



CONFIDENTIAL DOCUMENT

POLICY ON
Grievance Redressal Policy (Customer) and
Internal Grievance Management System (Harmony)

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SHINHAN BANK

INDIA



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A. Customer Grievance Redressal Policy

1. Introduction

In the present scenario of competitive banking, excellence in customer service is the most important tool for sustained business growth. Customer complaints are part of the business life of any corporate entity. This is more so for banks, because banks are service organizations. As a service organization, customer service and customer satisfaction should be the prime concern of any bank. The bank believes that providing prompt and efficient service is essential not only to attract new customers, but also to retain the existing customer base. This policy document aims at minimizing instances of customer complaints and grievances through proper service delivery and review mechanism and to ensure prompt redressal of customer complaints and grievances. The review mechanism should help in identifying shortcomings in product features and service delivery. Customer dissatisfaction would spoil bank's name and image.

Shinhan Bank's Grievance Redressal Policy has been formulated in line with regulator guidelines vide RBI Master circular ref. DBR.No. Leg. BC. 21 / 09.07.006 / 2015-16 dated July 01, 2015 and RBI/2020-21/87 CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated January 27, 2021 on customer service.

The policy document would be made available at all the branches. The Complaint handling process and procedure is of general nature. It should therefore be made known to all the employees to ensure better customer service and general awareness in the bank / branch.

The Customer complaint arises due to:

- a. The attitudinal aspects in dealing with the customers.
- b. Inadequacy of the functions/arrangements made available to the customers or gaps in standards of services expected and actual services rendered.

Customers' needs are basically,

- Speed
- Timeliness
- Accuracy
- Courtesy
- Concern



The customer is having full right to register his complaint if he is not satisfied with the services provided by the bank. He can give his complaint in writing, orally or over telephone. If customer's complaint is not resolved within given time or if he is not satisfied with the solution provided by the bank, he can approach Banking Ombudsman with his complaint or other legal avenue available for grievance redressal.

2. Principles guiding the policy

The bank follows the under noted principles in its policy on grievance redressal.

- Customers will be treated fairly at all times.
- Complaints raised by customer will be dealt with courtesy and on time.
- Customers will be fully informed of avenues to escalate their complaints/grievances within the organization and their rights to alternative remedy, if they are not fully satisfied with the response of the bank to their complaints.
- Banks will treat all complaints efficiently and fairly as they can damage the bank's reputations and business if handled otherwise.
- The bank employees must work in good faith and without prejudice to the interest of the customer.

3. Internal mechanism to handle the grievance

In order to make bank's redressal mechanism more meaningful and effective, a structured system has been put in place. Such system would ensure that the redressal sought is just and fair and is permissible within the given frame-work of rules and regulation.

Level 1: Banking customers can contact the Head of Operations of the respective department (verbally or in writing), explaining the details of the issue concerned. All efforts will be made by the concerned bank official (as displayed in Annexure) to sort out the matter at the level 1. If the matter is not resolved at level 1 then the bank customer has access to level 2.

Level 2: If the customer is not satisfied with the response from level 1, then the customer can escalate his complaint in writing to the General Manager of the Branch (As per annexure), who is appointed to handle complaints and grievance.

All attempts will be made to resolve / address the complaint within 7 days after receiving a complaint in writing.

Level 3: If the customer is not satisfied with the response from level 2, then the customer can escalate his complaint in writing to The Principal Nodal Officer, Ahmedabad branch, Shatpath V, First Floor, Unit no. 2 & 3, Beside Crown Plaza Hotel, Opp Karnavati Club, SG Road, Ahmedabad-380015. [Email id-sanjaysri@shinhan.com](mailto:email-id-sanjaysri@shinhan.com)



The customer would in all probability get a response within a period of 15 days after receiving a complaint in writing.

Level 4: If the customer is not satisfied with the response from level 3, then the customer can escalate his complaint in writing to Internal Ombudsman Officer (Head BSD – Liability) at Head office.

