



Fino Payments Bank

Customer Service Policy

Version 13.0

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A. Policy Usage Guide

This section explains the structure of the policy document and the purpose of the same is to enable easy navigation and understanding of the contents of the document by various stakeholders. The Policy is organized in the following sections:

- **Regulatory reference**

This section outlines the list of applicable regulations to the current policy document. The name of regulation issued by various regulators along with the date and reference number will be listed under this section.

The purpose of the same is to enable various stakeholders in identification of applicable regulations for the policy and act as a ready reference for the regulations.

- **Key stakeholders and roles**

Under this section, a list of all the key stakeholders involved in the design, review, approval and implementation of the policy are identified and the major roles to be performed by them are listed. This section enables various stakeholders in understanding their respective roles with regard to the current policy document.

- **Frequently asked questions**

This section lists down the frequently asked questions with respect to the current policy document from the perspective of various stakeholders and gives a reference to the relevant section of the policy to aid in clear understanding of the question.

- **Policy content**

This section contains various aspects of the policy design and implementation as per the applicable regulatory guidelines. This section outlines the action required by various stakeholders of the Bank in ensuring implementation of the policy.

- **Glossary**

This section contains the definition of key terms used in the policy as per the applicable regulatory guidelines and industry standards.

B. Regulatory Reference

The following key regulation is applicable to the current policy document.

Regulator	Regulation Name	Regulation Date	Regulation Code
RBI	Customer Service in Banks	July 1, 2015	RBI/2015-16/59 DBR No. Leg.BC.21/09.07. 006/2015-16
RBI	Doorstep Banking Services for Senior Citizens and Differently Abled Persons	March 31, 2020	DOR.CO.Leg.BC.No.59/09.07.005/2019- 20

C. Key Stakeholders and Roles

- **Branch Manager / Channel:** Being in a customer facing role, the Branch Manager / Channel (BC / Merchant) is the first point of contact for the customer. The target should be to resolve complaints expeditiously and within the stipulated timeline.
- **Nodal Officer:** These are officers placed at the Region and they are the first point of escalation. These officers are also the liaising officers with RBI. A Nodal officer may act as incharge for more than one region based on internal allocation.
- **Principal Nodal Officer:** This should be a Senior Rank Employee who will monitor the entire customer service mechanism and identify areas of improvement.
- **Customer Service Committee of the Board (CSCB):** The Bank needs to constitute a Board approved CSCB whose role will be to review the customer service mechanism in the Bank and also deliberate on innovative measures to enhance customer satisfaction. CSCB to include an expert and representative of customers as invitee to enable the bank to formulate policies and assess the compliance thereof internally with a view to strengthening the corporate governance structure in the banking system and also to bring about ongoing improvements in the quality of customer service provided by the banks. The charter and terms of reference of the committee is as per the approved Board Governance manual.
- **Standing Committee on customer service (SCCS):** The Bank also needs to constitute a Board approved SCCS who are in charge of ensuring compliance to the regulatory and BCSBI guidelines. The charter and terms of reference of the committee is as per the approved Management Governance manual.
- **Branch level customer service committee (BLCSC)**

This committee should be set up at the branch level to gather suggestions from the customers.

- In order to encourage a formal channel of communication between the customers and the bank at the branch level, Fino will take necessary steps for strengthening the branch level committees with greater involvement of customers. It will be ensured that branch level committees include their customers too.
- Further, as senior citizens usually form an important constituent in banks, a senior citizen may also be included therein.
- The Branch Level Customer Service Committee may meet at least once a month to study complaints/ suggestions, cases of delay; difficulties faced / reported by customers / members of the Committee and identify ways and means of improving customer service.
- The branch level committees may also submit quarterly reports giving inputs / suggestions to the Standing Committee on Customer Service thus enabling the Standing Committee to examine them and provide relevant feedback to the Customer Service Committee of the Board for necessary policy / procedural action.

- **Business Correspondent Channel Customer Service.**

Bank would ensure that the working of our Business Correspondent (BC) is deployed to deliver the Banking services to the Customers in an appropriate manner. The functioning of the BC would be monitored by our field team.

D. Frequently Asked Questions

1) What are the Board approved policies of the bank?

Fino Payments Bank shall ensure to have the following policies as per RBI guidelines on Customer Service:

- Comprehensive deposit policy
- Cheque collection policy
- Customer compensation policy
- Customer grievance redressal policy

2) What are the facilities provided by the banks for persons with disabilities?

- Fino Payments Bank will provide the following facility to persons with disabilities
- Fino Payments Bank will adopt the Guidelines framed by IBA based on the judgment of Chief Commissioner for Persons with Disabilities
- Banking facilities will be made accessible to persons with disabilities
- Banking facilities will also be made available to Visually Impaired Persons
- Bank will ensure that all the banking facilities are invariably offered to the visually challenged without any discrimination.

3) What are the provision followed by banks for Settlement of claims in respect of deceased depositors?

Bank will adhere to the provisions of Sections 45 ZA to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985 for Settlement of claims in respect of deceased depositors.

4) Under what circumstances are banks allowed to divulge customer information to third parties?

The bankers' obligation to maintain secrecy arises out of the contractual relationship between the banker and customer, and as such no information should be divulged to third parties except under circumstances which are well defined. The following exceptions to the said rule are normally accepted:

- Where disclosure is under compulsion of law
- Where there is duty to the public to disclose
- Where interest of bank requires disclosure and
- Where the disclosure is made with the express or implied consent of the customer.

E. Policy Content

The policy does not cover compliances relating to issuance of cheque books, drafts, maintenance of ATM's, safe deposit lockers as the same are not planned in the product suite of the Bank.

