



POLICY FOR CUSTOMER GRIEVANCE REDRESSAL

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1. Introduction

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 is the prime concern of the Bank. The Bank believes that excellence in customer service is its prime motto; providing prompt and efficient service should get paramount importance in its business policies.

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 is aimed at helping identification of shortcomings in product features and service delivery. Bank is fully aware that customer dissatisfaction would spoil Bank's name and image. The Bank's Policy on grievance redressal follows the under noted principles.

- ❖ Customers be treated fairly at all times.
- ❖ Complaints raised by customers are dealt with courtesy and on time.
- ❖ Customers are 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.
- ❖ Bank will treat all complaints efficiently and fairly as they can damage the Bank's reputation and business if handled otherwise.
- ❖ The Bank employees must work in good faith and without prejudice to the interests of the customer.

In order to make Bank's redressal mechanism more meaningful and effective, a structured system has been built up towards such end. Such system would ensure that the redressal sought is just and fair and is permissible within the given framework of rules and regulation. The Policy document would be made available at all branches. The concerned employees shall be made aware about the Complaint handling process.

Definition of a customer complaint

"Complaint" means a representation in writing or through other modes alleging deficiency in service on the part of the regulated entity and seeking relief there on; "Deficiency in service" means a shortcoming or an inadequacy in any service, which the regulated entity is required to provide statutorily or otherwise, which may or may not result in financial loss or damage to the customer

Customer grievances which are not falling into the category of complaints are further classified to request, queries and suggestions based on the nature as per following

Type	Description	Examples
Query	A customer's inquiry, clarification, or request for action regarding the Bank's products, features, or services that can be resolved immediately without the need for follow-up or additional processing. This also includes status inquiries about previously lodged grievances with the bank.	<ul style="list-style-type: none">• Status of loan application.• Inquiry regarding deposit interest rate.

Type	Description	Examples
Request	Requests from customer that necessitate processing by us and will be completed with a definite TAT (Turnaround Time).	<ul style="list-style-type: none"> • Request for a cheque book. • Request for registration of Mobile alerts. • Request for account/Credit card closure
Suggestion/Feedback	Suggestions or Feedback from customers regarding improvement of a process/Product. Appreciations received from customers are also categorized here.	<ul style="list-style-type: none"> • Suggestion for a new branch or ATM in their location.

The Bank's Grievance Redressal Team has a mechanism in place for evaluating the cases classified into Query, Request, Suggestion/Feedback to ensure that no complaints are wrongly classified into the mentioned buckets.

2. Internal Machinery to handle Customer complaints/ grievances

2.1 Customer Service Committee of the Board

The Customer Service Committee of the Board shall be responsible for this policy for redressal of customer grievances and will examine issues having bearing on the quality of service rendered by the Bank.

Customer Service Committee of the Board, shall address the following: -

- Formulation of a Comprehensive Deposit Policy.
- Issues such as the treatment of death of a depositor for operations of his Account
- Product approval process with a view to suitability and appropriateness
- Annual survey of depositor satisfaction
- Tri-ennial audit of such services

Any other issues having a bearing on the quality of customer service rendered.

The bank will make sure that all required regulatory reports and data are submitted to the Customer Service Committee of the Board from time to time.

2.2 Standing Committee on Customer Service

Executive Director of the Bank in charge of Service Quality Department (SQD) will chair the Standing Committee on Customer Service. Besides two to three senior executives of the Bank, the committee would also have two to three eminent non- executive(s) drawn from the public as members. The committee should have two customers of the branch as members out of which one should be a senior citizen. The committee would have the following functions.

- ❖ Evaluate feedback on quality of customer service received from various quarters. The committee would also review comments/feed-back on customer service and implementation of commitments in the Code of Bank's Commitments to Customers received from BCSBI.
- ❖ The Committee would be responsible to ensure that the Bank is undertaking timely and

effective implementation of all regulatory instructions regarding customer service. Towards this, the committee would obtain necessary feedback to evaluate the actions from regional managers/ functional heads.

