

**KARNATAKA GRAMEENA BANK**  
**Head Office, Ballari**

**Customer Rights Policy**  
**2025-26**

<b>Version</b>	<b>1.0</b>
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**Strategic Planning and Development Wing**  
**HO, Ballari**

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**Customer Rights Policy of the Bank 2025-26**

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## **Customer Rights Policy of the Bank**

### **A. Objectives:**

In today's competitive environment, excellence in customer service is of paramount importance. Induction of new customers and retention of existing customers can only happen if prompt customer service is provided. It will be the earnest endeavor of the Bank to eliminate customer complaints and provide enhanced levels of customer satisfaction thereby providing customer confidence and reliability.

Customer protection is an integral aspect of customer confidence and reliability. Customer Rights Policy based on the best practices in the industry is formulated with a view to provide enhanced customer protection and safeguard customer interests.

The Customer Rights Policy enshrines basic rights of the customers of the Bank regulated by the Reserve Bank of India. The Customer Rights Policy deals with the rights of the customers on the one side and simultaneously spells out the responsibilities of the bank towards its customers.

The Policy applies to all products and services offered by the Banks regulated by the bank or its agents, whether provided across the counter, over phone, by post, through interactive electronic devices, on internet or by any other method.

### **B. Roles and Responsibilities:**

#### **1. Right to Fair Treatment:**

In a Bank's premise, customer is the most important person irrespective of the value of business relationship or purpose of visit. The customer has a basic right to be treated with respect and dignity. The customer will be dealt with courteously and under no circumstances the customer will be unfairly discriminated against on grounds such as gender, age, religion, caste, economic status and physical ability when proposing/offering and delivering financial products.

In order to ensure fulfillment of the right to fair treatment to its customers, bank will:

- I. Ensure that all products and services will be in accordance with the laws and regulations.
- II. Promote good and fair banking practices by setting minimum standards in all dealings with the customers.
- III. Promote a fair and equitable relationship between the bank and the customer;
- IV. Train its staff to provide services to customers in the most efficient and effective manner;
- V. Ensure that staff members attend to customers and their business promptly and courteously.

- VI. Treat all customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, economic status physical ability, etc. Bank may, however, have special schemes or products which are specifically designed for members of a target market group or may use defensible, commercially acceptable economic rationale for customer differentiation. Bank may also have schemes or products as part of an affirmative action such as for women or backward classes. Such schemes / products will not amount to unfair discrimination. The rationale for such special schemes or terms will be explained by bank wherever required.
- VII. Ensure that the above principle is applied while offering all products and service.
- VIII. While it shall be the endeavor of the bank to provide their customers with hassle free and fair treatment, bank would expect their customers to behave courteously and honestly in their dealings with the bank.
- IX. It is observed that in many cases, there is a lapse on the part of the customers in protecting their information regarding account, passwords, Card and PIN etc. In view of the above, customers are advised to ensure the following:
- Maintaining passwords and PIN numbers secrecy
  - Ensuring safety of Credit and Debit cards
  - Proper usage of cheques and safe custody of unused cheques
  - Not disclosing cards/accounts information
  - Registering of Mobile number and e-mail ID for getting alerts for transactions
  - Informing the bank at designated numbers immediately in case of loss of cards
  - Using mobile banking platform to deactivate cards/change PIN/block debitcards etc.

## **2. Right to Transparency, Fair and Honest Dealing:**

Bank will devise and implement product and services that are simple and easy to understand to the end user. Any product will be devised with the end user in mind. Bank will not resort to any unethical, unfair, restrictive, monopolistic practices in the design, development or marketing of its products and services. The Bank will make every effort to ensure that the contracts or agreements it frames are transparent, easily understood by and well communicated to, the customer. The product's price, the associated risks, the terms and conditions that govern use over the product's life cycle and responsibilities will be clearly disclosed. This will enable the customer to understand the product in detail, its salient features and take an informed decision.

In pursuance of the above right, the bank will-

- I. Ensure that all terms and conditions are fair and set out the respective rights, liabilities and obligations clearly and as far as possible in plain and simple language;

- II. SMS alerts/ emails/ Websites/Notice Boards at branches will serve as a

platform to disseminate information to general public and customers in particular.