1.1. Policy for General Management of the Branches

Banks' systems are oriented towards providing better customer service and they periodically study their systems and their impact on customer service. Fino has this board approved policy for general management of the branches and addresses the following aspects:-

- (a) Branches will provide infrastructure facilities by bestowing particular attention to providing adequate space, proper furniture, drinking water facilities, with specific emphasis on pensioners, senior citizens, disabled persons, etc.

- (b) Display indicator boards at all the counters.
- (c) Fino will use Hindi and English languages in transacting business in communications to customers.
- (d) Fino will maintain adequate security system in branches so as to instill confidence amongst the employees and the public.
- (e) Employees will wear identification badge displaying photo and name thereon.
- (f) Fino will ensure training of staff in line with customer service orientation, in technical areas of banking to the staff at delivery points. Adopting innovative ways of training / delivery ranging from job cards to roving faculty to video conferencing.
- (g) Fino will ensure visit by senior officials from Controlling Offices and Head Office to branches at periodical intervals for on the spot study of the quality of service rendered by the branches.
- (h) Bank will reward the best branches on the basis of overall performance including customer service point of view by annual awards/running shield.
- (i) Fino will conduct Customer service audit, Customer surveys on a need basis
- (j) Fino will hold Customer relation programs and periodical meetings to interact with different cross sections of customers for identifying action points to upgrade the customer service with customers on a need basis
- (k) Bank will clearly establish a New Product and Services Approval Process which should require approval by the Board especially on issues which compromise the rights of the Common Person.

1.2. Board approved policies on Customer Service

For Fino Payments Bank customer service is a priority objective along with profit, growth and fulfillment of social obligations. Bank will have a Board approved policy for the following:

1.2.1. Comprehensive Deposit Policy

Fino Payments Bank has formulated a transparent and comprehensive policy setting out the rights of the depositors in general and small depositors in particular. The policy covers all aspects of operations of deposit accounts, charges leviable and other related issues to facilitate interaction of depositors at branch levels.

1.2.2. Cheque Collection Policy

The bank has a comprehensive and transparent policy taking into account the technological capabilities, systems and processes adopted for clearing arrangements and other internal arrangements for collection through correspondents.

1.2.3. Customer Compensation Policy

Fino Payments Bank has a well-documented Customer Compensation Policy duly approved by the Board. This policy ensures to incorporate the following aspects:-

- (a) Erroneous Debits arising on fraudulent or other transactions
- (b) Payment of interest for delays in collection
- (c) Other unauthorized actions of the bank leading to a financial loss to customer

1.2.4. Customer Grievance Redressal Policy

Fino Payments Bank has a well-documented Customer Grievance Redressal Policy duly approved by the Board.

1.2.5. Giving publicity to the policies

Fino Payments Bank will ensure that wide publicity is given to the above policies formulated by them by placing them prominently on the web-site and also otherwise widely disseminating the policies such as, displaying them on the notice board in their branches.

The customers are clearly apprised of the assurances of the bank on the services on these aspects at the time of establishment of the initial relationship be it as a depositor, borrower or otherwise.

Further, the bank will take necessary steps to keep the customers duly informed of the changes in the policies formulated by them from time to time.

1.3. Financial Inclusion

1.3.1. Basic Savings Bank Deposit Account (BSBDA)

- i. The 'Basic Savings Bank Deposit Account' is considered a normal banking service.
- ii. This account shall not have the requirement of any minimum balance.
- iii. The services available in the account will include deposit and withdrawal of cash at bank branch as well as ATMs; receipt / credit of money through electronic payment channels or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments.
- iv. While there will be no limit on the number of deposits that can be made in a month, account holders will be allowed a maximum of four withdrawals in a month, including ATM withdrawals.
- v. Facility of ATM card or ATM-cum-Debit Card.
- vi. The above facilities will be provided without any charges. Further, no charge will be levied for non-operation / activation of in-operative 'Basic Savings Bank Deposit Account'.
- vii. Bank is free to evolve other requirements including pricing structure for additional value added services beyond the stipulated basic minimum services on reasonable and transparent basis and applied in a non-discriminatory manner.
- viii. The 'Basic Savings Bank Deposit Account' would be subject to RBI instructions on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time. If such account is opened on the basis of simplified KYC norms, the account would additionally be treated as a 'Small Account'
- ix. Holders of 'Basic Savings Bank Deposit Account' will not be eligible for opening any other savings bank deposit account in that bank. If a customer has any other existing savings bank deposit account in that bank, he / she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.

1.3.2. Rights of Transgender Persons - Changes in bank forms/ applications etc.

Fino Payments Bank ensures to include „third gender“ in all forms/applications etc. prescribed by the Reserve Bank or the bank themselves, wherein any gender classification is envisaged. (*The above will be applicable for electronic forms as well*)

1.4. Opening / Operation of Deposit Accounts

1.4.1. Customer Identification Procedure for individual accounts

Fino Payments Bank is guided by RBI instructions on KYC / AML for opening of accounts. Board approved KYC / AML Policy will be referred for the same.

Intra-bank Deposit Accounts Portability

Fino Payments Bank will make sure that KYC once done by one branch of the bank is valid for transfer of the account within the bank as long as full KYC has been done for the concerned account. The customer is allowed to transfer his account from one branch to another branch without insisting on fresh proof of address and on the basis of a self-declaration from the account holder about his / her current address, subject to submitting proof of address within a period of six months. Periodical updation of KYC data would continue to be done by bank as per prescribed periodicity.

Bank will be guided by RBI Master Direction on KYC/AML as updated time to time.