- ❖ The committee also would consider unresolved complaints/grievances referred to it by functional heads responsible for redressal and offer their advice.
- ❖ The committee would submit report on its performance to the Customer Service Committee of the Board, at quarterly intervals reviewing the practice and procedure prevalent in the Bank and initiate correction action, covering areas reviewed, procedure/practice identified and simplified/introduced.

2.3 Branch Level Customer Service Committees

In order to encourage communication between the customers and the Bank at the branch level, branch level committees shall be formed with greater involvement of customers. Senior citizens, being an important customer segment will get represented in the committee. To improve the service, Branch Level Customer Service Committee will meet at least once a month. The committee will study complaints and accept suggestions from customers and members of the Committee. The committee will find out ways and means of improving customer service. The branch level committees will also submit quarterly reports with inputs/suggestions to the Standing Committee on Customer Service. Standing Committee will examine these inputs and provide relevant feedback to the Customer Service Committee of the Board for necessary Policy / procedural action.

2.4 Nodal Officer and other designated officials to handle complaints and grievances

The nodal department for customer service shall be the Service Quality Department (SQD) and the Head of SQD shall be the Principal Nodal Officer to handle complaints and grievances in the Bank. Each Zonal Office, an officer shall be designated as Nodal officer by the Principal Nodal Officer. Regional Heads and Branch Heads shall act as Nodal officers in the respective regions and branches.

The name and contact details (complete address, telephone/fax number and email address) of nodal officer(s) will be displayed at all branches and made available on the Bank's website. Further, the Bank will designate Nodal Officers wherever necessary, considering the Geographical grouping of branches, either consisting of different States in a Single zone, or different Zones in a single State.

2.5 Internal Ombudsman

Under the Internal ombudsman scheme the Bank had appointed Internal Ombudsman (IO) and Deputy Internal Ombudsman (DIO). The Scheme is introduced with the object of enabling a proper and speedy resolution of complaints of Bank customers at the Bank level by an independent apex level authority within the Bank thereby minimizing the number of cases referred to Banking Ombudsman of RBI. The IO scheme provides a settlement which may be acceptable to the Bank as well as customer. The customer, if not satisfied with the settlement offer, will however be at liberty to appeal to the Banking ombudsman of Reserve Bank of India.

Before wholly or partially rejecting any complaint coming under the jurisdiction of the Internal Ombudsman, consultation/concurrence of the Internal Ombudsman shall be ensured by the Bank. Internal Ombudsman shall review each complaint and pass appropriate orders, post examining the Bank's response on these complaints considering applicable statutory/regulatory position.

Where the Internal Ombudsman overrules the decision of the Bank to reject or partly reject the complaint, Bank would disagree with the decision of the Internal Ombudsman only with the approval of Competent Authority as defined in Clause 3 (1)(c) of RBI Master Direction on Internal Ombudsman, 2023. The Bank's Executive Director In-charge of customer service for

banks would be the competent authority for dealing with such cases. In the absence of Executive Director, MD & CEO of the Bank would be assigned with the said role. The complaints which do not fall under the jurisdiction of IO is mentioned as below which do not need intervention of IO for rejection by Bank

- a) Complaints related to corporate frauds, misappropriation etc., except those resulting from deficiency in service, if any, on the part of the Bank.
- b) References in the nature of suggestions and commercial decisions of the Bank. However, service deficiencies in cases falling under 'commercial decisions' will be valid complaints for the Internal Ombudsman.
- c) Complaints / references relating to (i) internal administration, (ii) human resources, or (iii) pay and emoluments of staff in the regulated entity.
- d) Complaints which have been decided by or are already pending in other fora such as the Consumer Disputes Redressal Commission, courts, etc.
- e) Disputes for which remedy has been provided under Section 18 of the Credit Information Companies (Regulation) Act, 2005

The Bank will forward all rejected / partially rejected complaints under the categories (a) and (b) above to the Internal Ombudsman/s. The Internal Ombudsman shall look for inherent deficiency in service in such cases and take a view whether any of these complaints can be exempted under (a) and / or (b) above as decided by the Bank.

