



hpsc
(Scheduled Bank)

हिमाचल प्रदेश राज्य सहकारी बैंक सीमित
H.P. State Co-operative Bank Ltd.

HPStCB – Customer Rights Policy 2023-24

www.hpsc.com

CUSTOMER RIGHTS POLICY

Customer protection is an integral aspect of financial inclusion. The following comprehensive Customer Rights Policy enshrines 5 basic rights of the customers of the Bank as described by RBI in its Charter of Customer's Rights dated 3rd December 2014. The policy covers all the branches and extension counters in the state within the jurisdiction of the Bank. It spells out the rights of the customer and also the responsibilities of the Bank. The Policy applies to all products and services offered by the Bank.

Wherever number of days is mentioned, the number of days is considered as "Calendar days", unless mentioned specifically as "working days".

1. Right to Fair Treatment

Both the customer and the financial services provider have a right to be treated with courtesy. The customer should not be unfairly discriminated against on grounds such as gender, age, religion, caste and physical ability when offering and delivering financial products.

In pursuance of the above Right, Bank will -

- i) Promote good and fair Banking practices by setting minimum standards in all dealings with the customers;
- ii) Promote a fair and equitable relationship between the Bank and the customer;
- iii) Train Bank staff attending to the customers, adequately and appropriately;
- iv) Ensure that staff members attend to customers and their business promptly and courteously;
- v) Treat all customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, economic status physical ability, etc. Bank may, however, have special schemes or products which are specifically designed for members of a target market group or may use defensible, commercially acceptable economic rationale for customer differentiation. Bank may also have schemes or products as part of an affirmative action, such as, for women or backward classes. Such schemes / products will not be tantamount to unfair discrimination. The rationale for such special schemes or terms will be explained by the Bank wherever required.
- vi) Ensure that the above principle is applied while offering all products and services.
- vii) Ensure that the products and services offered are in accordance with relevant laws and regulations;

While it shall be the endeavor of the Bank to provide their customers with hassle free services and fair treatment, Bank would expect their customers to behave courteously and honestly in their dealings with the Bank.

It shall also be the Bank's endeavor to encourage the customers to approach the

Bank's internal grievance redressal mechanism and approach alternate fora after exhausting all their remedies under Bank's internal grievance redressal mechanism.

2. Right to Transparency, Fair and Honest Dealing

The Bank should make every effort to ensure that the contracts or agreements it frames are transparent, easily understood by, and well communicated to the common person. The product's price, the associated risks, the terms and conditions that govern use over the product's life cycle and the responsibilities of the customer and Bank, should be clearly disclosed. The customer should not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the financial services provider cannot threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.

In pursuance of the above Right, the Bank will -

- i) Ensure complete transparency so that the customer can have a better understanding of what he or she can reasonably / fairly expect from the Bank;
- ii) Ensure that the Bank's dealings with the customer rest on ethical principles of equity, integrity and transparency;
- iii) Provide customers with clear information about its products and services, terms and conditions, and the interest rates / service charges in simple and easily understandable language, and with sufficient information so that the customer could be reasonably expected to make an appropriate and informed choice of the product;
- iv) Ensure that all terms and conditions are fair and set out the respective rights, liabilities and obligations clearly and as far as possible in plain and simple vernacular language.
- v) Ensure that important Terms and Conditions associated with the product or service will be clearly brought to the notice of the customer through Bank's website and sanction letters as applicable for the products / services. In general, it will be ensured that such terms will not inhibit a customer's future choice.
- vi) Provide information on interest rates, fees and charges either on the Notice Board in the Branches or website or through helplines or help-desk and where deemed appropriate, the customer will be informed directly;
- vii) Display the Service Charges on Bank's website and a copy of the same will be made available at every Branch on demand from the customer. Also, the Bank will display in its Branches, a notice about the availability of the Service Charges at the Branch;
- viii) Give details, in their Charges Schedule, of all charges, if any, applicable to the products and services chosen by the customer;
- ix) Inform the customer of any change in the terms and conditions through a letter or Statement of Account, SMS or email or on Bank's website www.hpscb.com and / or HIMPEA or as agreed by the customer, at least one month prior to the revised terms and conditions becoming effective;
- x) Ensure that such changes of terms and conditions, as stated above, are made only with prospective effect after giving notice of one month. If the Bank has made any change without giving such notice which is favorable to the customer, it will

notify the change within 30 days of such change. If the change is adverse to the customer, prior notice of minimum 30 days will be provided and the customer may be provided options, to close the account or switch to any other eligible account without having to pay the revised charge or interest within 60 days of such notice.

- xi) Provide information about the penalties leviable in case of non-observance / breach of any of the terms and conditions governing the product / services chosen by the customer;
- xii) Display on Bank's website the Banks' Policies on Deposits, Cheque Collection, Grievance Redressal, Customer Rights & Compensation and Collection of Dues and Repossession of Security;
- xiii) Make every effort to ensure that staff dealing in a particular product is properly trained to provide relevant information to customers fully, correctly and honestly;
- xiv) Ensure to communicate to the applicant within a reasonable time period as decided by the Bank about the acceptance / non-acceptance of applications submitted for availing a product / service. Such period will be notified in the Bank's website and also in the application of the particular product or service;
- xv) Communicate unambiguously the information about –
 - a. discontinuation of particular products,
 - b. relocation of their offices
 - c. changes in working hours
 - d. change in telephone numbers
 - e. closure of any office or Branch

With advance notice of at least 30 days through Bank's website, notice board at Branches, digital signage systems etc. also affirm that disclosure of information is an on-going process through the life-cycle of the product / relationship and will be diligently followed by them. Ensure to use all possible channels of communication, including website, to ensure that information on all changes is made known to the customer upfront;