1.4.2. Savings Bank Rules

Fino Payments Bank if issuing a statement of accounts, the Savings Bank Rules will be annexed as a tear-off portion to the account opening form so that the account holder can retain the rules. (For account opening through electronic AOF, the customer will be supplied with a copy of savings bank rules as per the regulatory requirement)

1.4.3. Photographs of depositors

Fino Payments Bank will obtain and keep on record photographs of all depositors/account holders in respect of accounts opened by them as mentioned below:

- (i) The instructions cover all types of deposits
- (ii) They apply to all categories of depositors. Only banks, Local Authorities and Government Departments (excluding public sector undertakings or quasi-Government bodies) will be exempt from the requirement of photographs.
- (iii) The banks may not insist on photographs in case of accounts of staff members only (Single/Joint).
- (iv) The banks will obtain photographs of all persons authorized to operate the accounts viz., Savings Bank and Current Accounts without exception.
- (v) The banks will also obtain photographs of the 'Pardanishin' women.
- (vi) Photographs cannot be a substitute for specimen signatures.
- (vii) Only one set of photographs need be obtained and separate photographs will not be obtained for each category of deposit. The applications for different types of deposit accounts will be properly referenced.
- (viii) Fresh photographs need not be obtained when an additional account is desired to be opened by the account holder.
- (ix) In the case of operative accounts, viz. Savings Bank and Current accounts, photographs of persons authorized to operate them will be obtained.

1.4.4. Minimum balance in savings bank accounts

At the time of opening the accounts, Fino will inform the customers in a transparent manner the requirement of maintaining minimum balance and levying of charges, etc., if the minimum balance is not maintained.

Any charge levied subsequently will be transparently made known to all depositors in advance with one month's notice. The bank will inform, at least one month in advance, the existing account holders of any change in the prescribed minimum balance and the charges that may be levied if the prescribed minimum balance is not maintained.

Levy of Penal Charges on Non-Maintenance of Minimum balance in savings bank accounts. While levying charges for non-maintenance of minimum balance in savings bank accounts, bank will adhere to the following additional guidelines:

- (i) In the event of a default in maintenance of minimum balance / average minimum balance as agreed to between the bank and customer, the bank will notify the customer clearly by SMS / email / letter etc. that in the event of the minimum balance not being restored in the account within a month from the date of notice, penal charges will be applicable.
- (ii) In case the minimum balance is not restored within a reasonable period, which shall not be less than one month from the date of notice of shortfall, penal charges may be recovered under intimation to the account holder.
- (iii) The policy on penal charges to be so levied may be decided with the approval of Board of the bank.
- (iv) The penal charges will be directly proportionate to the extent of shortfall observed. In other words, the charges will be a fixed percentage levied on the amount of difference between the actual balance maintained and the minimum balance as agreed upon at the time of opening of account. A suitable slab structure for recovery of charges may be finalized.
- (v) It will be ensured that such penal charges are reasonable and not out of line with the average cost of providing the services.
- (vi) It will be ensured that the balance in the savings account does not turn into negative balance solely on account of levy of charges for non-maintenance of minimum balance.

These guidelines will be brought to the notice of all customers apart from being disclosed on the bank's website.

1.4.5. Statement of accounts and Pass Books

Statement of Account - Those customers who require Statement of account, Fino Payments bank will provide the customers with e-statement / printed statement of account with their prior consent. In case the customer chooses to get statement of account, the bank will provide monthly E-statement. The cost of providing such E-statement will not be charged to the customer.

Passbook - Customer has the option to get a digital passbook or a physical passbook. Digital passbook is provided for those locations where passbook printer is not available. Physical passbook is for those locations where passbook printer is available. Customer can get the physical passbook issued by visiting the branch. Customer will have to provide his/her Bio Auth to get the passbook issued/re-issued. For updating the passbook customer will have to authenticate by providing OTP that is sent on the customers registered mobile number. Each passbook has a unique alphanumeric passbook kit number which is tagged to the account while it's issued to the customer.

Entries in statement of accounts

- (i) Bank will give constant attention to ensure entry of correct and legible particulars in the statement of accounts.
- (ii) The bank will show the entries in depositors' statements of accounts, as "by clearing" or "by cheque". In the case of Electronic Clearing System (ECS) and RBI Electronic Fund Transfer (RBIEFT), bank will not provide any details even though brief particulars of the remittance are provided by the receiving bank. In some cases, computerized entries use codes which just cannot be deciphered. With a view to avoiding inconvenience to depositors, bank will avoid such inscrutable entries in passbooks / statement of accounts and ensure that brief, intelligible, particulars are invariably entered in statement of account.

Providing monthly statement of accounts

- (i) Bank will ensure that they adhere to the monthly periodicity while sending statement of accounts.
- (ii) The statements of accounts for current account holders may be sent to the depositors in a staggered manner instead of sending by a target date every month. The customers may be informed about staggering of the preparation of these statements.
- (iii) Further, bank will advise their Inspecting Officers to carry out sample check at the time of internal inspection of branches to verify whether the statements are being dispatched in time.

Printing of IFSC code on statement of account

The Indian Financial System Code (IFSC) is a pre-requisite for National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) transactions. Fino Payments Bank will ensure to take necessary steps to provide this information in all statement of account of their account holders.

1.4.6. Acceptance of cheques bearing a date as per National Calendar (Saka Samvat) for payment

Government of India has accepted Saka Samvat as National Calendar with effect from 22 March 1957 and all Government statutory orders, notifications; Acts of Parliament, etc. bear both the dates i.e., Saka Samvat as well as Gregorian calendar. An instrument written in Hindi having date as per Saka Samvat calendar will be a valid instrument. Cheques bearing date in Hindi as per the National Calendar (Saka Samvat) will, therefore, be accepted by bank for payment, if otherwise in order. Bank can ascertain the Gregorian calendar date corresponding to the National Saka calendar in order to avoid payment of stale cheques.

