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# **HANDLING OF COMPLAINTS POLICY AND PROCEDURES MANUAL**

**VERSION III**

**Owner - Compliance Department**

**Approval – Board of Directors**

**Date of Approval – 29<sup>th</sup> May 2024**

**Paragraph No****Activity**

|    |   |
|----|---|
| 1  | Definition  |
| 2  | Policy  |
| 3  | Application of Policy and Procedures                  |
| 4  | Objectives  |
| 5  | PROCEDURES  |
| 6  | Complaints Received by the Company                    |
| 7  | Confidentiality                                       |
| 8  | Initial Acknowledgement                               |
| 9  | Timing of Complaint resolution                        |
| 10 | Resolving Complaint                                   |
| 11 | Charges   |
| 12 | Legal Assistance                                      |
| 13 | Financial Ombudsmen                                   |
| 14 | Litigation  |
| 15 | The complaints Register                               |
| 16 | Analysis and Reporting                                |
| 17 | Financial customer relations department (FCRD of CBSL |
| 18 | Customer Complaint Handling unit and Recording        |

**Formats Attached**

|          |                                       |
|----------|---------------------------------------|
| Appendix | 1 Complaints Received Register format |
|          | 2 Acknowledgement of Complaint        |
|          | 3 Response to Complaint               |

## 1. Definitions

|   |   |
|---|---|
| <b>Complaint</b>                                      | An expression of dissatisfaction made to Lanka Credit and Business Finance PLC, related to financial services provided or any other activity of the company where a response or resolution is explicitly or implicitly expected by the complainant. |
| <b>Complainant</b>                                    | A person, organization or their representative who makes a complaint either direct to our business units or a complaint made to the Central Bank of Sri Lanka or to the Financial Ombudsmen referred to us to respond.                              |
| <b>Complaint Manager At branch / Department level</b> | Head of Department / Branch Manager if they cannot handle the complaint same should refer to Head of Complaint officer who is the Head of Compliance  |
| <b>Head of Complaint (Head Office)</b>                | The Head of Compliance at Head office who should notify BIRMC of all complaints and resolve the complaint.<br>Depending on the nature of the complaint BIRMC may notify the Board of Directors.   |

## 2. Policy

- a) Lanka Credit and Business Finance PLC (herein after referred to as the Company) is committed to promoting customer satisfaction by encouraging feedback from customers, including complaints.
- b) The company is committed to resolving complaints received, and recognizes the rights of complainants to have their complaint dealt with fairly, effectively and efficiently. The Company's complaints handling procedures herein, recognize the need to be equitable, objective and unbiased to both the complainant and the organization or personnel against whom the complaint is made.
- c) The Company ensures that all persons who may be the first point of receipt of complaints irrespective of their status in the company, are made aware of the complaints-handling procedures, and of their roles, responsibilities and authority in respect of complaints.

## 3. Application of Policy and Procedures

The Company will apply this policy and related procedures when dealing with all complaints made by customers or general public or organization regarding either a product or, advice or services provided by the company. This includes any advice or opinions contained in Banners, Brochures and other promotional material used by company. The policy and procedures may also be applied in relation to complaints made by service providers of the company.

## 4. Objectives

The Company's complaints handling procedures herein have been developed to:

- a) Provide effective, efficient, equitable and accessible complaints handling procedures.
- b) Provide the company with a clear framework for handling complaints in accordance with its statutory and regulatory obligations.
- c) Recognize, enhance and protect the interests of the company's customers, as well as managing their needs and expectations.

- d) Identify, through analysis, evaluation and review of complaints, opportunities to improve on the quality of the company's products and services, as well as the complaints-handling process.
- e) Increase the level of customer satisfaction with the delivery of products and services to meet their expectations and enhance the company's relationship with the customers.
- f) Provide information to customer's complaints handling procedures