Level 5 : In the event that the customer do not receive any response within one month from the date the bank received the representation, then the customer may write to the Banking Ombudsman, a statutory body appointed by the Reserve Bank of India under its Banking Ombudsman scheme 2006, to look into the provision of satisfactory service by banks.

Escalation Level	First Level	Second Level	Third Level	Fourth Level	Fifth Level
Authorities for Escalation	Branch Operation Head (Nodal Officer)	General Manager of the Branch	Principal Nodal Officer (Nodal Officer - Mumbai Branch)	Internal Ombudsman Officer (Head BSD - Liability)	Banking Ombudsman (Statutory body appointed by RBI)
Level Days for redressal	7	10	15	30	After 30 days

The compliant can also be lodged on-line at:

<https://rbi.org.in/Scripts/AboutUsDisplay.aspx?pg=BankingOmbudsmen.htm>

Customer Service Committee at Branches:

The bank branches has customer service committee meetings which should commence every month, wherein the committee considers complaints / grievances referred to it by the functional heads responsible for redressal and offer their advice. Complaints are being analyzed in the right perspective because, they indirectly reveal a weak spot in the working of the bank. Given below are the indicative points, which shall be mandatorily considered in the Customer Service Committee meetings held at branches.

- The total number of complaints received during the reporting period broken down by the product type e.g. Deposits, Debit Card, Home Loan, Bancassurance (third party products) etc.
- The total number of complaints outstanding at the end of the reporting period.
- Ageing of outstanding complaints
- Top issues emanating from analysis of complaints



- e. Status of deceased claim settlement received
- f. Analysis of BO Awards and Appeals to the Appellate Authority
- g. Analysis of consumer court cases on annual basis

Standing Committee on Customer Service at Head Office:

The Standing Committee on Customer Service will be chaired by the Head of Business Support Department in the Head Office. The members of the Standing Committee shall be as per the Charter of Committee of the bank. The Standing Committee Meeting agenda and minutes are to be placed to the Management Committee on regular basis for noting and approvals, if any. The committee would have the following functions.

- a. Evaluate feed-back on quality of customer service received from branches. The committee would also review comments/feed-back on customer service and implementation of commitments contained in the Code of Bank's Commitments to Customers adopted by the Bank.
- b. The Committee would be responsible to ensure that all regulatory instructions regarding customer service are followed by the bank. Towards this, the committee would obtain necessary feed-back from branches.
- c. The Committee also would consider unresolved complaints/grievances referred to it by functional heads responsible for redressal and offer its advice.
- d. The Committee would submit report on its performance to the Management Committee on bi-monthly basis.

4. Time frame for resolution of complaints initiate:

Shinhan bank has set the maximum period of 30 days for redressal of all types of complaints. However in certain cases, where the redressal requires information / coordination with other agencies (delay due to feedback from external entities) the time period could be extended and the same would be intimated to the customer, well in advance.

5. Closure of complaints:

A complaint will be closed only if the grievance is redressed. If no deficiency in service is found, the complaint will be closed and the customer will be advised the reasons for not treating the matter as grievance. For the complaints received through Ombudsman, the bank will reply, as per the norms stipulated by Banking Ombudsman. The redressal of the complaint will be on the basis of decision/award given by Banking Ombudsman. Decision to prefer appeal against the award by Banking Ombudsman will be taken on case to case basis. If decided to honor the award, it will be implemented within the time frame as stipulated by Banking Ombudsman Scheme 2006.

6. Mandatory display requirements:

The bank will display on the notice board of the bank the following:

1. Banking codes and Standards Board of India rules and regulations
2. Banking Ombudsman policy of Reserve bank of India.