Acceptance of cash over the counter

Fino Payments Bank will ensure that their branches invariably accept cash over the counters from all their customers who desire to deposit cash at the counters. Further, the bank will refrain from incorporating clauses in the terms and conditions which restrict deposit of cash over the counters.

1.4.7. Opening accounts in the name of minors with Mothers as guardians

Fino will instruct its" branches to allow minors' accounts (savings only) with mothers as guardians to be opened, as and when such products are rolled out by the Bank

1.4.8. Opening of Bank Accounts in the Names of Minors

With a view to promote the objective of financial inclusion and also to bring uniformity among bank in opening and operating minors" accounts, as and when such products are rolled out by the Bank, the Bank will ensure:

- a. A savings bank deposit account can be opened by a minor of any age through his/her natural or legally appointed guardian.
- b. Minors above the age of 10 years may be allowed to open and operate savings bank accounts independently, if they so desire. Bank may, however, keeping in view the risk management systems, fix limits in terms of age and amount up to which minors may be allowed to operate the deposit accounts independently.

The bank will decide, as to what minimum documents are required for opening of accounts by minors.

c. On attaining majority, the erstwhile minor will confirm the balance in his/her account and if the account is operated by the natural guardian / legal guardian, fresh operating instructions and specimen signature of erstwhile minor will be obtained and kept on record for all operational purposes.

Bank will offer additional banking facilities like internet banking, debit card, etc., subject to the safeguards that minor accounts are not allowed to be overdrawn and that these always remain in credit.

1.4.9. Lodging of ATM related Complaints

In case of complaints pertaining to a failed ATM transaction at other bank ATMs, the customer will lodge a complaint with the card issuing bank even if the transaction was carried out at another bank's ATM.

1.4.10. Security Issues and Risk mitigation measures- Online alerts to the cardholder for usage of credit/debit cards

Bank will send online alerts to the cardholders for all Card Not Present (CNP) transactions for online alerts for all types of transactions irrespective of the amount, involving usage of cards at various channels. This measure is expected to encourage further usage of cards at various delivery channels. Bank will provide easier methods (like SMS) for the customer to block his card and get a confirmation to that effect after blocking the card.

1.4.11. Security Issues and Risk mitigation measures related to Card Not Present (CNP) transactions

Fino Payments Bank will ensure that it has put in place additional factor of authentication/validation based on information not visible on the cards for all on-line Card not Present (CNP) transactions in a phased manner, starting with online transactions followed by Interactive Voice Response (IVR), Mail Order Telephone Order (MOTO) and Standing Instructions (SI). In the case of MOTO and SI transactions, it has been ensured that in case of customer complaint regarding issues, if any, arising out of transactions effected without the additional factor of authentication after the stipulated date, the issuer bank will reimburse the loss to the customer further without demur.

1.4.12. Securing Electronic Payment Transactions

The electronic modes of payment like RTGS, NEFT and IMPS have emerged as channel agnostic modes of funds transfer. These have picked up to a large extent through the internet banking channel and hence it is imperative that such delivery channels are also safe and secure. Some of the additional measures that Fino Payments Bank has introduced are as follows:

- (i) Customer induced options may be provided for fixing a cap on the value / mode of transactions / beneficiaries. In the event of customer wanting to exceed the cap, an additional authorization may be insisted upon.
- (ii) A system of alert may be introduced when a beneficiary is added.
- (iii) Bank will put in place mechanism for velocity check on the number of transactions effected per day / per beneficiary and any suspicious operations will be subjected to alert within the bank and to the customer.
- (iv) Introduction of additional factor of authentication (preferably dynamic in nature) for such payment transactions will be considered.

1.4.13. Doorstep Banking

Banks offers services to their customers at their doorstep: -

- (a) Through own employees.
- (b) Through Agents for CMS customers

Bank has duly put in place Board/PAC approved Doorstep Banking policy.

1.5. Service at the counters

1.5.1. Banking hours / working days of bank branches

Fino Payments Bank will normally function for public transactions at least for 4 hours on all working days in the larger interest of public and trading community. Extension counters, Satellite Offices, one man offices or other special class of branches may remain open for such shorter hours as may be considered necessary.

1.5.2. Changes in banking hours

Fino Payments Bank will fix, after due notice to its customers, whatever business hours are convenient to it i.e., to work in double shifts, to observe weekly holiday on a day other than Sunday or to function on Sundays in addition to the normal working days, subject to observing normal working hours for public transactions referred to in paragraph above.

In order to safeguard bank' own interest, if Fino Payments Bank will close any of its offices on a day other than a public holiday, it will give due and sufficient notice to all the parties concerned who are or are likely to be affected by such closure. Further, the provisions, if any, in regard to the bank' obligations, to the staff under the Industrial Awards / Settlements, will be complied with. Clearing House authority of the place will also be consulted in this regard.

The bank' branches in rural areas will fix the business hours (i.e. number of hours, as well as timings) and the weekly holidays to suit local requirements. This may, however, be done subject to the guidelines given above.

1.5.3. Commencement / Extension of working hours

Commencement of employees" working hours 30 minutes before commencement of business hours will be made operative by bank at branches in metropolitan and urban centres. The bank will implement the recommendation taking into account the provisions of the local Shops and Establishments Act.

The branch managers and other supervising officials will, however, ensure that the members of the staff are available at their respective counters right from the commencement of banking hours and throughout the prescribed business hours so that there may not be any grounds for customers to make complaints.

Bank will ensure that no counter remains unattended during the business hours and uninterrupted service is rendered to the customers. Further, the bank will allocate the work in such a way that no Teller counter is closed during the banking hours at their branches.

All the customers entering the banking hall before the close of business hours will be attended to.

1.5.4. Extended business hours for non-cash banking transactions

Bank will extend business hours for banking transactions other than cash, up till one hour before close of the working hours.

