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1. Introduction:

This Policy document lays down a clear and transparent Policy which aims at minimizing the instances of Customer complaints and grievances by providing proper service and having a comprehensive review mechanism to ensure prompt redressal of the same. This Policy gives the model code of conduct which the Bank staff need to follow while dealing with Customer grievances. The Bank will lay stress on improving its customer service continuously in order to achieve high Customer satisfaction. The review mechanism will help the Bank with valuable feedback regarding the shortcomings in the product features and service delivery.

2. Principles of Grievance Redressal:

Customer service has great significance in the banking industry. The Bank will follow a comprehensive Policy on Customer Grievance Redressal which will govern the redressal procedure for handling Customer complaints. The Policy is based on the following general principles:

- Ensure visibility and accessibility of complaint handling process to all complainants
- Provide access to grievance redressal policy to customer
- Handle Complaints professionally & in a transparent manner
- Customers are treated fairly at all times.
- Ensure Objectivity in the complaint handling process
- Provide Prompt & Responsive Complaint Resolution to the Customers.
- Ensure confidentiality of Complainants information unless required for addressing the complaint
- Ensure clear accountability for resolution and reporting of complaints
- Ensure adherence to all relevant Regulatory & Statutory requirements as mandated by RBI and mentioned in the Grievance redressal policy
- Continually improve its processes & systems by taking inputs from customers, employees and other interested parties
- Ensure adherence to the Compensation policy as defined by the Bank

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3. Applicability/Coverage:

- a) The policy is applicable to all branches of the Bank (including overseas branches) and all personnel involved in functioning of overseas and domestic operations of the Bank.
- b) Applicable to all employees including business correspondents, outsourced employees, collections agencies & bank subsidiaries, third party product distributed/ referred by the Bank.
- c) All Government sponsored/ backed-up schemes serviced by the Bank.
- d) All transaction wherein Bank is acting as a NPS trust or an Agency business.
- e) All channels across products which the Bank has enabled for the customers for carrying out transactions and providing services (including services rendered through partners / associates of the Bank appointed by the Bank for the purposes of services specified by the Bank).

4. General

Under normal circumstances, the Customer complaints may arise due to:

- Inadequate functions/arrangements/services made available to the Customers or gaps in standards of services expected and actual services provided.

- Attitudinal aspects in dealing with the Customers.

In case any of these circumstances is encountered by the Customer, the Customer has a right to register a complaint with the Bank. The complaint may be given in writing, orally or over telephone.

In case the complaint is not resolved within the given time, or if the Customer is not satisfied with the resolution, the Customer can approach the Banking Ombudsman or any relevant higher authority for grievance redressal.

A Customer will be defined as:

- A person or entity that maintains an account and/or has a business relationship with the Bank.
- One on whose behalf the account is maintained (i.e. the beneficial owner).
- Beneficiaries of transactions conducted by professional intermediaries, such as Stockbrokers, Chartered Accountants etc. as permitted under the law.
- Any person or entity connected with a financial transaction which can pose significant reputational or other risks to the Bank.

- a) **Complaint:** A complaint may be defined as "An expression of dissatisfaction made to an organization, related to its products and services, or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected".

A few examples of complaints:

- Cheque deposited at branch not reflecting (outside TAT)
- Delay/ non- receipt of Welcome kit (outside TAT)
- Address change request given at branch not done.
- Delay in closure of account
- Cash not dispensed/ less cash dispensed at ATMs.
- Updation / alteration of credit information

- b) **Query:** A query can be defined as a question, often expressing doubt about something, or looking for an answer from an authority

A query is:

- A form of questioning, in a line of enquiry
- In nature of a request for information or guidance
- Where there is an expectation from the customer for data / clarification.
- Checking of status/ progress for service/deliverables

Examples of queries:

- Delay/ non- receipt of card/PIN (within TAT)
- Delay/ non-receipt of statement (1st time)
- Charges applied as per schedule
- Query on application status

c) **Request:** A Request is an ask made by the customer for banking services / products

Examples of requests:

- Customer is requesting for waiver/reversal of fees/charges
- Customer is requesting for duplicate statement of account
- Customer is requesting for re-issuance of PIN/Card

5. Registration of Complaints

I. **The Customers can lodge/ register their complaints and seek redressal/ resolution through any of the following channels:**

a) **Telephonic Channel:**

- Customers may contact the Customer Care over the phone at the numbers displayed at the branch.
- The customer may call the Customer Care Centre 7 days a week, 24 hours a day.

b) **Branch Channel:**

- Customers can lodge their complaint with the branch officials or file their grievances in the complaint book/register (during working hours of the branch).
- In each of our branches we have displayed the name and contact details of officers whom the customer can contact for raising your complaints.
- Banking correspondent
- Complaint forms placed at ATM's

c) **Electronic Channel:**

- The customer may register their complaint through the Online Complaint Form at Bank Website www.aubank.in
- Customer can also send an e-mail at: customercare@aubank.in
- Auro Chatbot
- Video Banking
- AU0101
- Social Media

d) **Remotely: In writing, by post**

- The customer may also write to us and send letters at addresses displayed at the branches.
- All the complaints received through the mentioned channels shall be handled centrally by the Customer Service Team of the Bank.