3. Contact details of the Code Compliance officer.

7. Enhanced disclosures on complaints:

Disclosures serve as an important tool for market discipline as well as for consumer awareness and protection. Appropriate disclosures relating to the number and nature of customer complaints and their redress facilitate customers and interested market participants to better differentiate among banks to take an informed decision in availing their products and services. To ensure provision of relevant and important information in this regard to bank customers and other stakeholders, the current set of disclosures will be made by bank in the annual report as under:

Annexure 1:

Enhanced disclosures to be made by banks on complaints and grievance redress

A. Summary information on complaints received by the bank from customers and from the Office of Banking Ombudsman (OBSs)

Sr. No	Particulars	Previous Year	Current Year
	Complaints received by the bank from its customers		
1	Number of complaints pending at beginning of the year		
2	Number of complaints received during the year		
3	Number of complaints disposed during the year		
3.1	Of which, number of complaints rejected by the bank		
4	Number of complaints pending at the end of the year		
	Maintainable complaints received by the bank from OBOs		
5	Number of maintainable complaints received by the bank from OBOs		
5.1	Of 5, number of complaints resolved in favour of the bank by BOs		
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs		
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank		
6	Number of Awards unimplemented within the stipulated time (other than those appealed)		

**B. Top five grounds of complaints received by the bank from customers**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground 1					
Ground 2					
Ground 3					
Ground 4					
Ground 5					
Others					
Total					
Previous Year					
Ground 1					
Ground 2					
Ground 3					
Ground 4					
Ground 5					
Others					
Total					

Note: The master list for identifying the grounds of complaints is provided as under:

1. ATM/Debit Cards
2. Internet/Mobile/Electronic Banking
3. Account opening/difficulty in operation of accounts
4. Loans and advances
5. Levy of charges without prior notice/excessive charges/foreclosure charges
6. Cheques/drafts/bills
7. Non-observance of Fair Practices Code
8. Exchange of coins, issuance/acceptance of small denomination notes and coins
9. Bank Guarantees/Letter of Credit and documentary credits
10. Staff behavior
11. Facilities for customers visiting the branch/adherence to prescribed working hours by the branch, etc.
16. Others

8. Staff training for handling the grievance

Staff should be properly trained for handling complaints. Bank is dealing with people and hence difference of opinion in areas of friction can arise. With an open mind and a smile on the face, Bank should be able to win the customers "confidence. It would be the responsibility of the Nodal Officer / Internal Ombudsman to ensure that internal machinery for handling complaints/grievances operates smoothly and efficiently at all levels. He should give feedback on training needs of staff at various levels to the HR Department.