The following non-cash transactions will be undertaken by bank during the extended hours, i.e., up to one hour before the close of working hours:

- (a) Non-voucher generating transactions:
 - (i) Issue of statement of accounts;
 - (ii) Acceptance of clearing cheques;

Such non-cash transactions to be done during the extended business hours will be notified adequately for information of the customers through Branch Notice Board / Website

1.6. Guidance to customers and Disclosure of Information

1.6.1. Assistance/guidance to customers

All branches, except very small branches will have “Enquiry” or “May I Help You” counters either exclusively or combined with other duties, located near the entry point of the banking hall.

The customers can also get assistance through various channels like Call Centre, Email, Mobile Banking, Website, Whatsapp Bot and Business Correspondent Points to know about the various services provided by the bank.

1.6.2. Display of time norms-

Time norms for specialized business transactions will be displayed predominantly in the banking hall.

1.6.3. Display of information by bank

Comprehensive Notice Board:

Fino Payments Bank will display information in their branches which is one of the modes of imparting financial education. This display enables customers to take informed decision regarding products and services of the bank and be aware of their rights as also the obligations of the bank to provide certain essential services. It also disseminates information on public grievance redressal mechanism and enhances the quality of customer service in bank and improves the level of customer satisfaction.

Further, in order to promote transparency in the operations of bank, various instructions have been given by RBI to bank towards display of various key aspects such as service charges, interest rates, services offered, product information, time norms for various banking transactions and grievance redressal mechanism.

Notice Boards:

The minimum size of the Board may be 2 feet by 2 feet as Board of such a size would facilitate comfortable viewing from a distance of 3 to 5 meters. Fino Payments Bank ensures to display the information in the Notice Boards of their Branches as per the format given for the Comprehensive Notice Board.

While displaying the information in the notice board, bank adheres to the following principles:

- (a) The notice board is updated on a periodical basis and the board will indicate the date up to which the board was updated (incorporated in the display board)

- (b) The pattern, colour and design of the board is simple and readable.
- (c) The language requirements (i.e., bilingual in Hindi speaking states and trilingual in other states) is taken into account.
- (d) The notice board shall specifically indicate wherever recent changes have been done.
- (e) The notice board will also indicate a list of items on which detailed information is available in booklet form.

Further, in addition to the above Board, the bank will also display details such as „Name of the bank / branch, Working Days, Working Hours and Weekly Off-days' outside the branch premises.

Booklets/Brochures:

The detailed information will be made available in various booklets / brochures as decided by the bank. These booklets / brochures are kept in a separate file / folder in the form of "replaceable pages" so as to facilitate copying and updation. In this connection, bank adheres to the following broad guidelines:

The file / folder will be kept at the customer lobby in the branch or at the "May I Help You" counter or at a place that is frequented by most of the customers.

Website:

The detailed information will also be made available on the bank's web-site. Bank will adhere to the broad guidelines relating to dating of material, legibility, etc., while placing the same on their websites. In this context, Fino Payments Bank ensures that the customers are able to easily access the relevant information from the Home Page of the bank's web-sites. Further, there are certain information relating to service charges and fee and grievance redressal that are to be posted compulsorily on the websites of the bank. Reserve Bank is providing a link to the websites of bank so that customers can also have access to the information through RBI's website.

Other modes of display:

Bank will also consider displaying all the information that has to be given in the booklet form in the touch screen by placing them in the information kiosks. Scroll Bars, Tag Boards are other options available. The above broad guidelines will be adhered to while displaying information using these modes.

Other issues:

Fino Payments Bank will decide promotional and product information display making sure that the mandatory displays will not be obstructed in anyway. As customer interest and financial education are sought to be achieved by the mandatory display requirements, they will also be given priority over the other display boards. Information relating to Government sponsored schemes as applicable location-wise will be displayed according to their applicability.

1.6.4. Display of information relating to Interest Rates and Service Charges - Rates at a quick glance

A format has been devised by Reserve Bank for display of information relating to interest rates and service charges which would enable the customer to obtain the desired information at a quick glance. Fino Payments Bank ensures to display the information as per the RBI guidelines. Bank will modify the format to suit their requirements, without impairing the basic structure or curtailing the scope of disclosures.

Bank will also ensure that only latest updated information in the above format is placed on their web-sites and the same is easily accessible from the Home Page of their web-sites.

1.6.5 Disclosure of Information by bank in the public domain

Fino Payments Bank will disclose the information on products and services on websites which is found to be an effective channel for reaching out to customers and the public at large. Such disclosures increase transparency in operations and also help to create awareness among customers about the products and services offered by bank. Some of the details, which could be at the minimum, be made available for public viewing through websites of the bank are listed below:-

I. Policy / Guidelines

- (i) Citizen's Charter
- (ii) Deposit Policy
- (iii) Deceased Depositors Policy along with Nomination Rules
- (iv) Cheque Collection Policy

II. Complaints

- (i) Grievance Redressal Mechanism
- (ii) Information relating to Banking Ombudsmen

III. Opening of Accounts

- (i) Account Opening Forms / Process
- (ii) Terms and Conditions
- (iii) Service Charges for various types of services
- (iv) Interest rates on Deposits
- (v) Minimum balances - along with corresponding facilities offered.

V. Branches

- (i) Details of branches along with addresses and telephone numbers (with search engine for queries relating to branch location)

1.7. Operation of Accounts by Old & Incapacitated Persons

1.7.1. Facility to sick/old/incapacitated non-pension account holders

The facilities offered to pension account holders will be extended to the non-pension account holders also who are sick / old / incapacitated and are not willing to open and operate joint accounts.