II. **Sources of grievances:**

Apart from grievances received directly from customers, grievances received through various authorities including the Reserve Bank of India, Banking Ombudsmen, IRDAI, Centralized Public Grievance & Monitoring System (CPGRAMS), law enforcement agencies, public authorities etc. shall be handled centrally. Any complaint forwarded to the Bank from an outsourced vendor/ lodged by the customer regarding an outsourced vendor shall be handled in accordance with the terms of this policy document.

6. Acknowledgement and tracking of complaints:

- All complaints received orally or in writing or through email, is being recorded in the Bank's Customer Relationship Management (CRM) application and assigned to the respective Branch/ unit for resolution.
- All complaints received is acknowledged by the Bank, A Complaint Reference Number shall be provided immediately to the customer on registration of complaints for their information and follow up/escalation, if required.
- Multiple/Duplicate complaints from same customer on various internal channels will be reviewed and action will be taken accordingly.

7. Mode of response:

- **Matching communication channels:** The bank prioritizes responding through the same channel the customer used for initial contact. For instance, grievances received via email will be addressed through email replies.
- **Accessibility:** The bank should also offer **alternative communication options** for customers who prefer phone calls, physical visits, or other channels. This ensures inclusivity and caters to diverse communication preferences.

8. Grievance Review Mechanism of the Bank:

A. **Internal Machinery to handle Customer complaints / grievances:** The Bank has set up the following committees & review mechanism to monitor and review quality of customer service and grievance redressal mechanism of the Bank.

- I. **Branch Level Customer Service Committee (AU SWAGAT)** - The Branch Level Customer Service Committee will be responsible for strengthening of customer service at branch level through interaction with diverse set of customers. This committee will conduct monthly meetings with customers including depositors and borrowers, at the branch level to study customer grievances, cases of delay and other difficulties faced by the customers. It will also provide a forum for the customers to provide their feedback/ suggestions and help the Bank in evolving ways to improve customer service.
Bank invites customers from across segments including Mass segment, Women customers, Senior citizens, and pensioners. Further bank has a structured mechanism to record customer feedback, or any other observations/feedback as voiced by customers. Also, all feedback /observations voiced by customers during such meetings are tabled to Customer service committee of board and taken up for appropriate actioning and tracked.
- II. **Standing Committee on Customer Service:** The Standing Committee on Customer Service may be chaired by the MD & CEO and will include two to three executives from the Senior Management and invited customers, if any as its members. The Customer Service Policy illustrates the responsibilities of the Standing Committee on Customer Service.
- III. **Customer Service Committee of the Board:** The Bank shall constitute a Customer Service Committee of the Board which will be chaired by the designated independent director of the Board and will report to the Board of the Bank and shall comprise of the Heads of various departments. The Committee shall include experts and representatives of customers as invitees and may also invite the Managing Director (MD) & Chief Executive Officer (CEO) and the Chairman of the Board to attend the meetings as and when such need arises.
The Customer Service Policy illustrates the responsibilities of the Customer Service Committee of the

Board.

- IV. **Internal /Deputy Internal Ombudsman of the Bank:** In line with the instructions from the Reserve Bank of India if the bank decides to reject or provide a partial relief, such cases will be referred to the Internal /Deputy Internal Ombudsman for further examination. The Internal/ Deputy Internal Ombudsman is an apex authority and is not an AU Bank employee. The Internal/Deputy Internal Ombudsman of the Bank is a retired or serving officer, having necessary experience of years of working in areas such as banking, non-banking finance, regulation, supervision, payment and settlement systems, credit information or consumer protection.

Complaints related to corporate frauds, misappropriation, etc. in respect of deficiency of service, complaints relating to internal administration, human resources, pay and emoluments of staff and cases pending such as consumer disputes redressal commission, courts, etc. would not be examined by the Internal / Deputy Internal Ombudsman. The decision of the Internal/ Deputy Internal Ombudsman will be binding on the Bank.

B. External Machinery to handle Customer complaints/ grievances:

In case Customer's complaint is not being resolved within the given time period or if the Customer is not satisfied with the redressal provided by the Bank, the Bank will provide information on how the Customer can escalate his complaint further to the Banking Ombudsman or other relevant regulatory body.

- C. **Banking Ombudsman** The Banking Ombudsman Scheme provides an expeditious and inexpensive way to Bank Customers for resolution of complaints regarding the services provided by the Bank. The Banking Ombudsman is a senior official appointed by the RBI for redressal of Customer complaints against deficiency in certain banking services.

The contact details of the Banking Ombudsman officers are available on RBI website which is updated from time to time. The details of Banking Ombudsman shall also be displayed at respective branches. The Customer may lodge a complaint with the Banking Ombudsman in case no reply is received from the bank within a period of 30 days after the bank concerned has received a representation from the customer, or the bank rejects the complaint, or if the complainant is not satisfied with the reply given by the bank.

The Customer can file a complaint with the Banking Ombudsman either online or through letters or by sending an email etc. in the format as shared by RBI from time to time.