2.6 Complaints/suggestions box

Complaints/suggestions box is provided at each office of the bank. Further, at every office of the bank a notice requesting the customers to meet the branch manager is displayed regarding grievances, if the grievances remain unredressed.

2.7 Complaint Book /Register

Complaint book with perforated copies in each set is maintained at each Branches, designed so as to instantly provide an acknowledgement to the customers

All Branches are maintaining a separate complaint register in the prescribed format given for entering all the complaints/grievances received by them directly or through their Head Office/Govt. These registers are maintained irrespective of the fact whether a complaint is received or not in the past.

Complaint received in any form, i.e., in writing/email, including those in the complaints register are registered/entered in Centralized Complaint management application/portal.

The complaints registers maintained by branches is scrutinized by the concerned Regional Manager/Zonal Head during his periodical visit to the branches and his observations/comments recorded in the relevant reports.

3. Mandatory display requirements

Bank shall provide –

- ❖ Appropriate arrangement for receiving complaints and suggestions.
- ❖ Code of Bank's commitments to customers/Fair Practice code

Bank will display the following in Branches

Names of the officials who can be contacted for redressal of complaints, together with their direct telephone number, fax number, complete address (not Post Box No.) and e-mail address, etc., for proper and timely contact by the customers and for enhancing the effectiveness of the redressal machinery. Further we will display the Details of Integrated Ombudsman scheme and contact details in English, Hindi and regional language at the respective location of the branch/office and be made available the copy of the scheme for customer reference.

Bank will display the following in Website

The names and details of the officials at their Head Office / Zonal Offices who can be contacted for redressal of complaints including the names of the Nodal Officers / Principal Nodal Officers. Contact details including name, complete address, telephone / fax number, email address, etc. The complaint form provided hereafter on this policy will be displayed on the homepage along with the details of the Nodal officers and the complaint lodging portal of the Banking Ombudsman.

4. Resolution of grievances

Branch Manager is responsible for the resolution of complaints/grievances in respect of customer service by the branch. He would be responsible for ensuring closure of all complaints received at the branch. It is his foremost duty to see that the complaints are resolved completely to the customer's satisfaction and if the customer is not satisfied, then he should be provided with alternate avenues to escalate the issue. If the branch manager feels that it is not possible at his level to solve the problem, he/she can refer the case to Zonal Office/Nodal Officer for guidance. Similarly, if Zonal office/Nodal Officer finds that they are not able to solve the problem such cases may be referred to the Principal Nodal Officer.

In accordance with the Bank's Loan Policy, all complaints relating to loans advances will be resolved in a judicious and expeditious manner.

In the case of debit/credit card related grievances, the Bank shall also compensate the complainant for the loss of his/her time, expenses, financial loss as well as for the harassment and mental anguish suffered by him/her for any issues arising due to the fault of the Bank and where the grievance has not been redressed in time. Claims received from the cardholder in this context shall be reviewed and final decision on compensation taken in accordance with the delegated authority levels in the Bank.

4.1 Time frame

Complaint shall be seen in the right perspective because they indirectly reveal a weak spot in the working of the Bank. Complaint received shall be analyzed from all possible angles. Specific time schedule is set up for handling complaints and disposing them at all levels including branches, Zonal and head office. Branch manager shall try to resolve the complaint within specified time frames, decided by the Bank.

Communication of Bank's stand on any issue to the customer is a vital requirement. Complaints received, which would require some time for examination of issues involved, shall invariably be acknowledged promptly.

The bank will ensure that all customer complaints are resolved within 30 days of receipt of complaint. While the Bank shall endeavor to resolve all complaints in the shortest possible time, it is recognized that longer time would be required to resolve complaints relating digital

transaction disputes such as Point of Sales (POS), E-commerce, Unauthorised electronic transactions etc. This is due to the dependency on external parties. Such complaints will be resolved within a maximum period of 90 days.