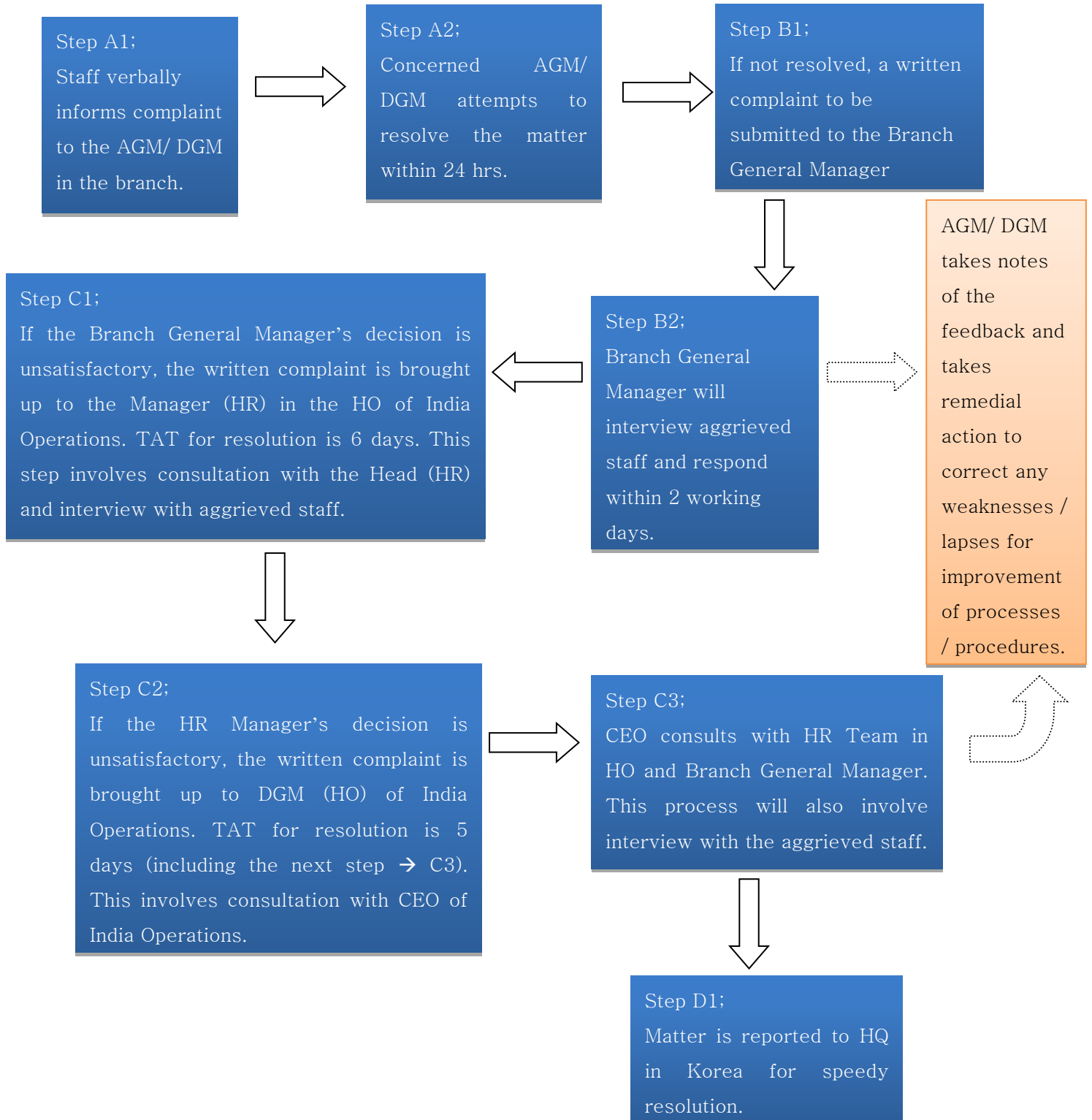
9. Conclusion

Shinhan Bank believes that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. The bank is well aware that customer dissatisfaction can spoil bank's name and image

This policy document aims at minimizing instances of customer complaints and grievances through proper service delivery and review mechanism and to ensure prompt redressal of customer complaints and grievances.

B. Standard Procedure for handling Internal Grievance Redressal

1. Flow Chart for Internal Grievance Redressal with Turnaround Time





2. Communication Matrix for Internal Grievance System Harmony

<u>Internal Grievance System Harmony</u>	
1.	<u>Head Office (Escalation Matrix) -</u> i. HR Head – 022–26199-2000 ii. DGM- HR – 022-6199-2014 iii. Head of Compliance – 022-6199-1903
2.	All written complaints to be submitted by internal Goldwing mail with Subject matter - “CONFIDENTIAL MATTER (GRIEVANCE) From Name of staff “_____” .
3.	Confidentiality shall be maintained at each level;
4.	Co-operation from all involved shall help the Committee to reach a satisfactory resolution
5.	Turnaround time for grievance redressal shall be within 15 days from the date of first written complaint filed by the aggrieved staff.
6.	In special cases steps A1 and A2 can be skipped and in extremely special cases steps B1 and B2 can be skipped (if the complaint is about the General Manager). Procedures for C1 onwards have to mandatorily taken for a formal process of grievance resolution undertaken by the bank;

3. Annexure

Grievance Redressal in Branches:

For any grievances / complaints the bank has internal mechanism to handle the grievance as under:

Level 1 – Head of Operations, Branch;

Level 2 – The General Manager, Branch;

Level 3 – Business / Customer Support, HO;

Level 4- Banking Ombudsman - The link for lodging the complaint:

<https://rbi.org.in/Scripts/AboutUsDisplay.aspx?pg=BankingOmbudsmen.htm>