- xvi) Advise the customer at the time of selling the product of the rights and obligations embedded in law and / or Banking regulation including the need to report any critical incidents that the customer suspects, discovers or encounters;
- xvii) Ensure that the Bank's staff members shall, when approached by the customer for availing a product or service, provide all relevant information related to the product / service with a view to enable the customer to make an informed decision;
- xviii) Not terminate a customer relationship without giving reasonable or contractual prior notice to the customer;
- xix) Assist the customer in all available ways for managing his / her account, financial relationship by providing regular inputs in the Bank's realms;
- xx) Ensure that all marketing and promotional materials are clear and not misleading, and as far as possible should be bilingual;
- xxi) Not threaten the customer with physical harm, exert influence or engage in behavior that would reasonably be construed as unwarranted harassment. Ensure

adherence only to the normal appropriate business practices;

- xxii) Ensure that the fees and charges on products / services and its structure are not unreasonable to the customer.

3. Right to Suitability

The products offered should be appropriate to the needs of the customer and based on an assessment of the customer's financial circumstances and understanding.

In pursuance of the above Right, the Bank will -

- i) Ensure that it has a Board approved policy for assessing suitability of products for customers prior to sale of third-party products;
- ii) Endeavour to make sure that the product or service sold or offered is appropriate to the customers' needs;
- iii) Sell third party products only if it is authorized to do so, after putting in place a Board approved policy for marketing and distributing third party financial products;
- iv) Not compel a customer to subscribe to any third-party products as a quid-pro-quo for any service availed from the Bank;
- v) Ensure that the products being sold or service being offered, including third party products, are in accordance with extant rules and regulations;
- vi) Inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by the Bank in order to enable the Bank to determine the suitability of the product to the customer.

4. Right to Privacy

Customers' personal information should be kept confidential unless they have offered specific consent to the financial services provider or such information is required to be provided under the law or it is provided for a mandated business purpose (for example, to credit information companies). The customer should be informed upfront about likely mandated business purposes. Customers have the right to protection from all kinds of communications, electronic or otherwise, which infringe upon their privacy.

In pursuance of the above Right, Bank will –

- i) Treat customer's personal information as private and confidential (even when the customer is no longer Banking with us), and, as a general rule, not disclose such information to any other individual / institutions including its subsidiaries / associates, tie-up institutions etc. for any purpose unless:
 - a. The customer has authorized such disclosure explicitly in writing;
 - b. Disclosure is compelled by law / regulation;
 - c. Bank has a duty to the public to disclose i.e. in public interest;
 - d. Bank has to protect its interests through disclosure;
 - e. It is for a regulatory mandated business purpose such as disclosure of default to credit information companies or debt collection agencies;

- ii) Ensure that such likely mandated disclosures are communicated immediately after such disclosure to the customer in writing;
- iii) Shall not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it;
- iv) Shall adhere to Law and regulation on Right to privacy including Telecom Commercial Communications Customer Preference Regulations, 2018 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

5. Right to Grievance Redressal and Compensation

The customer has a right to hold the financial services provider accountable for the products offered and to have a clear and easy way to have any valid grievance redressed. The provider should also facilitate redressal of grievances stemming from its sale of third-party products. The financial services provider must communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or delays in performance, whether caused by the provider or otherwise. The policy must lay out the rights and duties of the customer when such events occur.

In pursuance of the above Right, Bank will –

- a. deal sympathetically and expeditiously with all things that go wrong;
- b. correct mistakes promptly;
- c. cancel and refund any charge that has been applied wrongly and by mistake;

The Bank will also –

- i) Place in public domain its Customer Grievance Redressal Policy, including the grievance redressal procedure available for the customer;
- ii) Place in public domain the compensation policy for delays / lapses in conducting settling customer transactions within the stipulated time and in accordance with the agreed terms of contract;
- iii) Ensure to have a robust and responsive grievance redressal procedure and clearly indicate the grievance resolution authority who shall be approached by the customer;
- iv) Make grievance redressal mechanism easily accessible to customers;
- v) Advise the customer about how to make a complaint, to whom such a complaint is to be made, when to expect a reply and what to do if the customer is not satisfied with the outcome;
- vi) Display name, address and contact details of the Grievance Redressal Authority / Nodal Officer on the website. The time limit for resolution of complaints will also be clearly displayed / accessible on the website;
- vii) Inform the complainant of the option to escalate his complaint to the Banking Ombudsman if the complaint is not redressed within the pre-set time;
- viii) Place in public domain, information about Banking Ombudsman Scheme;

- ix) Display at customer contact points the name and contact details of the Banking Ombudsman under whose jurisdiction the Bank's Branch falls.

Further, the Bank will -

1. Acknowledge all formal complaints (including complaints lodged through electronic means) within three working days and work to resolve it within a reasonable period, not exceeding 21 days (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for grievance redressal). The 21 days' period will be reckoned after all the necessary information sought from the customer is received. However, complaints relating to Point of Sales (POS) will be dealt with, within the period prescribed, including pre-arbitration claims, as per the guidelines of Master Card / VISA / Europay / CUP and Ru-Pay.
2. Provide aggrieved customers with the details of the Banking Ombudsman Scheme for resolution of a complaint if the customer is not satisfied with the resolution of a dispute, or with the outcome of a dispute handling process.

In addition, the Bank will clearly spell out, at the time of establishing a customer relationship, the liability for losses, as well as the rights and responsibilities of all parties, in the event of products not performing as per specifications or things going wrong. However, the Bank will not be liable for any losses caused by extraneous circumstances that are beyond its reasonable control.

Amendment / Modification of the Policy:

The Bank reserves the right to amend / modify this Policy, as and when deemed fit and proper at its sole discretion. The Bank shall arrange to review the Policy as and when required.

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