

**Standard Operating Procedure (SOP) document for
handling Customer Complaints (Service Related)**

Version 2.0

01-12-2023

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CIRCULARS FOR REFERENCE

<u>SI No</u>	<u>Description</u>	<u>Circular No.</u>
1	Introduction Of New Centralized Customer Complaint & Grievance Redressal [CCGR] Web Portal.	HO:BBDC:CIRCULAR: GF[5]: 13 :2022-23 dated August 12, 2022
2	Strengthening of Grievance Redress Mechanism in Banks	RBI/2020-21/87 CEPD. CO. PRD. Cir. No. 01/13.01.013/2020-21 dated 27-07-2021.
3	Reserve Bank - Integrated Ombudsman Scheme, 2021	CEPD. PRD. No.S873/13.01.001/2021-22 dated 12-11-2021.
4	Master Circular on Customer Service in Banks	RBI/2015-16/59 DBR No. Leg. BC. 21/09.07.006/2015-16, July 1, 2015

Website URL

<u>SI No</u>	<u>Description</u>	<u>URL.</u>
1	CMS Website Link to lodge BO Complaint.	https://cms.rbi.org.in
2	Addresses, area of operation and telephone/fax number of Banking Ombudsman	Grievance Redressal Karnataka Bank

I. INTRODUCTION:

Customer service has great significance in the banking industry. The banking system in India today has perhaps the largest outreach for delivery of financial services and is also serving as an important conduit for delivery of financial services. Creating distinctive customer experiences is essential to building brand loyalty and increasing the business volume. To ensure a great customer experience, one of the most crucial resources for any company to have is customer feedback.

Karnataka Bank has a Board approved Policy on Grievance Redressal encapsulating key elements of complaint handling such as escalation levels, Turnaround Times and review mechanism.

II. OBJECTIVE:

This SOP is being designed with a view to achieve the below objectives:

- Formulating clear guidelines for definition of Query, Request & Complaint.
- Appropriate review to improve effectiveness of Complaint handling and overall customer service.
- Improving Turnaround Time for Resolution.
- Ensuring appropriate layers of Escalation.
- Facilitating Root Cause Analysis to drive process improvement.

III. DEFINITION OF QUERY, REQUEST & COMPLAINT.

To further augment the definitions of Customer Service, the definitions of Query, Request and complaint are defined for an enhanced understanding of our front end-channels.

Sl. No	Category	Definition	Details
1	Query	Inquiry / clarification / action sought by a customer on products, features or service offered by the Bank, which doesnot require any follow up or processing and can be resovled over the same interaction.	Customer contacting any touch points to enquire about / seek clarification on any product/process/service offered by the Bank including the status of a request before the expiry of the promised TAT.

2	Request	Transactions /service requests which require processing and have a specified turnaround time and are initiated based on customer requirement.	Customer requesting the Bank to process any request / activation of any services. At times, the front-end channel may not be able to fulfil the customer requirement in the same interaction (no instant gratification possible) or may require due diligence (maker-checker review mechanism), hence it will be logged into a system for fulfilment within the defined TAT.
3	Complaint	Customer raising a concern manating from a failed transaction on account of deficiency in service, delay in Fulfilment and / or non-conformance to stated arrangements with the customer.	<ul style="list-style-type: none"> • Customer approaching any touch point on account of any request not closed/resolved within stipulated timeframe <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Resolution provided is incomplete/ inaccurate.

Further customer disputes pertaining to ATM / POS / UPI / IMPS / Recharge, etc. could be on account of merchant or peer bank which are beyond the control of the Bank or its associated parties. While the Bank will capture these interactions and will do its best for an appropriate resolution, these issues are not on account of any failure or deficiency of service on part of the Bank.

