

UNION BANK OF INDIA INTERNAL OMBUDSMAN SYSTEM - 2012

1. INTRODUCTION

1.1 The Internal Ombudsman system is introduced with the objective of enabling customers of the Bank to access an independent arbitrator for their complaints, when they are not satisfied with the resolution provided by the Bank. This enables customer to seek an independent view from a senior banker regarding their complaint. The customer continues to retain the right to approach Banking Ombudsman appointed by Reserve Bank of India in line with the extant guidelines if the resolution suggested by Internal Ombudsman and accepted by the Bank does not satisfy him or her.

1.2 In order to ensure independence and to remove inherent bias if any, the Internal Ombudsman within the Bank is appointed by the Customer Services Committee of the Board and is a Retired Executive from the Bank other than Union Bank

2. SCOPE, EXTENT OF THE INTERNAL OMBUDSMAN SYSTEM:

The Internal Ombudsman system shall be in force with effect from ---- and shall apply to all complaints received and unresolved as on date and to future complaints that may not be resolved satisfactorily by the Internal Grievance Redressal Machinery of the bank.

3. DEFINITIONS

(1) '*Bank*' means Union Bank of India constituted under The Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 having its Registered Office at Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-400 021.

(2) '*Complainant*' means a consumer of the bank.

(3) '*Complaint*' means any allegation in writing made by a complainant that the services availed or agreed to be availed of by him suffer from deficiency in any respect.

(4) 'Deficiency in Services' means any fault, imperfection, shortcoming, or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law for the time being in force or under the rules, regulations and directions of Reserve Bank of India for the time being in force or under the Code of Bank's Commitment to Customers or under any other Voluntary Code or policies adopted by the Bank in relation to provision of services and redressal of deficiency in relation to those services provided by the Bank to the customers.

(5) '*Internal Grievance Machinery*' means the Banks grievance resolution structure and system for handling customer complaints, as detailed in Para 7 of the scheme, for setting the context of its role under the Internal Ombudsman System.

(6) '*Settlement Agreement*' means an agreement entered between the Bank and the Complainant in full and final settlement of the Complaint and duly authenticated by the Internal Ombudsman.

4. MANNER IN WHICH COMPLAINTS SHALL BE MADE:

A consumer may file a complaint in relation to any deficiency of service with the Internal Ombudsman, if

- i. His complaint under the Internal Grievance Machinery of the Bank remains pending or not resolved to his satisfaction even after expiry of 21 days from the date of his representation to the Chief Grievances Officer of the Bank; and
- ii. The Complainant has not taken recourse to any other legal remedy before the Banking Ombudsman or consumer forum or civil court or any other adjudicating authority; and
- iii. The Complaint does not relate to services provided more than two years ago.

4.2. An indicative list of product and services on which aggrieved consumers can approach the Internal Ombudsman, is given in the Annexure.

4.3. The complaint shall be made setting out clearly all the facts and the grievances and shall be addressed to Internal Ombudsman by post or by electronic mail at the address specified by the Bank.

4.4. The Complaint should have the following essential information:

- a) Name and address, telephone and/or e-mail id of the complainant.
- b) Name and address of the Branch(if it relates to Branch)
- c) Facts of the complaint
- d) Nature of deficiency
- e) Nature and extent of loss caused to the complainant.
- f) Reliefs sought

4.5. Any complaint which is non specific in nature or is in the nature of wild and unsubstantiated allegations not relevant to the grievance sought to be ventilated is liable to be rejected by the Internal Ombudsman.

5. EXCLUSIONS

5.1. The Complaints against;

5.1.1. Non sanction of loans or advances including re-phasing /restructuring of loans.

5.1.2. Recovery action for recovery of Non Performing loans and advances including repossession of securities under SARFASIA act.

5.1.3. Deficiency of service of principals under agency arrangements or under tie up with a service provider like online trading platform for equity, insurance products of its joint venture or Mutual fund products of its subsidiary.

5.2. This will, however, not cover the following:

5.2.1. Delay in sanction /disbursement or non observance of prescribed time limit for disposal of loan applications

5.2.2. Non acceptance of applications for loans without furnishing valid reasons to the applicant

5.2.3. Non observance of RBI guidelines on engagement of recovery agents.

6. REFUSAL TO PROVIDE LEGITIMATE SERVICE EXPECTED OF THE BANK IS INCLUDED IN DEFICIENCY OF SERVICE.

6.1. Under this system, a Complaint is admissible even in case where there is:

- i) Refusal to open deposit account without any valid reason.
- ii) Refusal to close or delay in closing of accounts/deposits/guarantees
- iii) Non acceptance of small denomination notes or soiled notes or coins tendered for exchange and for charging of commission in respect thereof.
- iv) Levying of charges without adequate prior notice to customers.