For all the complaints received from the regulators, timelines as mandated by the respective regulator will be in force.

If in any case additional time is need for resolution, Bank will inform the reason for delay in resolution and will provide expected timeline for resolution

Complaints received by the Bank directly from customers that relate to third party products will be forwarded to the relevant third-party providers by the Service Quality Department. The Department will liaise with the third-party providers to ensure satisfactory resolution. Such complaints will be resolved within a period of maximum 30 days.

5. Interaction with customers

The Bank recognizes that customer's expectation/requirement/grievances can be better appreciated through personal interaction with customers by Bank's staff. Structured customer meets such as branch level customer service committee, standing committee on customer service periodically will give a message to the customers that the Bank cares for them and values their feedback/suggestions for improvement in customer service. Many of the complaints arise on account of lack of awareness among customers about Bank services and such interactions will help the customers appreciate Banking services better. As for the Bank, the feedback from customers received through SMS/Email/Whatsapp/telephonic surveys would be valuable input for revising its product and services to meet customer requirements. Banks will give wide publicity to the grievance redressal machinery by placing the same on the Bank's website and through various other Bank's channels.

6. Sensitizing operating staff on handling complaints

Staff shall be properly trained for handling complaints. We are dealing with people and hence difference of opinion and areas of friction can arise. With an open mind and a smile on the face, we shall endeavor to win the customer's confidence.

Imparting soft skills required for handling irate customers, will be an integral part of the training programs. Nodal Officer in charge of Service Quality Department shall ensure that internal machinery for handling complaints/grievances operates smoothly and efficiently at all levels. He/she will provide feedback on the training needs of staff at various levels to the HR Department. Based on this feedback, the HR Department will offer the necessary training to the staff.

7. Grievances Redressal Mechanism

The bank has at present facilitated the following channels in our structured mechanism for redressal of customers' complaints

In case a customer feels that there is deficiency in the service provided to him/her or Bank has not provided any of the services as promised, the customer may reach:

Channels	Modes
Contact Centre	<ul style="list-style-type: none">• Call our 24-hour customer care.• Email / chat channels of the Bank.
Branch	The customers may contact the respective branch or the Branch Manager for immediate redressal. If the customer prefers to file a written complaint, it can be

Channels	Modes
	registered as per the format given at the end of this Policy. The Branch Manager shall record the complaint in the complaint register and shall strive to redress the complaint. (Address and contact numbers of the branches are displayed in the Bank's web site/Passbook.)
Relationship Manager	The customers linked to different relationship banking managers under all relevant schemes may contact their respective Relationship Managers for immediate redressal of the complaints. The Relationship managers shall record the complaint and shall strive to redress the complaint at the earliest

Whenever a customer approaches us via social media channels, they will receive assistance to appropriately escalate their grievances to the relevant verticals for prompt and effective resolution.

Bank has a system of acknowledging the complaints, including the complaints received through letters / forms. The redressal of complaints emanating from rural areas and those relating to financial assistance to Priority Sector and Government's Poverty Alleviation programmes will also part above mentioned mechanism.

The Head of the Service Quality department would be the Principal Nodal Officer for redressal of customer complaints.

7.1 Escalation matrix for customer grievances

Level 1	<ul style="list-style-type: none"> • Branch • Contact Centre • Relationship Manager
Level 2	<ul style="list-style-type: none"> • Nodal Officer of the Bank
Level 3	<ul style="list-style-type: none"> • Principal Nodal Officer – Head Service Quality Department

If the resolution at the current level is not satisfactory, customers can escalate their concerns to higher levels. The details of each level including contact details are furnished in the [Banks website \(click\)](#), branch notice boards, partner websites and other relevant platforms where the Bank is required to publish the grievance redressal mechanism in accordance with RBI directives. In case the issue is still not resolved to the satisfaction of the customer, he/she may approach the Reserve Bank Integrated Ombudsman as per Integrated Ombudsman scheme 2021.