## **5. PROCEDURES**

- a) The Branch Manager / Head of Department shall be the officers assigned to accept complaints received at Branch level and at Department. Level respectively.
- b) A customer or a member of the public who has a complaint and wishes to bring it to the attention of the Management of the company Officials referred to under 1 above should accept the complaint and record such complaint in the "Complaint Received Register" allocating one page for each complaint.
- c) Customer or any member of the public could record his complaint on the complaint book placed on the Branch counter or drop his complaint into the complaint box at the branch. Heads of Department/ Branch Managers should examine daily the above and any complaint found should be treated as stated in 2 above.
- d) All complaints should be referred to the Head of Compliance for a decision
- e) If the complaint relates to any forgery or any act of gross misconduct as per the disciplinary procedure's manual and / or violation the staff code of conduct such complaints should be dealt with as per the requirements in the Disciplinary Procedures manual with the concurrence of the CEO/ Executive Director
- f) Information on the availability of complaints-handling procedures and contact details for complaints should be outlined to customers and general public on the company's website. The contact details of Financial Ombudsman should be displayed in the website and at the business places.

## **6. Complaints received by the company**

### **Written Complaints**

An employee who receives a written complaint must refer it to the Head of Department or Branch Manager, together with any other relevant information relating to the complaint, as soon as possible for disposal as per procedure indicated above.

### **Verbal Complaints**

Where a verbal conversation with a client leads to the client wishing to make a complaint, the official dealing with the client should make available to the component an opportunity to make same in writing, and explain to the client that his/her complaint will be investigated and a response provided in writing.

All complaints should be recorded in the Complaint Received Registration in Summary Form (see Appendix 1 for specimen complaint register)

## **7. Confidentiality**

- a) Personal information relating to the complaint should be handled in a manner that is treated as confidential. This refers to maintaining confidentiality of personal information of the complainant. and where applicable the details of the person against whom the complaint is made,
- b) All complaints received by the Branch Manager / Head of Department or Head of Compliance are to be recorded in their respective Complaint Received Registers. This register should be kept under the control of the Branch Manager,

## **8. Initial acknowledgement**

Receipt of a complaint must be acknowledged as soon as possible by the recipient and, in any event, within 5 business days of it being received by the company. Use the format set out in Appendix 2 as a guide. If a complaint is already resolved by this time, an acknowledgement is not required. Advising the complainant of a decision in writing within this time frame is deemed to be acknowledgement.

## **9. Timing of complaint resolution**

- a) The Branch Manager should ensure that a final response of the Head of Compliance is transmitted to the complainant as soon as possible and, in any event, within 21 days of it being received.
- b) A final response requires the complainant to be advised of the outcome of their complaint (including reasons even if the decision were not in the favour of the complaint).
- c) The Branch Manager must record the decision with the reasons for the decision on the Complaint Received Registration in summary form and file supporting documents for future reference by the CBL officials

## **10. Resolving a complaint**

- a) The Branch Manager or the Head of a Department to the Head of Compliance all complaints for a decision.
- b) When resolving a complaint, referred to the Head of Compliance he must make every reasonable effort to investigate all relevant circumstances and information surrounding the complaint.
- c) The Head of Compliance may summon any staff member in order to collect information, documents required to resolve a complaint and such request should receive the immediate attention of the staff member concerned. be promptly responded.
- d) When a final response to a complaint is arrived at, the Head of Compliance must arrange to advise the complainant through the Branch Manager the decision as soon as practicable after deciding the outcome.
- e) In practice the final response must be sent to the complainant within **21** days from the date the complaint was received.

- f) A final response requires the complainant to be advised of the outcome of their complaint (including reasons for the decision where not in their favour).
- g) The response to the complaint must be dispatched to the Branch manager for onward transmission to the complainant under Registered Post
- h) The Head of Department / Branch Manager should record the decision and the reasons for the decision on the Complaint Received Registration
- i) If a Customer's complaint is forwards by regulatory authorities (CBSL) should be directed to the Head of Compliance to resolve and advice the complainant as directed by CBSL under advice to them
- j) If Customer's complaint is forwards by the financial Ombudsmen, it should be directed to the Head of Compliance to respond to his requirements accordingly, which may involve attending an inquiry conducted by him or provide our response in writing as the case may be.
- k) If the complaint relates to fraudulent act of an employee, matter should be referred to the internal audit department for investigation and disciplinary action, which should be initiated as per provisions in the Disciplinary Procedures Manual of the company

## **11. All Charges**

Complaints are handled free of charge to the complainant, subject to any statutory and regulatory requirements.