V) Charging of penalty/penal interest without proper disclosure of such provisions while providing services.

7. INTERNAL GRIEVANCE MACHINERY:

7.1. The banks internal grievance machinery provides for a nodal officer in the rank of General Manager designated as Chief Grievances Officer with suitable administrative structure and a Customer care Unit, to support the handling of customer grievances. Customers are given facility to lodge complaints through Bank's Web site, by email, through Call Center or in writing or by oral submission to an official at its branches or higher offices (oral submission will have to be with specific advice for registering it as a complaint and not a casual mention or observation). All complaints are acknowledged and given a reference number. Complaints as per requirement are to be resolved within a maximum of 21 days (15 days in case of online grievance), unless specific additional time is sought for resolution due to the nature of complaint, as intimated to the complainant.

7.2. The Banks policy on Grievance Redressal and compensation policy are displayed on the web site and they form the basis of handling customer grievances and to redress them.

8. SECRETARIAT:

The Bank will provide a Secretariat for Internal Ombudsman at its Registered Office at Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-400 021 which will receive all the complaints directed to Internal Ombudsman and place it under the resolution process of the Internal Ombudsman, along with supporting documents. The Secretariat will facilitate communication with complainant and Bank officials as desired by Internal Ombudsman as laid out in clause 10 of the Scheme.

9. PROCESS OF RESOLUTION :

- i) Internal Ombudsman shall take into account the evidences placed before him by the complainant and the Bank, taking into account the Principles of Banking Law and Practice, directions, instructions and guidelines issued by RBI and the commitment of the Bank under BCSBI code and such other factors relevant for forming an opinion in resolution of the complaint.
- ii) The Internal Ombudsman will be guided by the Compensation Policy of the Bank as published from time to time while deciding on the adequacy or otherwise of the compensation paid or payable by the Bank.
- iii) Internal Ombudsman will have the right to call for such papers, documents and also call and seek clarification from the officials of the Bank to get adequate information on the background of the complaint and justification for decision taken in the internal redressal machinery.
- iv) Internal Ombudsman can also communicate with the complainant over phone or by e-mail to seek clarification and/or willingness for an amicable settlement.

10. REJECTION OF THE COMPLAINT :

10.1 Internal Ombudsman may reject complaint on any of the following grounds:

- i) Cause for complaint not falling within the provision of the scheme.
- ii) Complaint without any sufficient cause;
- iii) Complaint which in the opinion of the Internal ombudsman has no loss or damage or inconvenience caused to the complainant.
- iv) Complaint requiring consideration of elaborate documentary and oral evidence and the proceedings before the Internal Ombudsman is not appropriate for adjudication of such complaint;
- v) A complaint pending before any Court or Tribunal or Arbitration or any other Forum or a decree or award has been passed by any Court or Tribunal or Arbitration or by the Banking Ombudsman set up under RBI Scheme.
- vi) The Complaints which are of frivolous or vexatious in nature.
- vii) The complainant has availed the services for commercial purpose and had the necessary and equal bargaining power to negotiate the terms with the bank.

11. SETTLEMENT OF COMPLAINT

11.1. Internal Ombudsman on being satisfied that the matter needs to be and can be settled by mutual agreement between the Bank and the complainant will try to resolve the issue through conciliation and mediation.

11.2. The Internal Ombudsman will frame the terms of the possible settlement and seek the views of the Bank and then the complainant.

11.3. Where it appears to the Internal Ombudsman that there exist elements of a settlement which may be acceptable to the Bank as well as the consumer, he shall formulate the terms of the possible settlement and submit them to the parties for their observations.

11.4. If the parties reach settlement on such terms formulated or reformulated, the Internal Ombudsman would draw a Settlement Agreement and advise the parties to sign the same.

12 .TIME FRAME FOR SETTLEMENT

12.1. Rejection of complaint as per para 10 will be communicated by Internal Ombudsman within 15 days of receipt of complaint from the complainant.

