

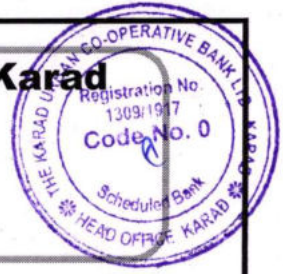


The Karad Urban Co-Operative Bank Ltd., Karad

(Scheduled Bank)

Head Office: 516/2, Shaniwar Peth, Karad – 415 110.

Vigilance & Risk Management Department



CUSTOMER RIGHTS POLICY- 2024-2025

I. PREAMBLE:

- Customer protection is an integral aspect of financial inclusion.
- The Customer Rights Policy protects basic rights of the customers of the banks regulated by Reserve Bank of India. It spells out the rights of the customer and also the responsibilities of the bank.
- The Reserve Bank of India (RBI) has drawn up a draft of the Charter of Customer Rights covering the five basic customer rights detailed below-
 - i) Right to Fair Treatment
 - ii) Right to Transparency and Honest Dealing.
 - iii) Right to Suitability
 - iv) Right to Privacy
 - v) Right to Grievance Redress and Compensation

These measures would ultimately strengthen the customer service framework.

- The policy applies to all products and services offered by the bank or its agents, whether provided across the counter, over phone, by post, through interactive electronic devices, on internet or any other method.
- Our bank's policy has been modeled on that of the model given by the IBA.



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II. APPLICABILITY OF THE POLICY:

This Customer Rights Policy will be applicable to all the customers of the Bank. The Policy will also be applicable to all the staff at all branches/Business Development Centers/ Departments handling banking transactions and related activities.

III. SYNOPSIS OF THE POLICY

The Policy encompasses five basic customer rights

- A) Right to Fair Treatment
- B) Right to Transparency and Honest Dealing.
- C) Right to Suitability
- D) Right to Privacy
- E) Right to Grievance Redress and Compensation

A) Right to Fair Treatment:

- 1) The Bank acknowledges the right of every customer to be treated with courtesy and will ensure that all staff members attend to customers and their business promptly and courteously.
- 2) The customer shall not be unfairly discriminated against on grounds such as gender, age, religion, caste and physical ability when offering and delivering financial products.
- 3) The Bank shall reiterate its commitments to individual customers outlined in the Bankers' Fair Practice Code of the Indian Bank's Association.
- 4) The Bank shall recognize the rights of common depositors and shall adhere to all the guidelines under the Banking Codes and Standards Board of India for individual customers.



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- 5) The Bank shall promote good and fair banking practices by setting minimum standards in dealings with the customers.
- 6) The Bank shall ensure that all customer grievances are speedily resolved within the purview of the Customer Grievance Redressal Policy.
- 7) In case the customer approaches us with a request for compensation, the Bank shall settle all such requests amicably, as per the guidelines set out in the Compensation Policy.
- 8) The Bank shall ensure that all the staff are well equipped, in terms of job knowledge as well as attitude to provide good customer service. This will be done by providing adequate training to the staff. The staff dealing in a particular product should be properly trained to provide all the relevant information to the customers.
- 9) Wherever product differentiation is done on the basis of age and/or income and specific facilities are offered to special target groups like women or backward classes, the Bank shall offer/explain the rationale behind these schemes.
- 10) The Bank, while offering any new product or service shall examine all the guidelines given by the regulatory authorities like RBI, IBA etc. to ensure that the product and services offered are in accordance with relevant laws and regulations.

B) Right to Transparency, Fair and Honest Dealing:

- 1) The Bank shall ensure that the dealings with the customer are based on ethical principles of equity, integrity and transparency. The Bank shall ensure complete transparency so that the customer knows what to expect from the Bank.
- 2) The Bank shall make all efforts to see that any communication meant for the customer be it policies, advertisements, promotional



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material, notices are all framed in simple language so that they are easily understood.