IV. HANDLING OF CUSTOMER COMPLAINTS [SERVICE RELATED]

A. BRANCH ROLE AND RESPONSIBILITIES:

❖ Acceptance of Complaints:

1. Complaints/suggestions box should be made available to the customers. Proper complaint register to be maintained and updated.
2. Complaints received through physical mode should be received and acknowledgment should be provided. One copy of the acknowledgement should be preserved at the branch for inspection purpose.
3. Complaint received through e-mail /letter should be lodged in the Customer Complaint & Grievance Redressal [CCGR] portal and should be attended on top priority along with complaints assigned to the branch from RO/HO.
4. All failed transaction related complaints [ATM related, Internet Banking, Mobile Banking etc.], should be lodged through Online Dispute Resolution [ODR] portal.
5. Any complaints which are transactional in nature [failed] received from customer of other banks should be politely guided to lodge the complaint in their respective bank branch for early resolution of the complaint.
6. BH/ABM should ensure that complaint portal [CCGR] is checked on daily basis without giving scope for escalation.
7. Kindly note that complaints which are outside the purview of complaints and vague can be marked as Non-Maintainable and same will be transferred to HO-BBD [Customer Experience Cell] for approval.

❖ Resolution of Complaints:

1. Once the complaint is received at branches, top priority should be given for redressing the complaint with consultation of their respective regional office. Wherever HO intervention is required, branches/RO is requested to contact the concerned department at Head Office.
2. In case of Banking Ombudsman complaints, branch should provide proper reply with facts and figures, to their respective Regional Office.
3. Complaints which were partially/ fully rejected by the bank should be invariably referred to Internal Ombudsman and his views/decision should be incorporated in the final reply sent to the complainant.

4. Once the complaint is resolved, draft reply has to be vetted at the respective regional offices without fail, wherever the complaints are assigned to the branches before communicating the same to the complainant.
5. Wherever branch is unable to obtain the complaint withdrawal letter, following matter should be added in the reply at the end. "In case you are not satisfied with the bank reply, you may approach the office of Banking Ombudsman for resolution". It should also contain the Website URL <https://cms.rbi.org.in> and BO office address.
6. Final reply must be signed by the Branch Head in their branch letter head. All relevant correspondence duly signed should be uploaded in the CCGR portal without fail.

B. REGIONAL OFFICE ROLE AND RESPONSIBILITIES:

❖ **Acceptance of Complaints:**

1. Complaints/suggestions box should be made available to the customers. Proper complaint register to be maintained and updated.
2. Complaints received through physical mode should be received and acknowledgment should be provided. One copy of the acknowledgement should be preserved at the RO for inspection purpose.
3. Regional Heads of respective regional office will act as Nodal officer in resolving the customer complaints at RO level.
4. Concerned staff members assisting the Regional Heads in resolving the customer complaints has to invariably check the CCGR portal on daily basis and any complaint received directly at RO, through e-mail /letter should be lodged in the CCGR portal and should be attended on top priority along with complaints assigned to the RO from HO.
5. All failed transaction related complaints [ATM related, Internet Banking, Mobile Banking etc.], should be lodged through Online Dispute Resolution [ODR] portal, except Banking Ombudsman complaints.
6. Kindly note that complaints which are outside the purview of complaints and vague can be marked as Non-Maintainable and same will be transferred to HO-BBD [Customer Experience Cell] for approval.

7. In case of Banking Ombudsman complaints, all regional heads have already been provided with user id and password by the BO to check the BO Complaints in CMS portal assigned to them for resolution.
8. BO Complaints received through CMS portal, should be lodged on the same day of receipt of complaint in CCGR portal. Complaint copy has to be uploaded without fail.
9. If any BO Complaint assigned in CMS portal, pertaining to other regional office, then the receiver RO has to lodge the complaint and relevant documents has to be shared with the concerned RO for resolving the customer complaints and approved final reply has to be obtained from the concerned RO and reply to be uploaded by the receiver RO in the CMS portal.

❖ **Resolution of Complaints:**

1. Once the complaint is received at RO, top priority should be given for redressing the complaint [General / BO] with consultation of their respective Branches. Wherever HO intervention is required, RO is requested to contact the concerned department at Head Office.
2. RO should provide handholding in resolving the complaints received at Branch level.
3. In case of Banking Ombudsman complaints, RO should obtain first-hand information from the branch and take up the matter for resolution.
4. Complaints which were partially/ fully rejected by the bank should be invariably referred to Internal Ombudsman and his views/ decision should be incorporated in the final reply before sending it to the complainant [General complaints] or office of Banking Ombudsman [BO complaints].
5. Once the complaint is resolved [General complaints], draft reply has to be vetted at the respective regional office not below the cadre of chief manager and in the case of Banking Ombudsman complaints the draft reply has to be sent to BBD [Customer Experience Cell] for approval.
6. RO should ensure that in the case of Banking Ombudsman complaints, concerned department at HO should be informed regarding the complaint received and copy of all correspondence should be marked to them.