1.7.2. Types of sick / old / incapacitated account holders

The cases of sick / old / incapacitated account holders fall into following categories:

- (a) An account holder who cannot be physically present in the bank to withdraw money from his bank account but can put his/her thumb impression on the withdrawal form;
- (b) An account holder who is not only unable to be physically present in the bank but is also not even able to put his/her thumb impression on the withdrawal form due to certain physical incapacity.

1.7.3. Operational Procedure

With a view to enabling the old / sick account holders operate their bank accounts, bank will follow the procedure as under:-

- (a) Wherever thumb or toe impression of the sick/old/incapacitated account holder is obtained, it will be identified by two independent witnesses known to the bank, one of whom will be a responsible bank official.
- (b) Where the customer cannot even put his / her thumb impression and also would not be able to be physically present in the bank, a mark can be obtained on the withdrawal form which will be identified by two independent witnesses, one of whom will be a responsible bank official.

(c) The customer will also be asked to indicate to the bank as to who would withdraw the amount from the bank on the basis of withdrawal form as obtained above and that person will be identified by two independent witnesses. The person who would be actually drawing the money from the bank will be asked to furnish his signature to the bank.

1.7.4. Opinion of IBA in case of a person who cannot sign due to loss of both hands

Opinion obtained by the Indian Bank" Association from their consultant on the question of opening of a bank account of a person who has lost both his hands and could not sign the withdrawal form is as under:

"In terms of the General Clauses Act, the term "Sign" with its grammatical variations and cognate expressions, shall with reference to a person who is unable to write his name, include "mark" with its grammatical variations and cognate expressions. The Supreme Court has held in AIR 1950 - Supreme Court, 265 that there must be physical contact between the person who is to sign and the signature can be by means of a mark. This mark can be placed by the person in any manner. It could be the toe impression, as suggested. It can be by means of mark which anybody can put on behalf of the person who has to sign, the mark being put by an instrument which has had a physical contact with the person who has to sign".

1.7.5. Banking Facility for Senior Citizens and Differently abled Persons

The bank is providing Door step banking to the Senior citizens of Age 70 and above and to differently abled persons through its Feet on Street services of the Bank on best effort basis. This facility is available at all the Branches of the Bank. Adequate publicity on availability of these services is informed to the customers at various touch points.

Bank shall ensure that a fully KYC compliant account would automatically be converted into a "Senior Citizen Account" based on the date of birth available in Bank's records.

1.8. Providing bank facilities to persons with disabilities

1.8.1. Guidelines framed by IBA based on the judgment of Chief Commissioner for Persons with Disabilities

Indian Bank' Association has framed operational guidelines for implementation of its member bank on providing banking facilities to persons with disabilities. Fino Payments Bank will adopt / follow the operational guidelines meticulously.

1.8.2. Need for Bank Branches to be made accessible to persons with disabilities

Bank will take appropriate steps, wherever feasible, so that the persons with disabilities / wheel chair users can enter bank branches and conduct business without difficulty. Bank will report the progress made in this regard periodically to their respective Customer Service Committee of the Board and ensure compliance.

1.8.3. Providing banking facilities to Visually Impaired Persons

In order to facilitate access to banking facilities by visually challenged persons, bank will offer banking facilities to the visually challenged as they are legally competent to contract.

Fino Payments Bank will therefore ensure that all the banking facilities such as Net banking facility, are invariably offered to the visually challenged without any discrimination.

Bank will also ensure the branches render all possible assistance to the visually challenged for availing the various banking facilities. In addition to the above, magnifying glasses will also be provided in all bank branches for the use of persons with low vision, wherever they require for carrying out banking transactions with ease. The branches will display at a prominent place notice about the availability of magnifying glasses and other facilities available for persons with disabilities.

1.9. Guidelines for the purpose of opening/ operating bank accounts of Persons with Autism, Cerebral Palsy, Mental Retardation, Mental Illness and Mental Disabilities

The following guidelines are applicable for the purpose of opening / operating bank accounts of the above persons:

- i. The Mental Health Act, 1987 provides a law relating to the treatment and care of mentally ill persons and to make better provision with respect to their property and affairs. According to the said Act, "mentally ill person" means a person who is in need of treatment by reason of any mental disorder other than mental retardation. Sections 53 and 54 of this Act provide for the appointment of guardians for mentally ill persons and in certain cases, managers in respect of their property. The prescribed appointing authorities are the district courts and collectors of districts under the Mental Health Act, 1987.
- ii. The National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 provides a law relating to certain specified disabilities. Clause (j) of Section 2 of that Act defines a "person with disability" to mean a person suffering from any of the conditions relating to autism, cerebral palsy, mental retardation or a combination of any two or more of such conditions and includes a person suffering from severe multiple disabilities. This Act empowers a Local Level Committee to appoint a guardian, to a person with disabilities, who shall have the care of the person and property of the disabled person.
- iii. Bank will take note of the legal position stated above and will rely on and be guided by the orders/certificates issued by the competent authority, under the respective Acts, appointing guardians/managers for the purposes of opening/operating bank accounts. In case of doubt, care will be taken to obtain proper legal advice.

Bank will also ensure that their branches give proper guidance to their customers so that the guardians/managers of the disabled persons do not face any difficulties in this regard.

1.10. Cheque Drop Box Facility

Both the drop box facility and the facility for acknowledgement of the cheques at regular collection counters will be available to the customers and no branch will refuse to give an acknowledgement if the customer tenders the cheques at the counters.

Bank will ensure that customers are not compelled to drop the cheques in the drop-box. Further, in the context of customer awareness in this regard, bank will invariably display on the cheque drop-box itself that "Customers can also tender the cheques at the counter and obtain acknowledgment on the pay-in-slips". The above message will be displayed in English, Hindi and the concerned regional language of the State.

