financial system and improved macroeconomic scenario.

Borrowing and lending interest rates have decreased. In the real sense the private sector investment did not decrease although it decreased in monetary figure. GDP growth rate remains

steady. Employment opportunity and Per capita income increased. Inflation is at a tolerable level. Demand of unnecessary foreign currency for payment of Back to Back LC decreased due to decrease in false LC opening resulting in stable and favorable exchange rate. Whereas the exchange rate of the dollar was 84.50Tk in the end of 2011 which is now 77.63 Tk. Due to the vigilance of Bangladesh Bank, proper use of foreign currency and timely export repatriation is ensured which catapulted the foreign currency reserve to 21 Billion dollar which was 11.20 Billion dollar in January 2011. Interest on deposit is about 8 percent, interest on lending is about 13 percent and inflation is also at a tolerable level that is below 7.50 percent.

Evil axis of corrupt bankers and insincere customers are much used tools for embezzling funds from the banking sector fraudulently by means of Back to Back LC, Accommodation bills, misuse of Loan against Trust Receipt (LTR), performance guarantee, payment against import documents. Bangladesh Bank is giving special attention in these matters at the time of special inspection. We found that, in these cases at first non-funded facilities are given in the form of PAD and LTR; after defaulting these are transferred to Forced Loan and at last transferred to long term loan (sometimes even for 25 to 30 years) showing the borrowers as regular. Sometimes these long term loans are treated as long term interest free blocked account to give these clients unprecedented facilities. The clients were shown as non-defaulter without payment of any installment of these long term loans using stay order from court. On the other hand the banks were showing enormous profits in their balance sheets by imposing huge amount of interest without any kind of actual recovery year after year. As a result actual financial position of the bank was not reflected. Through special inspection these kinds of serious irregularities were identified and it became possible to restrict the repetition of such irregularities, on the other hand actual provisioning against such loans were maintained without refraining court order and showing clients as non-defaulters. As a result, actual financial position of the banks is now reflecting on their balance sheet.

Finally, it can be said that due to BB's emphasis on identifying the persons involved in the financial scam, it has been possible to bring discipline in the financial system and also to take punitive action against the accused ones. Perhaps this is for the first time in the history of Bangladesh that the Managing Director of a State Owned Bank (BASIC Bank) is dismissed on the findings of special inspections. As a result, discipline in the financial sector will be reinforced and sustained. Senior management of Bangladesh Bank is directly giving suggestions and directions, actively guiding and directing inspection teams adding a new dimension to the bank inspection. But it is true that, limited workforce of Bangladesh Bank is not sufficient enough to uproot the irregularities, corruption and fraudulent activities in the banks. Besides supervision of Bangladesh Bank, the internal control systems and accountability of the banks should also be ensured for a more transparent and stable financial sector.

### **17. Statistics of complaints received by the branch offices of Bangladesh Bank (in the financial year 2013-2014):**

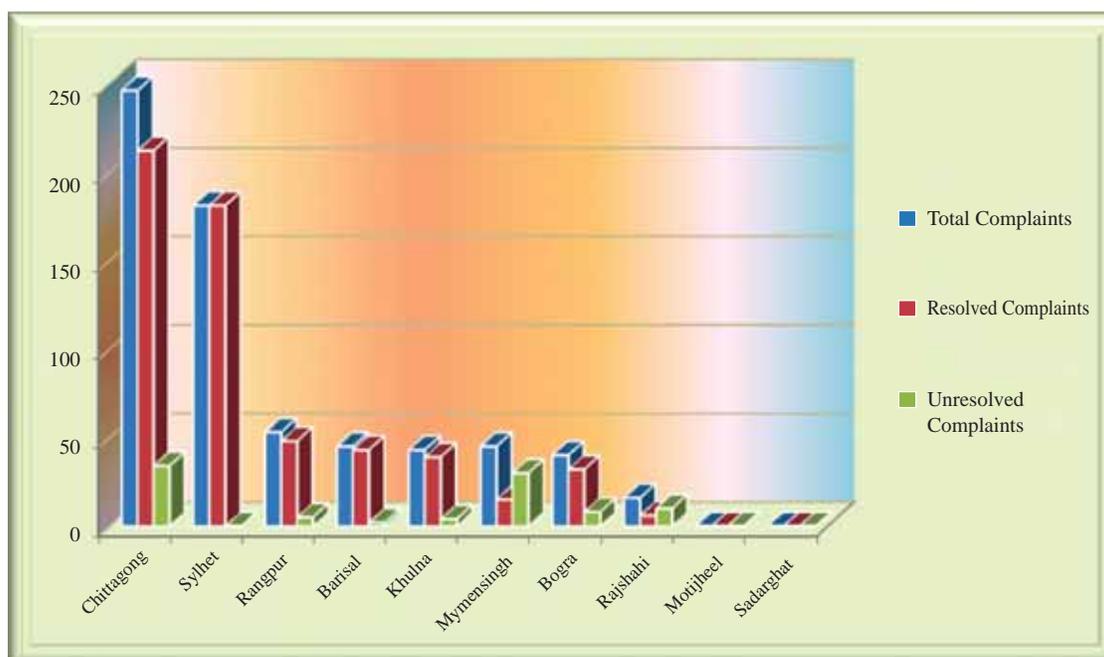
Apart from the FICSD of Head Office, Bangladesh Bank, the 10 branch offices of Bangladesh Bank also deal with the complaints of the people or the bank customers of their respective jurisdictions. They report to the FICSD of Head Office about their activities by sending a monthly statement containing the total number of received complaints, resolved cases and the unresolved cases. Summary of the statements of 10 branch offices of Bangladesh Bank in financial year 2013-2014 is shown in table-5 in the next page:

**Table-5: Statistics of complaints received by the branch offices of Bangladesh Bank**

Office	No. of Complaints over Phone	No. of Written Complaints	Total No. of Complaints	No. of Complaints Resolved	Unsolved/ Under Investigation
Chittagong	109	137	246	212	34
Sylhet	112	69	181	181	00
Rangpur	00	53	53	48	05
Barisal	00	45	45	43	02
Khulna	00	43	43	39	04
Mymensingh	00	45	45	15	30
Bogra	05	35	40	32	08
Rajshahi	00	16	16	06	10
Motijheel	00	00	00	00	00
Sadarghat	00	00	00	00	00
<b>Total</b>	<b>226</b>	<b>443</b>	<b>669</b>	<b>576</b>	<b>93</b>

From the table-5, it is seen that among the nine branch offices of Bangladesh Bank, CIPC of Chittagong Office dealt with highest number of complaints (246) in the financial year 2013-2014. The Sylhet office and Rangpur office were in the second and third position. The CIPCs of Motijheel and Sadarghat offices are not very active because of the presence of FICSD in the head office at Dhaka. The graphical picture of the above table-5 is shown in the following diagram :

**Figure 7: Complaints dealt by the branch offices of Bangladesh Bank**



## 18. Some examples of success stories:

**STORY -01** Reference: Mrs. Farah Sadeque, Expatriate of U.S.A.

Subject: Complaint for not transferring the money, remitted by Mrs. Farah Sadeque (Expatriate) to the account of Chairman, RAJUK.

Mrs. Farah Sadeque is an expatriate who lives in the USA. She lodges a complaint to FICSD against Sonali Bank Ltd., Wage Earner's Corp. Branch. In the complaint, she has mentioned that she had applied for a RAJUK Plot and got the allotment duly. RAJUK asked her to send the value of the plot in 2 installments to the account of Chairman, RAJUK, maintained with Sonali Bank Ltd., Wage Earners Corp. Branch. Accordingly she remitted the 1st installment of \$ 1750.00 through Rupali Exchange Inc, New York via Uttara Bank Ltd. on 30 July 2005 and the 2nd installment of \$ 2030.00 through Sonali Exchange Co. Inc., New York on 04 June 2011. But, when she checks it up with RAJUK recently, she is informed that her remitted money has not been credited to the account of RAJUK. Hearing this she comes to Bangladesh and visits Sonali Bank Ltd, Wage Earner's Corp. Branch. The branch confirms her that her 2nd installment was credited to their branch account though the 1st installment was not credited. Therefore, Sonali Bank suggests her to consult the matter with Uttara Bank Ltd. Accordingly she meets the concerned officer of Uttara Bank and knows from him that Uttara Bank duly transferred the remitted amount to the account of Sonali Bank, Wage Earners Corp. Br. on 07 August 2005 through Bangladesh Bank clearing house. They also provide her with a clearing statement. Mrs. Farah Sadeque shows the statement to the concerned officer of Sonali Bank branch but he does not take it with due importance. Rather he suggests her to supply him more documents regarding the remittance of the amount. Mrs. Farah once again requests the officials of the Sonali Bank branch to investigate the matter and solve the problem. But they pay little heed to her requests. Thus they, in fact, harass her for a period by not considering her appeal properly. At last, she lodges a complaint to FICSD. On receipt of the complaint Bangladesh Bank takes drastic action on it by asking Sonali Bank to submit the relevant documents in favor of the transaction and also to investigate the matter properly so that the real transaction can be traced. Even FICSD provides them with the counterpart of the concerned FDD collecting from Uttara Bank Ltd. At this Sonali Bank is compelled to take step for resolving the matter quickly. Finally, they settle the matter and the responsible officer is also given due punishment for his negligence of duty. Thus for the effort of FICSD a complex complaint is resolved within a short time and an expatriate complainant gets relief of her sufferings.