- 3) The Bank shall make every effort to ensure that the contracts and agreements it draws up should be transparent and easily understood by the common person. It also ensures that all the terms and conditions are fair and indicate clearly the rights, liabilities and obligations.
- 4) The Bank shall make every effort to ensure that the customer is not subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Every action and dealing on the part of Bank will emphasize transparency and fairness.
- 5) The Bank shall disclose all the terms and conditions pertaining to a product, interest rate, service charges in simple and easily understandable language at the Branch and also on the Bank's Website and with sufficient information so that the customer can be reasonably expected to make appropriate and informed choices of the product.
- 6) The Bank shall make the appropriate arrangements for receiving complaints and suggestions-Complaint Register and Suggestion Box- at branches.
- 7) The Bank shall bring to the notice of the customer, Most Important Terms and Conditions (MITC) associated with the product or service, the risks associated with the product as well as any features that may be especially disadvantages to the customer.
- 8) The Bank shall display the schedule of Service charges, interest rates at the branches, on the Website and a copy of it should be made available at every branch for the customer's perusal.
- 9) The Bank shall inform the customers who are enjoying credit facilities about any change in terms and conditions through a letter



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or statement of account, SMS or email at least one month prior to the revised terms becoming effective.

- 10) The Bank shall ensure that any changes in terms and conditions are made only with prospective effect after giving notice of one month. If the Bank makes any change without giving such notice, which is favorable to the customer, it shall notify the change within 30 days of such change.
- 11) Where the change is adverse to the customer, prior notice of minimum 30 days shall be given and the customer shall have the option to close the account or switch to any other eligible account without having to pay the revised charges within 60 days of such notice.
- 12) The Bank shall provide information about the penalties leviable in case of breach of any of the terms and conditions.
- 13) The Bank shall display on its Website all customer centric Policies as mandated by the BCSBI viz. the Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues and Repossession of Security. The Code of Commitment to Customers and the Code of Commitment to Micro and Small Enterprises as mandated by the BCSBI should also be displayed on the Website. The Bank shall also display the Whistleblower Policy on the Bank's Website.
- 14) The Bank shall inform the customer about the following with advance notice of at least 30 days.
 - a) Discontinuation of particular products.
 - b) Closure of any branch or office.
 - c) Changes in working hours of any branch /office.
 - d) Relocation of a branch or office.



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- 15) The Bank shall assist the customers by providing them with the passbook/statement of accounts, alerts, timely information about products etc.
- 16) The Bank shall examine the fees and tariffs on products/services at intervals and it shall be ensured that fees and charges levied on the products and services are not unreasonable to the customer.
- 17) In case of non acceptance of a request of any loan, the Bank shall convey, in writing, the reasons for non acceptance of the application when asked for.
- 18) The Bank shall never threaten the customer with physical harm, exert undue influence or engage in blatant harassment.
- 19) The Bank shall not terminate a customer relationship without giving reasonable or contractual prior notice.

C) Right to Suitability:

It shall be ensured that products offered are appropriate to the needs of the customer and based on an assessment of the customer's financial circumstances and understanding.

- 1) The Bank shall only sell/offer products or services if it is appropriate to the customer's needs and financial standing.
- 2) The Bank shall sell third party products only if it is authorized to do so, after putting in place a Board approved Policy for the same.
- 3) The Bank shall not compel a customer to subscribe to any third-party product as a quid-pro-quo for any service availed from the Bank.



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- 4) The Bank shall ensure that the extant rules and regulations are followed during the process of selling products/offering services.
- 5) The Bank shall keep the customer apprised about the necessity for providing all the relevant information correctly.