Bank will make fool proof arrangements accounting for the number of instruments each time the box is opened so that there are no disputes and the customer's interests are not compromised.

1.11. Collection of instruments

1.11.1. Formulating Cheque Collection Policies

The bank will develop their own individual policy / procedures relating to collection of cheques and also provide due disclosures to the customers on the bank's obligations and the customers' rights. Due to the technological progress in payment and settlement systems and the qualitative changes in operational systems and processes that have been undertaken by the bank, it is observed that prescription of a single set of rules will not be appropriate. Hence, efficiencies in collection of proceeds and providing funds to customers in time are best achieved through a spirit of competition among the bank rather than through issuance of guidelines by RBI.

Keeping in view the above, earlier instructions issued regarding immediate credit of local /outstation cheques, time frame for collection of local/outstation instruments and interest payment for delayed collection have been withdrawn by Reserve Bank leaving it to the individual bank to formulate policies in this regard.

Broadly, the policy will include instructions on the following:

- Time frame for Collection of Local / Outstation Instruments
- Interest payment for delayed collection

Fino Payments Bank has designed the Cheque Collection Policies to include compensation payable for the delay in the collection of local cheques as well. In case, no rate is specified in the CCP for delay in realization of local cheques, compensation at savings bank interest rate will be paid for the corresponding period of delay.

With a view to encouraging faster migration to CTS-2010 standard cheques, bank will ensure that non CTS-2010 standard instruments will be cleared at less frequent intervals in the CTS clearing centres. Bank will educate and notify their customers of the likely delay in realisation of non-CTS-2010 standard instruments in view of the arrangement for clearing of such instruments at less frequent intervals. Bank" Cheque Collection Policies (CCPs) will also be modified suitably to reflect this change. They will also put in place appropriate arrangement for handling customer complaints, if any, arising out of this new arrangement.

1.11.2. Board Principles

- (i) Bank will formulate a comprehensive and transparent policy covering all the above three aspects, taking into account their technological capabilities, systems and processes adopted for clearing arrangements and other internal arrangements for collection through correspondents.
- (ii) Further, the bank will regularly review the existing arrangements and capabilities and work out a scheme for reduction in collection period.
- (iii) Adequate care also will be taken to ensure that the interests of the small depositors are fully protected.
- (iv) The policy framed in this regard will be integrated with the deposit policy formulated by the bank in line with the IBA's model deposit policy.
- (v) The policy will clearly lay down the liability of the bank by way of interest payments due to delays for non-compliance with the standards set by the bank themselves.
- (vi) Compensation by way of interest payment, where necessary, will be made without any claim from the customer.

The policy will be placed before the board of the Bank along with Reserve Bank's earlier instructions and the board's specific approval will be obtained on the reasonableness of the policy and the compliance with the spirit of our guidelines.

Delays in Cheque Clearing

Bank will ensure to comply with the final order on 'timeframe for collection of outstation cheques passed by the National Consumer Disputes Redressal Commission in case no. 82 of 2006. Further, bank are advised as under:

- (i) Bank will frame the Cheque Collection Policies (CCPs) covering local and outstation cheque collection as per the timeframe prescribed by the Commission.
- (ii) For local cheques, credit and debit shall be given on the same day or at the most the next day of their presentation in clearing. Ideally, in respect of local clearing, bank shall permit usage of the shadow credit afforded to the customer accounts immediately after closure of relative return clearing and in any case withdrawal shall be allowed on the same day or maximum within an hour of commencement of business on the next working day, subject to usual safeguards.
- (iii) Timeframe for collection of cheques drawn on State Capitals / major cities / other locations to be 7/10/14 days respectively. If there is any delay in collection beyond this period, interest at the rate specified in the CCP of the bank, shall be paid. In case the rate is not specified in the CCP, the applicable rate shall be the interest rate on Fixed Deposits for the corresponding maturity (*Since bank does not offer fixed deposits, SBI's rate on FD will be taken as benchmark*). The timeframe for collection specified by the Commission shall be treated as outer limit and credit shall be afforded if the process gets completed earlier.
- (iv) Bank will not decline to accept outstation cheques deposited by its customers for collection.
- (v) Bank will give wide publicity to the CCP by prominently displaying salient features thereof in bold and visible letters on the notice board at their branches.
- (vi) A copy of the complete CCP shall be made available by the branch manager, if the customers require so.

Cheque Clearing arrangement with ICICI Bank

Bank has a CMS arrangement with ICICI Bank for cheque collection. When cheques are presented through CMS arrangement, Credit will be accorded to the FPB customer account within T+1 working day, where T day will be the date of receipt of funds from ICICI bank. The period of delay will be calculated as number of days delay in credit of funds to customer account, beyond T+4 working days, where T is the date when the instrument is lodged for collection in FPB system

Collection of Account Payee Cheque - Prohibition on Crediting Proceeds to Third Party Account

- a) Bank will not collect account payee cheques for any person other than the payee constituent. Where the drawer / payee instructs the bank to credit the proceeds of collection to any account other than that of the payee, the instruction being contrary to the intended inherent character of the 'account payee' cheque, bank will ask the drawer / payee to have the cheque or the account payee mandate thereon withdrawn by the drawer. This instruction would also apply with respect to the cheque drawn by a bank payable to another bank.
- b) In order to facilitate collection of cheques from a payment system angle, account payee cheques deposited with the sub-member for credit to their customers' account can be collected by the member bank (referred to as the sponsor member) of the Clearing House. Under such arrangements, there will be clear undertaking to the effect that the proceeds of the account payee cheque will be credited to the payee's account only, upon realization.