9. Escalation matrix for Customer complaints / grievances

Level 1: Customer may approach the Branch Manager / Branch Operations Service Manager to register / complaints. Customers may also register their feedback / complaints website through the "Contact us" link or Internet banking or mobile banking. They may contact us at our Toll-Free Number 1800 1200 1200 or write to us through the email address: customercare@aubank.in

Level 2: In case of non-resolution of grievances within 7 days to customer's satisfaction, they may escalate their grievance to the Regional Nodal Officer(s) [Click Here](#)

Level 3: if the complaint is not resolved or if the customer is not satisfied with the resolution provided within 15 working days, even after contacting various complaint resolution channels, the complaint may be escalated to the Principal Nodal Officer at:

The Principal Nodal Officer
AU SMALL FINANCE BANK LIMITED

CP3–235, Industrial Area, Apparel Park, Mahal Road, Jagatpura,
Jaipur, Rajasthan, PIN – 302022
Or send an e-mail at: pno@aubank.in

Level 4: If still the customer is not satisfied with the resolution provided by the PNO and/or in case the customer has not received a satisfactory response within 30 days, customer may approach the Banking ombudsman. Reserve Bank of India to lodge a complaint at Complaint Management System Portal: <https://cms.rbi.org.in>.

Or, Handwritten complaints can be addressed to,
Centralised Receipt and Processing Centre,
Reserve Bank of India, 4th Floor, Sector 17,
Chandigarh -160017
For complaint related queries,
Call toll free number – 14448.

10. Resolution of Grievances:

- a) **Responsibility for resolution:** For complaints, once the case investigation / research is completed, detailed response along with key information/supporting documents (as applicable) is communicated by the bank.
 - The Branch Head is responsible for resolution of complaints received by the branches and/or pertaining to service rendered by the branches. He would ensure that the complaint is resolved completely to the customer's satisfaction and ensure closure of all complaints received within the timeframe communicated to the customer and in any case not later than the timeframe. Accordingly, a notice is displayed at all branches, requesting customers to meet the Branch Head regarding their grievances, if their grievances remain unresolved.
 - Further, a complaint form, along with the name of the Principal Nodal Officer for complaint redressal, may be provided in the homepage itself to facilitate complaint submission by customers. The complaint form shall also indicate that the first point for redressal of complaints is the bank itself and that complainants may approach the Banking Ombudsman only if the complaint is not resolved at the bank level within a month. Similar information shall be displayed in the notice board of all the branches of the Bank to indicate the name and address of the Banking Ombudsman. In addition, the name, address, and telephone numbers of the Controlling Authority of the bank to whom complaints can be addressed shall also be given prominently.
- b) **Time frame for complaint resolution:** To ensure customer satisfaction and address concerns effectively, the bank prioritizes a prompt grievance resolution process. Customers can voice their complaints through various channels like phone banking, the bank's website, email, written letters, and branch complaint forms. Upon receiving a complaint, the bank acknowledges it promptly and informs the customer of the estimated timeframe for resolution. The bank strives to resolve each complaint within set internal timelines.

However, it's important to acknowledge that external dependencies can occasionally extend the turnaround time. In such situations, where information retrieval relies on external sources like other banks or agencies beyond the bank's direct control, the resolution timeframe commences only after receiving feedback from those entities. Despite this, the bank remains committed to addressing all grievances efficiently and within the designated timeframes whenever possible.

The Bank would ensure urgent and efficient resolution of all complaints received. Depending on the nature of grievances, the timelines for resolution of grievances is given below:

Nature of Grievances	Turn Around Time
Normal cases (other than the one mentioned below)	Within 15 working days.
Grievance received by Bank as corporate agent for third party business	Within 30 working days
Grievances pertaining to frauds which require analysis/investigation, legal cases and cases which require retrieval of documents and records > 3 months old	Within 30 working days
Grievances involving third parties / other Banks	Within 30 working days
Chargeback/ Transaction related Dispute	45 to 120 days or as per VISA/Master Card guidelines.
Data Privacy Grievances	Within 30 working days

- ❖ In case a complaint requires additional time for resolution, the Bank proactively informs the customer explaining the reason for the same and specifies the additional time required for resolution.

Compensation: In case the Bank is liable to pay any compensation, the same would be paid to the complainant as per the provisions of the Customer Compensation Policy of the Bank. To know more about refer the Customer Compensation Policy on website.

c) Technology related Customer grievances (ATM / Internet Banking / Mobile Banking)

Technology related customer grievances generally include disputed ATM transactions and disputed Internet/Mobile Banking transactions.

Disputed ATM transactions can be as follows:

- Bank's Customer using Bank's own ATMs
- Transaction is unsuccessful, but Customer account is debited.
- Debit Card stuck into the ATM Machine & unable to retrieve.
- Transaction is successful but one of the following takes place:
 - Account debited but cash not dispensed
 - Account debited multiple times, but cash not dispensed at all or only once
 - Cash partially dispensed but full amount debit to the account Bank's Customer using other bank's ATMs.
 - Other bank's Customer using Bank's ATMs.

The time limit for resolution of Customer complaints related to failed ATM transactions will be 7 working days from the date of receipt of Customer complaint. In case the complaint has not been lodged within 30 days of failed transaction, the Customer will not be entitled for any compensation for delay in resolution of complaint. In case the grievance has not been redressed within the specified timeline or not up to the satisfaction of the Customer, the Customer is free to approach the Banking Ombudsman.