12.2. Settlement of complaint as per para 11 will be completed within a period of 30 days from the date of receipt of complaint from the complainant.

12.3. For any specific reason, for collection of documents or information if additional time is required, Internal Ombudsman will communicate the requirements of such additional period which is justifiable for arriving at a decision.

13. APPOINTMENT OF INTERNAL OMBUDSMAN:

13.1. The Internal Ombudsman of the Bank will be appointed by the Customer Service Committee of the Board. The Customer Service Committee of the Board may constitute a suitable sub-committee for selection process.

13.2. The Internal Ombudsman will be will be selected from among the retired General Managers of any Public sector bank other than Union Bank of India.

14. REPORTING OF INTERNAL OMBUDSMAN:

14.1. The reporting responsibility of Internal ombudsman will be only to the Chairman and managing director of the bank and Executive Directors of the bank.

14.2. Internal ombudsman will be an invitee member of the customer service committee of the board of the Bank and will present the performance under the scheme, any exemplary cases dealt with and suggestions to improve processes by the

bank based on their observations in cases to enhance customer convenience and satisfaction.

15 AMENDMENT TO THE SCHEME OF INTERNAL OMBUDSMAN:

15.1. Bank reserves the right to amend, alter the provisions of the scheme as felt necessary from time to time and also in keeping with the guidelines and directions of RBI and BCSBI which has a direct bearing on the provisions of the scheme.

15.2. The scheme will be published on the website of the Bank and also made available to customers and members of the public in the form of printed handouts in Hindi, English and major regional languages. The Bank will remain committed to creating adequate awareness about the facility of Internal Ombudsman.

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ANNEXURE TO UNION BANK OF INTERNAL OMBUDSMAN MECHANISM 2012

INDICATIVE AREAS OF COMPLAINTS

- 1 Deficiency or delay in providing product or service offered by the Bank :**
 - i) Non payment or inordinate delay in payment of cheques, drafts and bills.
 - ii) Non payment/delayed payment of inward remittance including transfer of funds between branches, or through electronic transfer.
 - iii) Delay/default in crediting proceeds of deposits, loan installments, standing instructions, ECS credits.
 - iv) Delay/deficiency in handling remittance made by Non Resident Indians.
 - v) delay/deficiency in resolving issues on failed transactions arising from ATM, Internet Banking, Mobile banking and other channels of delivery.
 - vi) Non disbursement or delay in disbursement of pension.
 - vii) Delay/refusal in respect of settlement of deceased depositors claim or claim for unclaimed deposits after fulfilling requirements laid down by the Bank.
 - viii) Non acceptance or delay in acceptance of taxes on behalf of the Government, wherever Bank/its branches are authorized to accept the same.
 - ix) Refusal to issue or delay in issuing or failure to service or delay in servicing of Government securities and Government Schemes handled in the capacity of Agency Bank like Public Provident Fund Account, Senior Citizens Bond, etc.
 - x) Delay in release of securities, collateral securities and security documents after satisfactory adjustments of the loan outstanding.
 - xi) Wrongful or fraudulent disposition of amounts deposited in the bank's account.
- 2. Refusal to provide legitimate service expected of the Bank.**
 - i) Refusal to open deposit account without any valid reason.

- ii) Refusal to close or delay in closing of accounts/deposits/guarantees
 - iii) Non acceptance of small denomination notes or soiled notes or coins tendered for exchange and for charging of commission in respect thereof.
- 3. Default in disclosure of terms, conditions, pricing or other information relating to product and service offered by the Bank.**
- i) Levying of charges without adequate prior notice to customers.
 - ii) Charging of penalty/penal interest without proper disclosure of such provisions while providing product/services.
 - iii) Non adherence to fair practice code as adopted by the Bank under the Banking Codes and Standards Board of India (BCSBI) governing disclosure and fair practices to customers.
- 4 Violation of guidelines of Reserve Bank of India and or Code of Commitment under Banking Codes and Standards Board of India while rendering product and service.**
- i) Violation of guidelines of Reserve Bank of India and codes of BCSBI.
 - ii) violation of code on lending to Micro, Small and Medium Enterprises adopted under model code of BCSBI.
 - iii) Discrimination in interest rates on deposits in any savings, current or other accounts including loans and advances in violation of RBI guidelines.
 - iv) Any other matter relating to violation of directives by Reserve Bank of India in relation to Banking services.