D) Right to Privacy:

- 1) The Bank shall treat the customer's personal information as private and confidential and as a general rule should not disclose such information to any other individuals/institutions, unless
 - a) the customer has authorized such disclosure explicitly in writing
 - b) the disclosure is compelled by law/regulation
 - c) the Bank has a duty in the public interest
 - d) the Bank has to protect its interests through disclosure
 - e) for a mandatory business purpose like disclosure to Credit Information Companies
- 2) The Bank shall ensure that all the mandated disclosures are communicated immediately to the customer in writing.
- 3) The Bank recognizes that customers have the right to protection from all communications, electronic or otherwise which infringe upon their privacy.
- 4) The Bank shall not use or share the customer's personal information for marketing purposes unless authorized to do so.
- 5) The Bank shall, while communicating with the customer, adhere to the Telecom Commercial Communications Customer Preference Regulations 2010 issued by the Telecom Regulatory Authority of India through its vendors.



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6) The staff shall be made aware of the banker's obligation to maintain secrecy arising out of the contractual relationship between the banker and customer and that no information shall be disclosed to third parties except under special circumstances which are well defined.

E) Right to Grievance Redress and Compensation:

The Bank recognizes that the customer has the right to hold the Bank accountable for all the products offered and the right to any valid grievance redressed, in respect of all products, including third party products. The Bank also has a duty to communicate the compensation available to the customer for non-performance, delays etc. Towards this end the Bank shall-

- 1) deal sympathetically and promptly in case of things going wrong.
- 2) correct any mistakes promptly
- 3) cancel any charge that has been applied wrongly or by mistake.
- 4) compensate the customer for any direct financial loss incurred by the customer due to lapses on the part of the Bank.
- 5) place on its Website the Customer Grievance Redressal Policy including the grievance redressal procedure available for the customer, clearly indicating the time limit for resolution of complaints. A copy of the Grievance Redressal Policy shall be available at all branches also.
- 6) also place on its Website, the Compensation Policy detailing the compensation for delays/lapses in conducting /settling customer transactions within the stipulated time and in accordance with the agreed terms of contract. A copy of Compensation Policy shall be available at all branches also.
- 7) lay down a robust redressal procedure with the authority structure for such redressals clearly spelt out.

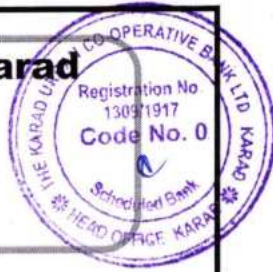


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- 8) make the redressal mechanism easily accessible to the customers.
- 9) acknowledges all formal complaints (including complaints lodged through electronic means) within three working days and works to resolve it within a reasonable period, not exceeding 30 days (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for grievance redressal). The 30 day period will be reckoned after all the necessary information sought from the customer is received.
- 10) lay down the procedure and time norms for settling customer complaints and will advise the customer on the same. The procedure for escalation of complaints will also be advised to the customer.
- 11) display in the branches, the name, address and contact details of the Nodal Officer/ the Banking Ombudsman and will also place in the public domain the information about the Banking Ombudsman Scheme.
- 12) 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.
- 13) provide complaint reference number to the customer at the time of registering the complaint.

IV. CUSTOMER'S RESPONSIBILITY:

The Bank is committed to provide to customers excellent customer service, hassle free and fair treatment, quick redressal of grievances, if any. However,



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- 1) The Bank will not be responsible for loss to the customer, if the customer acts fraudulently and/or acts without reasonable care which has resulted in loss to him/her.
- 2) The Bank will also not be responsible for the losses arising out of misuse of lost Pin, cheque book, passbook, compromise of passwords/secure or confidential information, suffered by the customer until the time the Bank has been notified and has taken steps to prevent misuse.
- 3) The Bank will also not be liable for any losses caused by extraneous circumstances that are beyond its reasonable control.
- 4) The Bank will also expect that the customers behave courteously and honestly in their dealings with the Bank and would furnish correct personal details like address, mobile number for speedy and effective communication when required.

Review :

This policy shall be reviewed at least once in every year to ensure that it meets the requirements & needs of organization.

Prakash

Manager

(Vigilance & Risk Management Dept.)

Mahesh

Dy. General Manager

(Vigilance & Risk Management Dept.)

[Signature]

Chief Executive Officer