## **12. Legal Assistance**

The Head of Compliance may seek legal assistance depending on the nature of the complaint as appropriate to resolve the complaint.

## **13. Financial Ombudsmen**

- a) Head of Compliance is authorized to attend any conference of inquiry arranged by Financial ombudsmen and shall be the Legal representative to make representations on behalf of the company and shall settle a matter with the due approval of the BIRMC
- b) After attending the conference, Head of Compliance may refer the matter to BIRMC consideration or for settlement if deemed necessary depending on the nature of the complaint. BIRMC may direct the Head of Compliance to seek legal opinion on the subject matter if deemed necessary and act accordingly
- c) The Head of Compliance on receipt of a decision from the Financial Ombudsmen shall report same to BIRMC and should notify acceptance only if it is acceptable to BIRMC.
- d) If the decision of the Financial Ombudsmen involves compensating the complainant by way of a cash payment such settlement may be approved by the BIRMC

7

having obtained necessary legal opinion on the case in point and reports to the Board of Directors at the earliest Board meeting. When making such payment if such payment is subject to an insured risk such amount should be claimed from the Insurer or from such other party responsible for the loss suffered by the company due to compliance with the

order of the Financial Ombudsmen

## **14. Litigation**

- a) Head of Legal shall arrange to defend the company in all legal proceedings affecting the company connected to complaints.
- b) Head of Legal should ensure that the litigation is conducted in accordance with legitimate requirements of the company.
- c) Head of Legal is responsible for the conduct of the legal proceedings and will liaise with any other parties to the litigation in the company as appropriate.

## **15. The Complaints Register**

- a) The Branch Managers/ Heads of Departments and Head of Compliance should maintain a Complaints Received Register. Copies of all correspondence between the company and the complainant, and of correspondence between the company with the regulatory authority or financial ombudsmen should be held for future reference as stated under section 33 below.
- b) The records of a complaint should be held for a minimum period of 6 years after the date of last correspondence on the complaint in safe custody

## **16. Analysis and reporting**

- a) Analysis and evaluation of data gathered in the complaints process will help the company to determine the causes of complaints (e.g. any systemic and recurring problems) and whether remedial action is necessary to the operational systems and procedures of the company.
- b) The analysis should highlight any areas of concern and matters of a repetitive nature. This analysis will serve as a monitoring tool which enables management to monitor the effectiveness of company's complaints-handling procedures and identify trends (if any), which would indicate that improvements are required.

## **17. Financial Consumer Relations Department (FCRD)**

(EFFECTIVE COMPLAINT HANDLING PROCESS OF FINANCIAL SERVICE PROVIDERS  
(FSPS))

- 1. Central bank of Sri Lanka has established a Financial Consumer Relations Department (FCRD) of the Central Bank of Sri Lanka (CBSL) to handle complaints received by them.
- 2. Accordingly, Heads of Departments and Branch Managers should attend to all customer complaints including those complaints referred by CBSL in a prompt and fair manner.
- 3. FCRD has streamlined the complaint handling process with respect to complaint received by them on finance companies as follows;
  - a) FCRD assigns a specific Complaint Reference Number (CRN), upon receipt of a complaint and an acknowledgment is sent to the primary complainant by FCRD with

the respective CRN according to the preferred mode of correspondence.

- b) FCRD internally assesses the complaint based on the information provided to determine whether to proceed with it or not.
  - c) When a complaint is determined to proceed with such complaint is forwarded to us for, he consideration
  - d) We are required to provide a suitable response to the complainant in writing, directly, within the stipulated time and inform FCRD of the action(s) taken to resolve the complaint.
  - e) The action(s) taken by us will be followed up and reviewed by FCRD to ensure that all complaints are promptly and fairly resolved. The primary complainant may submit the latest position of the complaint for further consideration of FCRD, if she/he is not satisfied and desirous for FCRD to revisit the matter the review process, FCRD may require us to provide additional information verbal or written or may conduct an inquiry on the subject matter.
  - f) Thereafter, FCRD would direct the latest position of complaint along with the reviewed response with suitable comment(s) to us for re-consideration to resolve the matter in concern within the stipulated time.
  - g) If the action s of our com an is noncompliant with the le al or regulatory requirements about the complaint relevant competent authority is informed to initiate necessary enforcement actions.
4. The FCRD has observed several concerns that have been impacted to the effectiveness of the compliant handling process by finance companies. Hence, they have drawn our attention to the undermentioned areas of concerns and suggestions for the improvement to strengthen the Customer Protection Frame work of the company.