- III. Make known the key aspects associated with the product as well as any features that may especially have a monetary impact on the customer.
- IV. Inform the customer of any change in the terms and conditions through Bank's web site, display in Bank's notice board, SMS alerts or email or letters or any other mode.
- V. Provide information about the penalties leviable in case of non-observance / breach of any of the terms and conditions governing the product / services chosen by the customer;
- VI. Display on public domain the Banks' Policies on Deposits, Cheque Collection, Grievance Redressal etc.
- VII. Ensure to communicate to the applicant within a reasonable time period as decided by the bank about the acceptance / non-acceptance of applications submitted for availing a product / service and convey in with the reasons for rejection.
- VIII. It will be the constant endeavor of the Bank to provide continued service to its customers without any interruption. In this connection the following aspects will be taken care of:
  - IX. Advance information in case of shifting of branches/offices
    - Advance information in case of closure of branches/offices
    - Advance information on discontinuation of particular products
    - Advance information on changes in working hours
    - Advance information on change in telephone numbers/addition of new numbers.
- With advance notice of at least 30 days. Also affirms that disclosure of information is an on-going process through the life-cycle of the product / relationship and will be diligently followed by them. Ensure to use all possible channels of communication, including web-site, to ensure that information on all changes are made known to the customer upfront.
- X. Provide customer with all relevant information related to the product / service and also provide direction to informational resources on similar products available in the market with a view to enable the customer to make an informed decision;
- XI. Not terminate a customer relationship without giving reasonable or contractual prior notice to the customer;
- XII. Ensure that all marketing and promotional material is clear and not in any way misleading.
- XIII. Ensure complete transparency so that the customer can have a better understanding of what he or she can reasonably / fairly expect from the bank. While maintaining transparency, it shall be ensured by the Bank that no confidential matters will be disclosed.
- XIV. Ensure that the bank's dealings with the customer rest on ethical principles of equity, integrity and transparency;

- XV. Make known the key risks associated with the product as well as any features that may especially disadvantage the customer. Most Important Terms and Conditions (MITC) associated with the product or service will be clearly brought to the notice of the customer while offering the product. In general, it will be ensured that such terms will not inhibit a customer's future choice.
- XVI. Provide information on interest rates, fees and charges either on the Notice Board in the branches or website or through help-lines or help-desk and where appropriate the customer will be informed directly;
- XVII. Display the tariff Schedule and service charges on their website and a copy of it will be made available at every branch for customer's perusal. Also will display in its branches a notice about the availability of the Tariff Schedule at the branch;
- XVIII. Give details in our Tariff Schedule, of all charges, if any, applicable to the products and services chosen by customer;
- XIX. Make every effort to ensure that staff dealing in a particular product is properly trained to provide relevant information to customers fully, correctly and honestly:
- XX. Advise the customer at the time of selling the product of the rights and obligations embedded in law and/or banking regulation including the need to report any critical incidents that the customer suspect, discover or encounter.
- XXI. Assist the customer in all available ways for managing his/her account, financial relationship by providing regular inputs in the bank's realms such as account statements / pass books, alerts, timely information about the product's performance, term deposits maturity etc.
- XXII. Not threaten the customer with physical harm, exert influence or engage in behavior that would reasonably be construed as unwarranted harassment. Ensure adherence only to the normal appropriate business practices.
- XXIII. Ensure that the fees and charges on products/services and its structure are reasonable.
- XXIV. Ensure that such changes are made only with prospective effect after giving notice of one month. If the bank has made any change without giving such notice which is favorable to the customer, it will notify the change within 30 days of such change. If the change is adverse to the customer, prior notice of minimum 30 days will be provided and the customer may be provided an options to switch to any other eligible account without having to pay the revised charge or interest within 60 days of such notice.
- XXV. The Bank's staff members shall, when approached by the customer for availing a product or service, provide all relevant information related to their product/ service to enable the customer to make an informed decision.
- XXVI. The Bank Should clearly establish a New product & Services approval process which should require approval by Board especially on issues which compromise the rights of the common person.