7. Wherever RO is unable to obtain the complaint withdrawal letter [general complaints], following matter should be added in the reply at the end. “In case you are not satisfied with the bank reply, you may approach the office of Banking Ombudsman for resolution”. It should also contain the Website URL <https://cms.rbi.org.in> and BO office address.
8. Final reply must be signed by chief manager and above cadre [General complaints] in their RO letter head. All relevant correspondence duly signed should be uploaded in the CCGR portal without fail.
9. In case of Banking Ombudsman complaints once the approved draft is received from BBD [Customer Experience Cell] the same has to be signed by the Regional Head and should be uploaded in the CMS portal and also in CCGR portal without fail.
10. Final reply should not be sent to the complainant in case of BO Complaints and only reply has to be sent to BO for final decision.
11. After the final reply is submitted in the CMS portal, RO should ensure that if any communication is not received from BO end, RO may close the complaint after 30 days from the date of final reply, by informing the BO accordingly [**Annexure I**]. Related BO correspondence with the bank should be uploaded in the CCGR portal without fail.

C. HEAD OFFICE ROLE AND RESPONSIBILITIES:

❖ Acceptance of Complaints:

1. Proper complaint register to be maintained in each department and updated.
2. Complaints received through physical mode should be received and acknowledgment should be provided. One copy of the acknowledgement should be preserved at the department level for inspection purpose.
3. With the introduction of CCGR portal, complaints are assigned to the concerned department based on the nature of complaints.
4. Concerned staff members looking after the complaint in each department has to invariably check the CCGR portal on daily basis and any complaint received directly at HO, through e-mail /letter should be lodged in the CCGR portal and should be attended on priority.

5. Kindly note that complaints which are outside the purview of complaints and vague can be marked as Non-Maintainable and same will be transferred to HO-BBD [Customer Experience Cell] for approval.

❖ **Resolution of Complaints:**

1. Once the complaint is received, priority should be given for redressing the complaint consulting the respective Branches/RO.
2. Concerned department should provide handholding to Branch/RO in resolving the complaints.
3. Concerned department should provide handholding to all regional offices in resolving mainly the Banking Ombudsman complaints along with General complaints, as **BO complaints are time bounded and bank is supposed to reply the case within 15 days of receipt of the complaint.**
4. Complaints which were partially/ fully rejected by the bank should be invariably referred to Internal Ombudsman and his views/decision should be incorporated in the final reply before sending it to the complainant [General complaints] or office of Banking Ombudsman [BO complaints].
5. Once the complaint is resolved [General complaints], draft reply has to be vetted by concerned department; not below the cadre of chief manager and in the case of Banking Ombudsman complaints assistance to be provided to respective RO in drafting the reply for approval.
6. Wherever concerned department is unable to obtain the complaint withdrawal letter [general complaints], following matter should be added in the reply at the end. "In case you are not satisfied with the bank reply, you may approach the office of Banking Ombudsman for resolution". It should also contain the Website URL <https://cms.rbi.org.in> and BO office address.
7. Final reply must be signed by chief manager and above cadre [General complaints] in their department letter head. All relevant correspondence duly signed should be uploaded in the portal without fail.
8. Final reply should not be sent to the complainant in case of BO Complaints and only reply has to be sent to BO for final decision.