The grievances related to internet banking are as follows:

- Disputed debits
- Failed transaction but account debited
- Account debited but amount not credited to the beneficiary's account
- Account debited twice for the same transaction
- Features and services provided under internet banking not working properly

In case of any such query or grievance, Customers may lodge their complaints online after logging on to the Internet Banking website. Such complaints will be resolved by the concerned branch where the Customer holds the account. In case the complaint is not resolved to the satisfaction of the Customer, the Customer will be free to escalate the complaint to the higher level.

The disputed transactions related to mobile banking are as follows:

- Disputed debits
- Account debited twice for the same transaction
- Account debited but amount not credited to the beneficiary's account
- Failed transaction but account debited
- Features and services provided under mobile banking not working properly
- Customer ID disabled due to putting wrong password beyond the permissible limits.
- Transactions failed due to One-Time password (OTP) not received from the Bank.

The Bank will use the existing mechanism for handling customer complaints/ grievances for mobile banking transactions. However, the Bank shall set up a help desk and disclose the details regarding the help desk and escalation procedure for lodging the complaints on its website. The Bank shall ensure that such details are communicated to the Customer at the time of sign up.

d) Transaction related Customer grievances

The Customer may face various transaction related grievances relating to:

- Opening of account
- Transfer of account
- Closure of account
- Deposit related
- Cash related
- Loans/advances related

Any complaint pertaining to credit information of the customer shall be given top priority and resolves as per the matrix defined in this policy. In case of any difficulty faced relating to opening/closing and transferring of account or any of the above-mentioned transactions, the Customer may approach the concerned branch officials. In case the grievance/difficulty is not resolved to the satisfaction of the Customer, the Customer can lodge a complaint with the Branch Manager of the concerned branch. If the grievance is still not resolved to the satisfaction of the Customer, the Customer may escalate the complaint to the higher authority.

e) Branch/ Staff related Customer grievances

The various grievances which may arise due to Branch or Staff related factors are:

- Lack of basic facilities to the Customers.
- Improper Customer service area and/or long queue.
- Harassment by Bank staff including misbehaviour/ use of rude language,
- Alleged bribery

In case of the above-mentioned grievances, the Customer can lodge a complaint with the Branch Manager of the concerned branch. The Bank will take the necessary actions and try to resolve such grievances in a reasonable time period. In case the Customers are not satisfied with the resolution of such grievances, they may escalate their complaint to higher levels.

f) Customer grievances related to Third Party Products (Insurance & Mutual Funds) Distribution Undertaken by Bank

The Bank holds the license of a composite Corporate Agent with IRDAI for solicitation of life and general insurance business. The Bank will ensure adherence to all the rules & regulations issued by IRDAI & RBI with respect to redressal of grievances relating to insurance. The offices of the Bank where complaints related to insurance products sold by the Bank are received will acknowledge the complaint and facilitate redressal of the same within 14 days of the receipt of such complaint with the help of Insurance partner. The Bank will also ensure adherence to the Code of Conduct as prescribed under IRDAI and RBI Regulations. As Mutual Funds are Para Banking Products which are being referred/distributed by the bank and bank is dependent on the Product Manufacturer (AMC) and their Registrar & Transfer Agents (RTA), customer grievances would be redressed with the help of the AMC/RTA. The client has the Option to raise his grievance with the Bank or can directly approach either the AMC/RTA or can lodge complaint through SEBI COMPLAINT REDRESS SYSTEM(SCORES)

g) Grievance Redressal mechanism for resolution of complaints pertaining to collection/recovery process

The various grievances which may arise due to Collection and Repossession of Security related factors are:

- EMI / Foreclosure amount collected but not deposited in bank
- Amount Collected receipt not given
- Repossession Related
- Legal Related
- Misbehave / Misconduct by collection officer
- Any other query complaint apart from above

In case of the above-mentioned grievances, the customer can lodge a complaint with any channel (Branch/Customer Care/BO) of bank. The Bank will take the necessary actions and try to resolve such grievances in a reasonable time period or within stipulated timelines of respective Service Request logged in CRM. In case the Customers are not satisfied with the resolution of such grievances, they may escalate their complaint to higher levels (as per Grievance Redressal Escalation Matrix).

Following are the complaint categories related to collection and related activities which are covered under Customer Complaint Management Policy with respective TAT–

Category	Subcategory	Sub Subcategory	TAT
Loan	Dispute / Charges / Fees Related	Miscommunication by DSA / Dealer / Business	15