The complaints received at Head office would be probed by the Service Quality Department and suitable measures would be taken to redress the grievance. Service Quality Department shall also examine the nature of complaints and should initiate necessary corrective measures to prevent recurrence of such complaints. All Offices of the Bank shall attend to correspondence on matters related to customer complaints with utmost promptness and help redressal of the complaints.

For the information of customers, we furnish below the stipulations for filing a complaint with Reserve Bank Integrated Ombudsman.

- The complainant, before making a complaint to the Reserve Bank Integrated Ombudsman, should have made a written representation to the Bank, and the Bank should have either rejected the complaint, or the complainant had not received a reply

within a period of one month after the complaint was received by the Bank, or the complainant was not satisfied with the reply given by the Bank.

- ii. The complaint is made not later than one year after the complainant received Bank's reply to his/her representation or where no reply is received, not later than one year and one month after the date of the representation to the Bank.
- iii. The complaint is not in respect of the subject matter, which was settled or dealt with on merits by the Reserve Bank Integrated Ombudsman in any previous proceedings, whether or not received from the same complainant or along with one or more complainants or one or more parties concerned with the subject matter.
- iv. The complaint does not pertain to the same subject matter for which any proceedings before any court, tribunal, arbitrator or any other forum is pending or a decree or Award or order has been passed by such court, tribunal, arbitrator or forum.
- v. The complaint is not frivolous or vexatious in nature.
- vi. The complaint is made before the expiry of the period of limitation prescribed under the Indian Limitation Act, 1963 for such claims.
- vii. The complainant provides complete information as specified in clause 11 of the Scheme.
- viii. The complaint is lodged by the complainant personally or through an authorised representative other than an advocate unless the advocate is the aggrieved person.

Procedure for Filing a Complaint with Reserve Bank Integrated Ombudsman:-

- (1) The complaint may be lodged online through the portal designed for the purpose (<https://cms.rbi.org.in>).
- (2) The complaint may also be submitted through electronic or physical mode to the Centralised Receipt and Processing Centre as notified by the Reserve Bank. The complaint, if submitted in physical form, shall be duly signed by the complainant or by the authorised representative. The complaint shall be submitted in electronic or physical mode in such format and containing such information as may be specified by Reserve Bank.

Please note that the first point for Redressal of complaints is the Bank itself. The complainants may approach Reserve Bank Integrated Ombudsman only if the complaint is not resolved at the Bank level within a month.

7.2 Grievance Redressal mechanism related to Third party products/Partners

As the business of the Bank is expanding with the distribution of third-party products and with the engagement of Fintech and other service providers to market and manage the Bank's own products and services, the Grievance Redressal Mechanism of the Bank should build suitable framework to cover such third-party processes as well. All Business and Functional Departments engaging such third parties shall follow the below guidance, while conducting the due diligence on third parties, entering into agreements, and operationalising the product and services offer to the customers.

a) Complaints redressal on third party products distributed by the Bank:

The customers can raise the complaints related to Third party products distributed bank with the Bank or partner. Bank will ensure the partner has appropriate grievance redressal policy and process in place. All complaints received at Bank level will follow the complaints management process. At partner level Bank will ensure the complaints

are properly recorded and resolved within the timeframe prescribed by regulator. Corporate review/analysis of all complaints reported at Bank/partner level will be done by Bank.

b) Complaints redressal on Products and Services offered in partnership with third parties or third party service providers

The customers can raise the complaints to the Bank or to the partner. Bank will ensure the partner has appropriate grievance redressal policy and process in place. Bank will ensure the complaints received at both the end is properly resolved and recorded in timeframe prescribed by Banks Grievance redressal policy. Corporate review/analysis of all complaints reported at Bank/partner level will be done by Bank. Annual performance review of third parties and audit carried out by the Bank shall cover the Grievance Redressal Mechanism of third party is satisfactory. Appropriate clauses on the obligations of third party in maintaining the grievance redressal mechanism to the satisfaction of the Regulator/ Bank shall be incorporated in the Legal Agreement/ Arrangement.