D. HANDLING BANKING OMBUDSMAN ADVISORIES / AWARDS :

- ❖ After final reply is sent to the office of Banking Ombudsman, and any advisory is issued for BO Complaint, Regional Offices should ensure that it is attended on top priority. Internal Ombudsman view has to be taken invariably.
- ❖ **Vide MD note dated 09-12-2022**, permission has been accorded and it has been advised that wherever approval is required towards BO Advisories, permission should be obtained from the concerned department [based on the grievance category] from Head Office and other concerned offices by the Regional Office. Necessary approval copies should be maintained for future reference and uploaded in the Customer Complaint & Grievance Redressal [CCGR] portal without fail.
- ❖ Concerned department/offices at head office should provide all support to the Regional Office whenever permission is sought for BO-Advisories.
- ❖ Nodal Regional Offices should maintain proper records of the advisory received and the final status should be updated in the Customer Complaint & Grievance Redressal [CCGR] portal without fail.
- ❖ Nodal Regional Offices should ensure that any awards passed against the bank [Banking Ombudsman Complaints] by BO, should be brought to the notice of BBD-Customer Experience Cell immediately.

V. TURNAROUND TIME / ESCALATION MATRIX.

Bank has defined a Turnaround time for resolution of each category which is duly recorded in the system. The front-end channels are guided by these defined TATs. With a view to drive a culture of continuous improvement, Bank also conducts periodic benchmarking exercises with peer banks.

In case of General Complaints maximum TAT for resolving the complaints is 30 days including all 3 levels [Branch / RO/ HO] and in case of Banking Ombudsman, **RO should put their efforts to send the approved final reply within 15 days of receipt of complaint.**

Bank has also a well-defined 3 level escalation matrix for resolving the customer complaints.

VI. ROOT CAUSE ANALYSIS & DRIVING PROCESS IMPROVEMENTS

Bank carries out a Root Cause Analysis and remediation of Complaints on a sample basis on the Top Areas of Complaints. Any Process Improvements identified are also tracked for effective implementation and sustainability.

OTHER POINTS:

- a. Complaints related to alleged bribery, if any received, will be referred to Vigilance Department for investigation.
- b. Complaints related to Staff Behaviour, if any received, will be referred to HR & IR Department.
- c. CPLL related complaints will be handled at Product Department-CPLL Cell.
- d. Transaction related claims will be handled at Operations Department.

ABBREVIATIONS:

SOP	Standard Operating Procedure
RO	Regional Office
HO	Head Office
NO	Nodal Office
PNO	Principal Nodal Officer
RBI	Reserve Bank of India
RCA	Root Cause Analysis
TAT	Turn Around Time
TPP	Third Party Products
CMS	Complaint Management System

ANNEXURE I**Letter / E-mail Format**

To,

The Banking Ombudsman,

Dear Sir/Madam,

Sub: Grievance of Mr./Mrs. _____

Ref : Complaint Number: _____

In the matter bank has submitted the required particulars/documents to your office vide _____. Hence we are treating the matter as closed.

Please find us in order.

Thanking You,

Yours faithfully,

(Name of the Regional Head)

(Designation in Capital Letters)

ANNEXURE II
NODAL OFFICERS FOR CUSTOMER SERVICE AT REGIONAL OFFICE

Sl No	Designation / Department	BO Jurisdiction
1	Nodal Officer DGM / RO-Delhi	New Delhi I New Delhi II Chandigarh Dehradun Kanpur
2	Nodal Officer DGM / RO-Mumbai	Mumbai I Mumbai II
3	Nodal Officer DGM / RO-Bengaluru	Bengaluru
4	Nodal Officer DGM / RO-Mangaluru	Thiruvananthapuram [Nodal Officer], Bengaluru
5	Nodal Officer DGM / RO-Chennai	Chennai I Chennai II
6	Nodal Officer AGM / RO-Hubballi	Bengaluru
7	Nodal Officer AGM / RO-Mysuru	Bengaluru
8	Nodal Officer AGM / RO-Shivamogga	Bengaluru
9	Nodal Officer AGM / RO-Tumakuru	Bengaluru
10	Nodal Officer AGM / RO-Udupi	Bengaluru
11	Nodal Officer AGM / RO-Kalaburagi	Bengaluru
12	Nodal Officer AGM / RO-Hyderabad	Hyderabad
13	Nodal Officer AGM / RO-Kolkata	Bhubaneswar Kolkata I Kolkata II Patna Guwahati Ranchi Raipur
14	Nodal Officer AGM / RO-Ahmedabad	Ahmedabad Jaipur Bhopal.