### **3. Right to Suitability**

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

In pursuance of the above Right, the bank will-

- I. Endeavour to make sure that the product or service sold or offered is appropriate to the customer's needs and not inappropriate to the customer's financial standing and understanding based on the assessment made by it. Such assessment will be appropriately documented in its records.
- II. Sell third party products only if it is authorized to do so, after putting in place a Board approved policy for marketing and distributing third party financial products.
- III. Ensure that the products being sold or service being offered including third party products, are in accordance with extant rules and regulations;
- IV. Not compel a customer to subscribe to any third party products as a quid-pro-quo for any service availed from the bank.
- V. Inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by bank to enable them to determine the suitability of the product to the customer.

### **4. Right to Privacy**

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

In pursuance of the above Right, bank will -

- I. Treat customer's personal information as private and confidential (even when the customer is no longer banking with us), and, as a general rule, not disclose such information to any other individual/institutions including its subsidiaries / associates, tie-up institutions etc. for any purpose unless
  - The customer has authorized such disclosure explicitly in writing
  - Disclosure is compelled by law / regulation;
  - Bank has a duty to the public to disclose i.e. in public interest Bank has to protect its interests through disclosure
- II. It is for a regulatory mandated business purpose such as disclosure of default to credit information companies or debt collection agencies
- III. Ensure such likely mandated disclosures be communicated immediately to the customer in writing
- IV. Shall not use or share customer's personal information for marketing purpose unless the customer has specifically authorized the bank to do so.
- V. Shall adhere to Telecom Commercial Communications Customer Preference

Regulations, 2010 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

## **5. Right to Grievance Redressal and Compensation**

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

In pursuance of the above Right, bank will -

- deal sympathetically and expeditiously with all things that go wrong;
- correct mistakes promptly;
- cancel any charge that has been applied wrongly and by mistake;
- considering any monetary claim from the customer for any direct financial loss that might have been incurred by the customer due to its lapses

The bank will also:

- I. Make redressal mechanism easily accessible to customers;
- II. Advise the customer about how to make a complaint, to whom such a complaint is to be made, when to expect a reply and what to do if the customer is not satisfied with the outcome;
- III. Display name, address and contact of the Grievance Redressal Authority / Nodal Officer. The Time limit for resolution of complaints will be clearly displayed/accessible at all service delivery locations;
- IV. Inform the complainant of the option to escalate his complaint to the Banking Ombudsman if the complaint is not redressed within the pre-set time
- V. Place in public domain information about Banking Ombudsman scheme
- VI. Display at customer contact points the name and contact details of the Banking Ombudsman if the bank's branch fails.
- VII. Place in public domain its Customer Grievance Redressal Policy, including the grievance redressal procedure available for the customer;
- VIII. Place in public domain the compensation policy for delays / lapses in conducting/settling customer transactions within the stipulated time and in accordance with the agreed terms of contract;
- IX. Ensure to have a robust and responsive grievance redressal procedure and clearly indicate the grievance resolution authority who shall be approached by the customer.
- X. It shall also be the bank's endeavour to encourage their customers to approach the bank's internal grievance redressal machinery and approach alternate forum only after exhausting all the remedies available under bank's internal grievance redressal mechanism that is, the Branch Head and Regional Offices, then finally



Head Office.

Further the bank will:

Acknowledge all formal complaints (including complaints lodged through electronic means) within seven working days and try and work 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 the necessary information sought from the customer is received.

Provide aggrieved customers with the details of the Banking Ombudsman Scheme for resolution of a complaint if the customer is not satisfied with the resolution of a dispute, or with the outcome of a dispute handling process.

In addition, the bank will-

- a) Clearly spell out, at the time of establishing a customer relationship, the liability for losses, as well as the rights and responsibilities of all parties, in the event of products not performing as per specifications or things going wrong. However, the bank will not be liable for any losses caused by extraneous circumstances that are beyond its reasonable control (such as market changes, performance of the product due to market variables, etc.)
- b) Ensure the customer is refunded without delay and demur, if it cannot show beyond reasonable doubt to the customer on any disputed transaction (along with interest/charges).

**Disclaimer:**

Review of the **Customer Rights Policy of the Bank** Policy for the Financial Year 2025-26:

Any mandated additions as per guidelines from NABARD, RBI, DFS, Sponsor Bank, or any other regulatory bodies, as well as subsequent amendments or modifications communicated post-adoption, seamlessly integrate into this Policy. The Bank is committed to complying with all additional policy requirements as they arise.

**Validity of the Policy:**

This policy comes in to effect immediately and shall be valid until the next review and adoption of policy by the Board of Directors