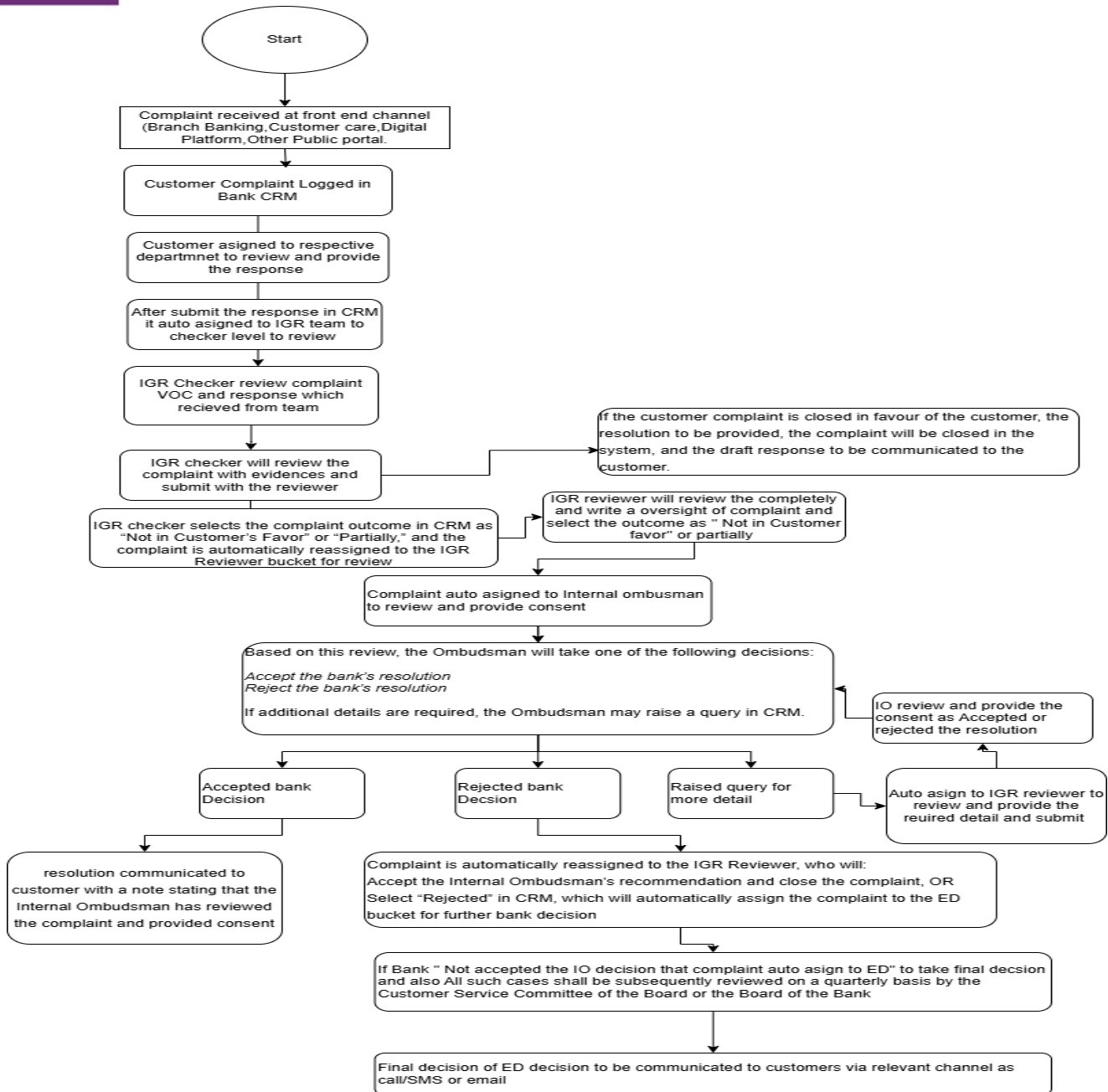
	Foreclosure/ Part Prepayment/ Canc. Related	Complaint related to Loan Closure	7
	Legal / Compliance / Other	Repossession Related	7
		Settlement Related	7
	NOC / Insurance / Letter Related	Non receipt of NOCs-In case of Re- possessed/Settlement cases	5
Branch/Staff Related	Misbehaviour By Collection Staff	15	
	Others	5	