**STORY -02** Reference: Different complainants and news published in Newspapers.

Subject: Deduction of charges illegally from the customers' account by Prime Bank Ltd.

Many Complaints were received in this department by phone, email and in written form regarding the deduction of charges called 'Statement Generation Charge' by Prime Bank Ltd. Then this department conducted a sample inspection in different branches of Prime Bank Ltd. to find out if there were any irregularities in this connection. Our inspection teams identified that in January, 2013 The Prime Bank Ltd. deducted TK 230/- as 'Statement Generation Charge' from all savings accounts, current accounts and special notice deposit accounts, maintained with the bank branches by their customers without issuing them any statement. Moreover, it was also found that the bank also deducted TK 575/- as SMS Service Charge in the same way.

It is mentioned that, according to BRPD Circular – 19 of 2009, the clients have to be given statement free of cost twice in a year. But Prime Bank Ltd. deducted TK 230/- from their clients' accounts without giving them any statement. It was a gross violation of BRPD Circular. Moreover, they deducted TK 575/- as SMS Service charge though it was just a proposal in their Schedule of Charges. In those circumstances, instruction was given to the bank to pay back the deducted money to the respective accounts of the clients and to give due administrative punishment to the responsible employee or employees of the bank. In abidance with our instruction Prime Bank Ltd. paid back TK 26.32/- crore to their 7,82,346 clients and the Bank's Board reprimanded the responsible employees too.

**STORY -03** Reference: Mr. Shah Amir Ali and Mr. Abdul Md. Mukit from Sylhet.

Subject: Taking Double Benefit Scheme as lien against the investment of third party without consent of the Scheme-holder.

Mr. Shah Amir Ali and Mr. Abdul Md. Mukit, depositors of First Security Islami Bank Limited, Sylhet Branch has complained in "Customer Interest Protection Center" of Bangladesh Bank that, their maintained Double Benefits Scheme (DBDS) of Tk. 20 Lac and 25 Lac respectively in the branch has liened against liabilities and debts of investment recipient M/S Silmoon Consortium Ltd. through illegal and unethical means by former branch manger Mr. A.Z. Niaz Ahmed Chowdhury and his associates and subsequently adjusted all the outstanding debts of the investment recipient by encashment of the DBDSs. When a special inspection has conducted in the context of two complaints the complaints are proven. Later the bank has instructed to take disciplinary proceedings against the involved officers and to return the full money with interest of BDBS of depositors Mr. Ali and Mr. Mukit. The branch liable manager has dismissed and other two officers has transferred by the bank and forced to return the money of the depositors.

**STORY -04** Reference: Mr. Masum Parvez, Deviganj, Panchagar.

**Subject: Refunding blocked money of Potato farmers' by Mercantile Bank Ltd.**

Mr. Masum Parvez, an account holder of Mercantile Bank Ltd. Deviganj Branch and a contract farmer of Bombay Agro Ltd., took loan from Pragati Sarani Branch, Dhaka in the FY 2011-12 and from Deviganj Branch, Panchagar of the Bank in FY 2012-13 for potato farming. He and his group farmers supplied potatoes to Bombay Agro Ltd. Bombay Agro Ltd. also disbursed Tk. 25,67,726/- to them as the last installment on 22/11/2013. But Mercantile Bank Ltd. head office did not release the fund to the complainant's (Masum Parvez ) account. Mr. Masum requested the bank to release the fund, but the bank denied on various excuses. Then Mr. Masum submitted complaint to Bangladesh Bank to get his money.

Mercantile Bank officers called him and 15 other farmers to the Head Office to settle the issue on 15/04/2014. But the bank was forcing him to sign some papers against his will. So, Mr. Masum made a phone call to FICSD asking for help. As per our General Manager's advice we immediately contacted the bank officers and arranged a meeting chaired by Mr. Swapan Kumar Roy, DGM of FICSD, to settle the issue. In the meeting Mr. Abdus Salam, Ex-President of Thakurgaon Chamber of Commerce & Industry, the complainant Mr. Masum Parvez along with 12 others farmers and Mercantile bank officials were present. As per the decision of the meeting Mercantile Bank Ltd. was compelled to pay the entire amount of Tk. 25, 67,760/- back to the complainant and 17 other farmers.