## **18. Customer Complaint Handling unit and Recording**

Central Point for Overall Handling of complaints will be under the Supervision of the Head of Compliance at Head office, and will be subject to the above procedure and such other instruction he may issue in the future,  
(Refer Section 3 in the above table)

- a) All complaints should be acknowledged and recorded in the complaints register
- b) Submit the complaint with a report on the matter subject to the complaint and the draft of the reply to the complainant for the consideration of HOD CMP for instructions

### **Review**

This Policy document should be reviewed annually or as when the need arises by CEO / Executive Director and Head of Compliance. With the approval of the Board of Directors.

### **Recommendation**

Recommended to the Board of Directors for Adoption

Signed  
**Head of Compliance**

Signed  
**CEO / Executive Director**



**Appendix 1 - Complaint Received Register**  
(Use separate page for each complaint)

**Receipt Details**

|   |  |
|---|--|
| Complaint reference   |  |
| Complaint registered by   |  |
| Date/time complaint received  |  |
| How complaint received<br>letter, email, fax, phone verbal<br>complaint box |  |

**Complainant details**

|  |  |
|--|--|
| Complainant name   |  |
| Account/customer reference   |  |
| Name of account<br>if different  |  |
| Is person making the complaint<br>the customer?  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If no, describe status (Through<br>Financial Ombudsmen / CBSL<br>relation of customer/ Prospective<br>customer/ Employee / Agent of<br>customer etc.,) |  |
| Contact number(s)  |  |
| Contact address  |  |

**Complaint Details**

|   |  |
|---|--|
| Date of event<br>date when complaint took place |  |
| Category of complaint                           |  |
| Documents sent by complainant –<br>attach.      |  |
| Desired outcome                                 |  |

**Process Details**

|   |  |
|---|--|
| Date on which complaint acknowledged<br>(best practice - within 5 working days of receipt of written complaints)  |  |
| Date customer contacted<br>(best practice - within 5 working days from date of receipt of complaint. If all necessary information has been received, the above acknowledgement is sufficient contact) |  |
| Deadline for final response to customer<br>(best practice - final response or notification of deadlock no later than 21 days from date of receipt of complaint)                                       |  |
| Outline of response proposed resolution to customer<br>(attach copy of written response to complaint)   |  |
| Authorized by   |  |
| Date proposed   |  |

**Resolution Details**

|  |  |
|--|--|
| Customer accepted proposed resolution?   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If Yes -<br>Indicate how and when accepted and detail action taken and or any further action to be taken (including agreed timeframes) |  |
| If No -<br>Indicate any further proposal and outcome   |  |
| If Deadlocked – Explain.   |  |

**Notes**

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## Appendix 2 - **Acknowledgment of Complaint**

**Use letter head**

To.

Dear Sir.

**Your complaint has been received.**

Thank you for contacting us on .....

Your complaint reference number is ..... and

We will be in contact with you if we need more details.

We consider all complaints formally, and will use our best endeavors to solve the issues subject to your complaint and notify you accordingly.

Kind Regards  
Yours faithfully  
Lanka Credit and Business Finance Ltd.

Signature  
Designation  
(name....)

,

**Response to Complaint**

Use Letter Head

Date

Dear Sir,

**Decision Notice – <COMPLAINT NUMBER>**

You contacted us on .....and made a formal complaint.

An internal investigation into the issues raised has now been completed.

Please find attached a document with our findings regarding the event(s), together with a response/resolution.

We hope that this concludes matters to your satisfaction.

Yours faithfully  
Lanka Credit and Business Finance Ltd.,

Signature

Designation

Name