Service Quality Department shall also take corrective measures to avoid; systemic deficiencies noted, if any shall be immediately acted upon and brought to the attention of the Standing Committee on Customer Service and Customer Service Committee of the Board.

8. Corporate Analysis and Disclosure of complaints

Service Quality Department shall consolidate all the complaints received by Bank in Branches/offices periodically as per prevailing instructions. Service Quality Department shall also take corrective measures to avoid such complaints in future; systemic deficiencies noted, if any shall be immediately acted upon and brought to the attention of the Standing Committee on Customer Service and Customer Service Committee of the Board.

Bank will critically examine on an on-going basis as to how Grievances Redressal Machinery is working and whether the same has been found to be effective in achieving improvement in customer service in different areas. Grievances/complaints relating to congestions in the banking premises should be examined by the bank's internal inspectors/auditors on a continuing basis and action taken for augmentation of space, whenever necessary, keeping in view the availability of larger accommodation in the same locality at a reasonable rent and other commercial considerations.

As per RBI circular dated 27th January 2021 related to Strengthening of Grievance Redress Mechanism in Banks. Enhanced disclosures on complaints and grievance redress has been implemented. The proforma of disclosure to be made by banks on complaints and grievance redress is as below and is part of Bank's Annual report.

Sl. 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 Offices of Ombudsman			
5	Number of maintainable complaints received by the bank from Office of Ombudsman		
	5.1. Of which, number of complaints resolved in favour of the Bank by Office of Ombudsman		

Sl. No.	Particulars	Previous year	Current year
	5.2. Of which, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman		
	5.3. Of which, number of complaints resolved after Passing of Awards by Office of Ombudsman against the bank	-	-
6	Number of Awards unimplemented within the stipulated time(other than those appealed)	-	-
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.			

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					

Master list of grounds of complaints to be used for disclosure on the top five ground-wise receipt of complaints by banks is as below:

1. ATM/Debit Cards
2. Credit Cards
3. Internet/Mobile/Electronic Banking
4. Account opening/difficulty in operation of accounts
5. Mis-selling/Para-banking
6. Recovery Agents/Direct Sales Agents
7. Pension and facilities for senior citizens/differently abled
8. Loans and advances
9. Levy of charges without prior notice/excessive charges/foreclosure charges
10. Cheques/drafts/bills

11. Non-observance of Fair Practices Code
12. Exchange of coins, issuance/acceptance of small denomination notes and coins
13. Bank Guarantees/Letter of Credit and documentary credits
14. Staff behavior
15. Facilities for customers visiting the branch/adherence to prescribed working hours by the branch, etc.
16. Others

This Policy shall be read in conjunction with the Customer Compensation Policy, Policy on Customer Protection - Limiting Liability of Customers in Unauthorized Electronic Banking Transaction and Policy on Collection of Cheque/Instruments which are all available at our website in the following location <https://www.federalbank.co.in/our-commitments>.

9. COMPLAINT FORMAT

A complaint form is provided to facilitate complaint submission by customers. The complaint form also indicates that the first point for redressal of complaints is the bank itself and that complainants may approach the Reserve Bank Integrated Ombudsman if the complaint is not resolved at the bank level within a month. The proforma of complaints form is as below:

1. Name of the Complainant	
2. Address in full (for correspondence)	
3. Age	
4. Tel. No.(landline and mobile)	
5. E-mail id if any (Please do not write any other person's e-mail id. Bank will not be responsible for any leakage of secrecy or for any consequences there upon for messages/letters through the given e-mail id)	
6. Name of Branch to which the complaint is related to	
7. Account Number (if any)	
8. Details of the complaint (Attach separate sheet if necessary)	
9. Whether you have already taken up with the Branch Manager, Regional Controller or any other Functionary/ Forum	
Place	
Date	Signature of the Complainant
If you are not satisfied with the resolution of your complaint or not received resolution within 30 days, you can approach Reserve Bank Integrated Ombudsman through the link https://cms.rbi.org.in/	