Mr. Masum Parvez (cell No: 01724641792) says' "We keep our hard earned savings in the bank and make transaction thinking it as a place of trust. But Mercantile Bank Ltd. unethically and illegally withheld my money and harassed me day after day. Moreover, the bank was forcing me to sign some papers against my will to prove me defaulter in the name of settling my complaint. I am saved from this injustice and harassment for the instant help of FICSD and also have got my money back. I am grateful to Bangladesh Bank."

**STORY -05** Reference: Mr. Obaidur Rahman, Mirpur-11, Dhaka.

**Subject: Refund of illegally transferred and embezzled fund of the depositors from the internet banking accounts of Brac Bank Ltd.**

Mr. Obaidur Rahman, an account holder of Brac Bank Ltd. Mirpur Branch, had internet banking facilities. He found an SMS of a recharge of Tk.19/- in his cell phone on 27/11/2013 at 12:55 and then his cell phone showed “Network failure”. After passing whole day in busy activities he sat for using his internet banking account with Brac bank at about 6:00pm and failed to “log-in”. He found his password changed. Then he tried to log-in in his e-mail account which was also changed about 5 hour ago. Then he rushed to the nearest ATM booth and found in the mini statement an online transfer of Tk. 25,000/- from his account. Mr. Obaidur complained to the bank but the bank did not reply. So, he submitted a complaint to FICSD of Bangladesh Bank.

In the meanwhile some other depositors of Brac Bank; Mr. Rakibul Hasan, Mr. Rajibul Hossain Khan and Mr. Khorshed Alam submitted similar complaints to FICSD of losing Tk. 1,15,663/-, 50,000/- and Tk. 56,700/- respectively. In reply to the query of Bangladesh Bank, Brac Bank Ltd. did not take the responsibility and accused the depositors for their deliberately/intentionally or negligently sharing of security data and or PIN.

Later on with the instruction from the Governor an inspection team was formed from FICSD in collaboration with ITOCD and PSD. The inspection team found some security lapses in the internet banking of Brac Bank Ltd. The team advised the bank to refund total Tk. 18,73,871/- to the affected depositors and at the same time to take some initiatives for overcoming the security lapses. After strong monitoring and follow-up of FICSD, Brac Bank was compelled to refund the money.

In this regard Mr. Rajibul Hossain Khan (cell No.: 01911480052) says, “I am a middle income service-holder. After losing Tk. 50,000/- from my account I did not get any positive response from Brac Bank Ltd. It seemed to me that I would never get back my money from the bank. I am very happy to get back the money after my submission of complaint to Bangladesh Bank.”

Mr. Obaidur Rahman (cell No.: 01686620364) says, “I am an IT Professional. I run an IT Education Farm in Banani, Dhaka. I submitted complaint to Brac Bank as I lost Tk. 25,000/- from my account. But I got no solution from the bank. Though I had no fault, they accused me of deliberately/intentionally or negligently sharing of security data and or PIN. I got back my money after my submission of complaint to Bangladesh Bank. I am very happy with the consumer protection initiative of Bangladesh Bank.”

**STORY -06** Reference: Qatar expatriate Mr. Md. Golam Rahman.

**Subject:** Reimbursement of 5.00 lac taka with interest which was embezzled by a fraud syndicate through the cheque of savings account sent by Md. Golam Rahman (Qatar expatriate), a client of Islami Bank Bangladesh Limited, Chowmuhoni Branch.

On 10.04.2014, Md. Golam Rahman, a client of Islami Bank Bangladesh Limited, Chowmuhoni Branch, send a cheque amounting Tk.5.00 lac to the branch manager in order to open a Fixed Deposit Account in the name of his wife and children along with fixed deposit form via post. He left the space for date and receiver blank in that cheque. But a fraud syndicate in the post office removed the cheque from the envelop and sent all the documents back to the sender. The fraud syndicate then filled the date with "21/04/2012" and receiver field with some "Helal Mia". The cheque was then first placed to College Road branch and later to Chowmuhoni Branch to deposit the money to Helal Mia's account. The fund was then wire transferred to an account of Helal Mia in the Foreign Exchange Branch, Dhaka. In the same day Helal Mia withdrew Tk.4,99,000 from his account via cash cheque. After knowing the incident Md. Golam Rahman filed a complaint to the Chairman and CEO of the Bank. After unsuccessful attempt he filed a complaint to the Finance ministry for recovery of his money, which was forwarded to us.