Grievance Redressal Workflow

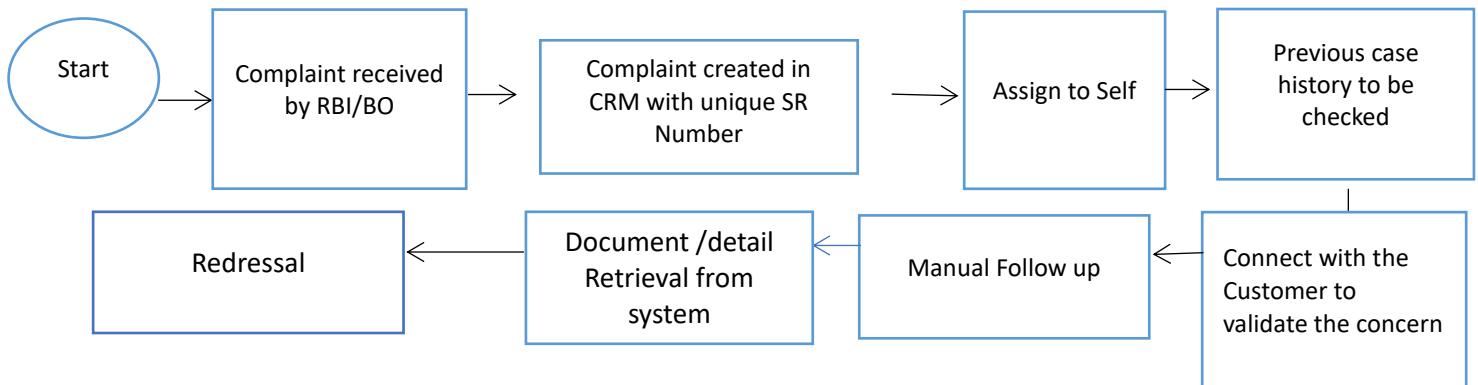
Channel-wise workflow are as follows –

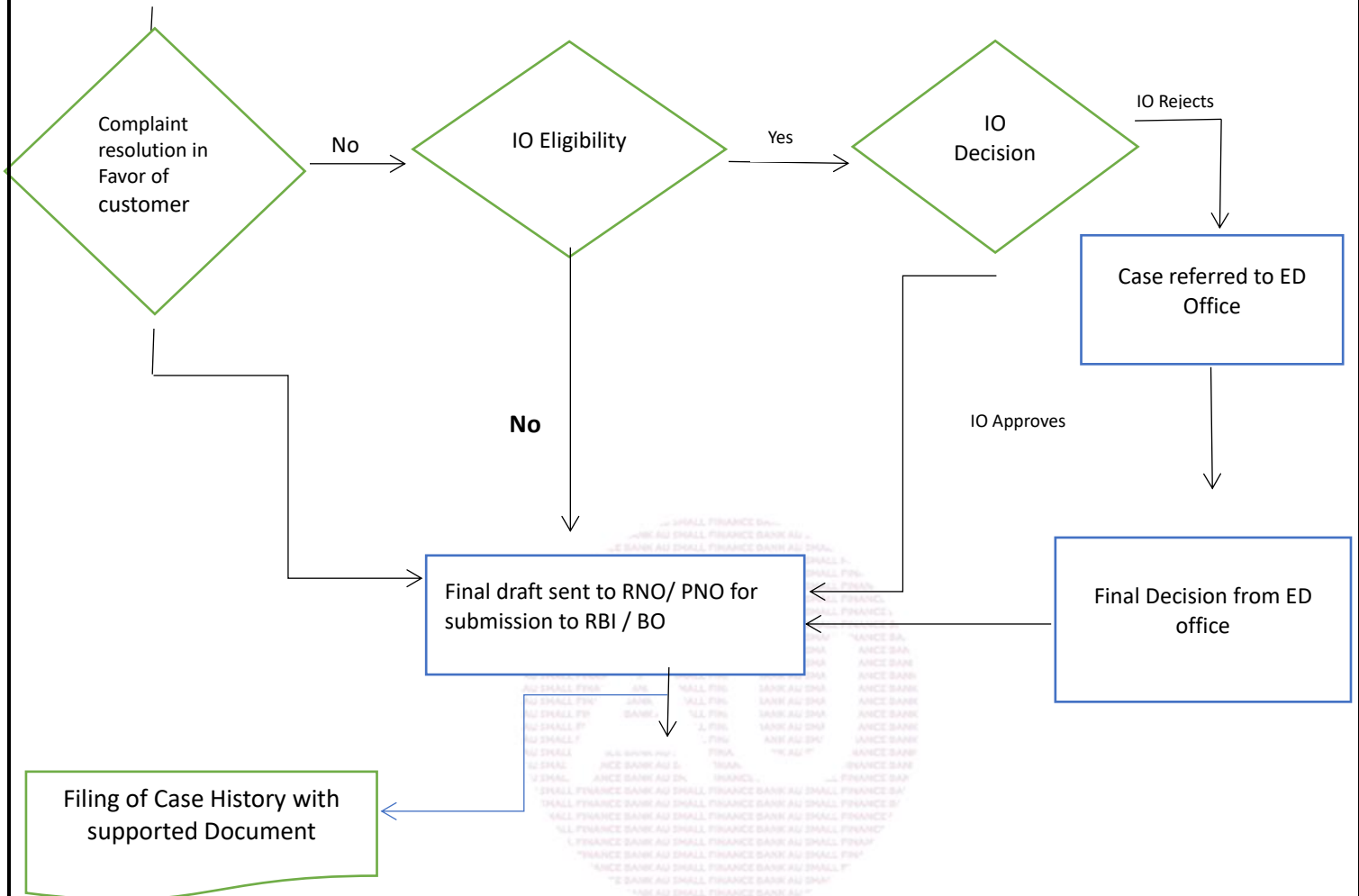
a) Workflow for redressal of grievances received from Frontend





b) Workflow for redressal of cases received from Banking Ombudsman





11. Mandatory Display Requirements

The Bank shall provide the following information mandatorily to the Customers and prospective Customers:

- Appropriate system for receiving complaints and suggestions.
 - The name, address, and contact number of Nodal Officer(s)
 - Contact details of Banking Ombudsman of the area.
 - Code of Bank’s Commitments Number(s) to Customers/Fair Practice code Bank’s Toll-Free
 - The Bank shall display the following on its website:
- Contact details of the Regional/ Principal Nodal officer or any other authority as required by the regulations who can be contacted for redressal of complaints.
 - The grievance redressal mechanism

End

12. Staff Awareness

The Bank will ensure that the staff shall be properly trained for handling complaints. The Nodal officer will ensure that the internal machinery for handling Customer grievances and complaints functions properly and efficiently without any hindrance. Nodal officer will ensure that the Bank staff at all levels is given appropriate training in the areas of handling Customer disputes and redressal of their grievances. In this regard, the Nodal officer will also give feedback regarding training needs, if any, of the staff at various levels to the HR Department.