On the basis of the complaint we collected information and documents from the bank. It was found that the KYC and TP form of the account of Helal Mia was not consistent with the deposit and withdrawal made in his account. The wife of the complainant made frequent visit to the branch to get conformation/news about the cheque/documents send to the branch by her husband. This proves that branch management was informed beforehand about Tk 5.00 lac cheque send by the complainant via post. But receiving the cheque in that branch from another person and transferring the fund to another branch proves that branch officials were involved with the fraud syndicate and they ignored their vested duty. Bank filed a case against Mr. Helal Mia and told the complainant that they could not reimburse his money until the case is settled. The complainant is a wage earner. He would lose his faith in the banking system if he could not get his hard earned money back which could severely hinder the legal remittance through banking channel by other expatriates. Besides this, the complainant was not in any side in the case. Settlement of this case could take a long time which would deprive the complainant from his money for a long period. On such ground after permission of Honorable Governor, dated 21/01/2014, we instructed the bank via letter dated 22/01/2014 to reimburse the embezzled amount to the complainant's account along with interest on FDR rate. Upon this instruction, bank credited Tk. 5,92,594 to the complainant's account on 28/01/2014. Besides this the bank also informed us that they are continuing their effort to recover the embezzled fund by legal means by filing case against Mr. Helal Mia.

We telephoned to the wife of the complainant to get confirmation on the receiving of the money. She blamed the branch management about their lapses on duty albeit her continuous visits to the bank on confirmation of the post sent by her husband. She also expressed resentment on not getting her money back even after complaining to the top authority of bank. But she was very pleased upon getting the money back with interest due to steps taken by Bangladesh Bank and expressed her deepest gratitude towards Bangladesh Bank.

**STORY -07** Reference: A M Monirul Islam, Proprietor of K.F. Cargo Line.

Subject: Withholding of FDR of 10.00 lac Tk under lien against expired guarantees by Social Islami bank Limited, Principal Branch.

Social Islami bank Limited, Principal Branch issued two bank guarantees (Tk 4.00 lac and Tk 6.00 lac) in favor of M/S Aero Vision Limited up to the period 31/12/2006 on behalf of M/S. K.F Cargo Line (GSA of Yemen Airways). Bank declined to withdraw lien on those FDR's and release those even after the expiry of the bank guarantee. The customer complained to the GM of this department regarding withdrawal of lien by the bank against these FDR's.

After reviewing the documents collected from the bank we found that, the FDR's were under lien as security against guarantee for a predefined period of time. Bank has no reason to keep these FDR's under lien after the expiry of the guarantee as the validation of the guarantee become null after the expiration. Besides this the beneficiary also certified declaring the customer having no other liability. So we cautioned the bank for unnecessary delay on release of the FDR's and instructed the bank to immediately release the FDR's. We discussed with the bank officials on this matter in the department and suggested them to release the FDR after receiving "undertaking" from the customers. The bank released the FDR's to the customers and notified us on 03/04/2014.

We telephoned to the customer to get confirmation about the release of the FDR's. Customer told us that, some officials of the Head Office, especially the then head of Branches Control Division were behind such withholding of his FDR's. He expressed his concern that without steps taken by this department he would be able to get his money back. He expressed his absolute gratitude towards this department especially towards personal initiative of Honorable General Manager of the department on the handling of this matter.

## **19. Conclusion:**

The "Help Desk" which was launched in the head office of Bangladesh Bank in March, 2011 with a view to making banking service more customer-friendly, has now been turned into a full-fledged department named Financial Integrity & Customer Services Department (FICSD). This department has undoubtedly proved its worth by successfully achieving the goals for which it was established. There is no denying of the fact that the department has been able to fulfill the desired need of banking & financial services to the people to a great extent by solving almost eleven thousand complaints as well as answering thousands of queries. Now people hold a positive attitude towards FICSD for its quick problem solving trend. So, to honor the belief and expectation of the people FICSD will continue its endeavor to develop the standard of banking services of the country to international level. In addition to that, FICSD has also prepared and circulated a comprehensive 'Guidelines for Customer Services & Complaint Management' this year. It can be expected that these guidelines will help to maintain a minimum standard of customer services and side by side bring a discipline and uniformity in the financial service sector.