13. Dealing with Complaints

- **Complaints/Suggestion box**

The Bank shall provide a complaints/suggestion box at each branch of the Bank. Also, the Bank may display a notice at every office of the Bank referring the Customer to the Branch Manager for any query or grievance they may have.

- **Complaint Book/ Register**

The Bank shall ensure that all branches maintain a complaints register in the prescribed format given by IBA for recording all the Customer complaints/grievances received by them. Ensure that the complaint registers are kept at prominent place in their branches which would make it possible for the customers to enter their complaints. The Bank shall maintain such complaints register even if it has not received any complaint in the past. The Bank will ensure that the copy of the complaint is forwarded to the Head Office along with the comments of the Branch Manager. The complaint book will be so designed so that the complainant can be given an acknowledged copy instantly. The complaint registers maintained by branches will be subject to periodical review by the Regional Manager.

- **Complaint Forms**

The Bank may provide a complaint form, with the details of the Nodal Officer for complaint redressal on the home page itself to facilitate swift complaint submission by the Customers. The first level of complaint redressal will be the Bank itself and in case complainants obtain no solution for their grievances for a period of 30 days, they may contact the Banking Ombudsman. The Bank will also provide the contact details i.e. name, address and telephone numbers etc. of the Banking Ombudsman in all of its branches.

- **Complaints received through email:**

Customer Complaints received through Emails shall be responded through Email Only. Bank's Customer Service Team shall be responsible to provide final resolution response to customers raising complaints via Email.

14. Disclosure of Complaints:

The Bank shall place a statement of complaints before the Board/Customer Service Committee of the Board along with an analysis of the complaints received by the Bank. The statement of complaints will contain the following details: -

- Customer service areas receiving frequent complaints.
- Frequent sources of complaints
- Initiating measures to make the grievance redressal mechanism more effective.
- Details of awards received from Banking Ombudsman

The quality of customer service rendered by the Bank shall be reviewed/ examined by Bank's Top Management at regular intervals. The same shall also be discussed in the meeting of the Standing Committee on Customer Service and will be reported to the Customer Service Committee of the Board of Directors.

Disclosure of complaints in line with above mentioned details will be available on bank's website.

15. Interaction with customers:

The Bank recognises that customer's expectation/requirement/grievances can be better appreciated through personal interaction with customers by bank's staff. Structured customer awareness meets are being carried out to give a message to the customers that the bank values their feedback/suggestions for improvement in customer service.

16. Dispute Resolution:

If the parties are unable to resolve the claim or dispute in terms of this Customer Grievance Redressal Policy within the period stipulated herein, the claim or dispute may be referred by means of applicable dispute resolution provisions in the relevant product or service terms and conditions/agreements.

17. Complaints for Unauthorized Electronic Banking Transactions

The customer is required to notify the Bank of such transactions on an immediate basis through IVR/ email/ SMS/ phone banking etc. On receipt of report of an unauthorized transaction from the customer, banks must take immediate steps to prevent further unauthorized transactions in the account and take necessary action for compensating the customer.

18. Review & Oversight of monitoring customer grievances: The policy has been approved by the Customer Service Committee of the Board and is reviewed at regular intervals (once a year mandatorily). These reviews shall consider the following:

- Internal factors such as changes in organisational structure or products and services offered.
- External factors such as changes in legislation or technological innovation.
- The results of audit if any conducted during the year by internal / external auditors.
- Bank shall conduct audit to ensure proper classification and assignment of Query/requests/complaints and to check whether the resolution is complete and correct. The analysis shall also include review of closure of case (adequacy of closure as well as timeliness).

Also, Classification and assignment of Query/requests/complaints along with quality of resolution to be kept as permanent scope of audit conducted by IAD or concurrent auditor.

Quality scores to be shared with the key stakeholders at regular intervals and discussed in the meeting of the Standing Committee on Customer Service and also reported to the Customer Service Committee of the Board of Directors.

Summary of the complaints received and closed shall be reported as part of calendar of reviews prescribed by the RBI.

19. Harmonization of TAT:

RBI has announced in the Statement on Developmental and Regulatory policies issued as part of Monetary Policy statement dated April 4, 2019, that they would put in place a framework on Turn Around Time (TAT) for resolution of customer complaints and compensation framework across all authorized payment systems.

Large number of customer complaints emanate on account of unsuccessful or 'failed' transactions. Failure could be on account of various **factors not directly attributable to the customer** such as disruption of communication links, non-availability of cash in ATMs, time-out of sessions, noncredit to beneficiary's account due to various causes, etc. Rectification / Compensation paid to the customer for these 'failed' transactions is not uniform there for RBI has issued Harmonization of TAT and customer compensation for failed transactions.

Requirement: -

1. The framework for TAT for failed transactions and compensation has been finalized.

This to ensure that: -

- the prescribed TAT **is the outer limit for resolution of failed transactions**; and
 - the banks and other operators / system participants shall **endeavour towards quicker resolution of such failed transactions**.
2. Wherever financial compensation is involved, the same shall be effected to the customer's account **suo moto, without waiting for a complaint or claim from the customer**.
 3. Customers who do not get the benefit of redress of the failure as defined in the TAT, can register a complaint to the Banking Ombudsman of Reserve Bank of India.

Sl. no.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
I	II	III	IV
1	Automated Teller Machines (ATMs) including Micro-ATMs		
a	Customer's account debited but cash not dispensed.	Pro-active reversal (R) of failed transaction within a maximum of T + 5 days.	₹ 100/- per day of delay beyond T + 5 days, to the credit of the account holder.
2	Card Transaction		

a	<u>Card to card transfer</u> Card account debited but the beneficiary card account not credited.	Transaction to be reversed (R) latest within T + 1 day, if credit is not effected to the beneficiary account.	₹ 100/- per day of delay beyond T + 1 day.
b	<u>Point of Sale (PoS) (Card Present) including Cash at PoS</u> Account debited but confirmation not received at merchant location i.e., charge-slip not generated.	Auto-reversal within T + 5 days.	₹ 100/- per day of delay beyond T + 5 days.
c	<u>Card Not Present (CNP) (ecommerce)</u> Account debited but confirmation not received at merchant's system.		
3	Immediate Payment System (IMPS)		
a	Account debited but the beneficiary account is not credited.	If unable to credit to beneficiary account, auto reversal (R) by the Beneficiary bank latest on T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
4	Unified Payments Interface (UPI)		
a	Account debited but the beneficiary account is not credited (transfer of funds).	If unable to credit the beneficiary account, auto reversal (R) by the Beneficiary bank latest on T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
b	Account debited but transaction confirmation not received at merchant location (payment to merchant).	Auto-reversal within T + 5 days.	₹100/- per day if delay is beyond T + 5 days.
5	Aadhaar Enabled Payment System (including Aadhaar Pay)		
a	Account debited but transaction confirmation not received at merchant location.	Acquirer to initiate "Credit Adjustment" within T + 5 days.	₹100/- per day if delay is beyond T + 5 days.
b	Account debited but beneficiary account not credited.		

6	Aadhaar Payment Bridge System (APBS)		
a	Delay in crediting beneficiary's account.	Beneficiary bank to reverse the transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
7	National Automated Clearing House (NACH)		
a	Delay in crediting beneficiary's account or reversal of amount.	Beneficiary bank to reverse the uncredited transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
b	Account debited despite revocation of debit mandate with the bank by the customer.	Customer's bank will be responsible for such debit. Resolution to be completed within T + 1 day.	
8	Prepaid Payment Instruments (PPIs) – Cards / Wallets		
a	<u>Off-Us transaction</u> The transaction will ride on UPI, card network, IMPS, etc., as the case may be. The TAT and compensation rule of respective system shall apply.		
b	<u>On-Us transaction</u> Beneficiary's PPI not credited. PPI debited but transaction confirmation not received at merchant location.	Reversal effected in Remitter's account within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.

Notes:-

- T is the day of transaction and refers to the calendar date.
- The principle behind the TAT is based on the following:
 - a) If the transaction is a 'credit-push' funds transfer and the beneficiary account is not credited while the debit to originator has been effected, then credit is to be effected within the prescribed time period failing which the penalty has to be paid to the beneficiary
 - b) If there is delay in initiation of a transaction at the originator bank's end beyond the TAT, then penalty has to be paid to the originator.

A 'failed transaction' is a transaction which has not been fully completed due to any reason not attributable to the customer such as failure in communication links, non-availability of cash in an ATM, time-out of sessions, etc. Failed transactions shall also include the credits which could not be effected to the beneficiary account on account of lack of full information or lack of proper information and delay in initiating a reversal transaction.

Glossary

ATM	Used as an acronym for "Automated Teller Machine"
Bank	It refers to AU Small Finance Bank
CEO	Used as an acronym for "Chief Executive Officer"
CMD	Used as an acronym for "Chief Managing Director"
HR	Used as an acronym for "Human Resources"
IBA	Used as an acronym for "Indian Banks' Association"
RBI	Used as an acronym for "Reserve Bank of India"

Annexure 1:-

Sr. No	Particulars	Current year	Previous year
Complaints received by the bank from its customers			
1.	No. of complaints pending at the beginning of the year		
2.	No. of complaints received during the year*		
3.	No. of complaints disposed during the year		
3.1	No. of complaints rejected by the bank (out of point 3)		
4.	No. of complaints pending at the end of the year		
Maintainable complaints received by the bank from OBOs			
1.	Number of maintainable complaints received by the bank from Office of Ombudsman		
1.1.	Of 1 above, number of complaints resolved in favor of the bank by Office of Ombudsman		
1.2	Of 1 above, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman		
1.3	Of 1 above, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank		
2.	Number of Awards unimplemented within the stipulated time (other than those appealed)		
<p>Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme.</p>			

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