Cheques / Instruments lost in transit / in clearing process / at paying bank's branch

Bank will follow the following guidelines regarding cheques lost in transit:

- (i) In respect of cheques lost in transit or in the clearing process or at the paying bank's branch, the bank will immediately bring the same to the notice of the account holder so that account holder can inform the drawer to record stop payment and can also take care that other cheques issued by him are not dishonored due to non-credit of the amount of the lost cheques / instruments.
- (ii) The onus of such loss lies with the collecting banker and not the account holder.
- (iii) The bank will reimburse the account holder related expenses for obtaining duplicate instruments and also interest for reasonable delays occurred in obtaining the same.
- (iv) If the cheque / instrument has been lost at the paying bank's branch, the collecting banker will have a right to recover the amount reimbursed to the customer for the loss of the cheque / instrument from the paying banker.

Bank will ensure to incorporate the above guidelines in their Cheque Collection Policies.

1.12. Dealing with Complaints and Improving Customer Relations

1.12.1. Complaints/suggestions box

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

1.12.2. Complaint Book/Register

Complaint book with perforated copies in each set will be introduced, so designed as to instantly provide an acknowledgement to the customers and intimation to the Controlling Office. IBA has, for the sake of uniformity, prepared a format of the complaint book with adequate number of perforated copies, which are so designed that the complainant could be given an acknowledged copy instantly. A copy of the complaint is required to be forwarded to the concerned Controlling Office of the bank along with the remark of the Branch Manager within a time frame. Bank will introduce the complaint book as per the above format for uniformity.

All bank's branches will maintain a separate complaints register in the prescribed format given for entering all the complaints/grievances received by them directly or through their Head Office/Govt. These registers will be maintained irrespective of the fact whether a complaint is received or not in the past.

The complaints registers maintained by branches will be scrutinized by the concerned Regional Manager during his periodical visit to the branches and his observations/comments recorded in the relative visit reports.

Since Fino has computerized operations, the complaint register in the afore-said format will be generated electronically.

1.12.3. Complaint Form

A complaint form will be provided in the homepage itself to facilitate complaint submission by customers. The complaint form will also indicate that the first point for redressal of complaints is the bank itself and that complainants will approach the Banking Ombudsman only if the complaint is not resolved at the bank level within a month. Similar information will be displayed in the boards put up in all the bank branches to indicate the details 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 will also be given prominently.

1.12.4. Analysis and Disclosure of complaints -Disclosure of complaints / unimplemented awards of Banking Ombudsmen along with Financial Results

The Committee on Procedures and Performance Audit on Public Services (CPPAPS) had recommended that bank will place a statement before their Boards analyzing the complaints received. CPPAPS had further recommended that the Statement of complaints and its analysis will also be disclosed by bank along with their financial results. Further, a suggestion has been received that unimplemented awards of the Banking Ombudsman will also be disclosed along with financial results.

Bank will place a statement of complaints before the Boards / Customer Service Committees along with an analysis of the complaints received. The complaints will be analyzed (i) to identify customer service areas in which the complaints are frequently received; (ii) to identify frequent sources of complaint; (iii) to identify systemic deficiencies; and (iv) for initiating appropriate action to make the grievance redressal mechanism more effective.

Further, Fino Payments Bank will ensure to disclose the following brief details along with their financial results:

A. Customer Complaints

- (a) No. of complaints pending at the beginning of the year
- (b) No. of complaints received during the year
- (c) No. of complaints redressed during the year
- (d) No. of complaints pending at the end of the year

B. Awards passed by the Banking Ombudsman/ Ombudsman for Digital Transactions

- (a) No. of unimplemented Awards at the beginning of the year
- (b) No. of Awards passed by the Banking Ombudsmen during the year
- (c) No. of Awards implemented during the year
- (d) No. of unimplemented Awards at the end of the year

Further, bank will ensure to place the detailed statement of complaints and its analysis on their web-site for information of the general public at the end of each financial year.

1.12.5. Grievance Redressal Mechanism

Bank will ensure that a suitable mechanism exists for receiving and addressing complaints from its customers / constituents with specific emphasis on resolving such complaints fairly and expeditiously regardless of source of the complaints.

Fino Payments Bank will make sure to:

- (i) 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.
- (ii) Have a system of acknowledging the complaints, where the complaints are received through letters / forms.
- (iii) Fix a time frame for resolving the complaints received at different levels.

(iv) Ensure that redressal of complaints emanating from rural areas also form part of the above process.

(v) Prominently display at the branches, the names of the officials who can be contacted for redressal of complaints, together with their direct telephone number, fax number, complete address (not Post Box No.) and e-mail address, etc., for proper and timely contact by the customers and for enhancing the effectiveness of the redressal machinery.

(vi) The names of the officials displayed at the branches who can be contacted for redressal of complaints will also include the name and other details of the concerned Nodal Officer appointed under the Banking Ombudsman Scheme, 2006.

(vii) Bank will display on their web-sites, the names and other details of the officials at their Head Office / Regional Offices / Zonal Offices who can be contacted for redressal of complaints including the names of the Nodal Officers / Principal Nodal Officers.

(viii) Further, bank will also display on their web-sites, the names and other details of their MD & CEO and also Line Functioning Heads for various operations to enable their customers to approach them in case of need, if necessary.

Fino Payments Bank will ensure to disclose the brief details regarding the number of complaints along with their financial results. This statement will include all the complaints received at the Head Office / Controlling Office level as also the complaints received at the branch level. However, where the complaints are redressed within the next working day, bank need not include the same in the statement of complaints. This is expected to serve as an incentive to the bank and their branches to redress the complaints within the next working day.

Where the complaints are not redressed within one month, the concerned branch / Controlling Office will forward a copy of the same to the concerned Nodal Officer under the Banking Ombudsman Scheme and keep him updated regarding the status of the complaint. This would enable the Nodal Officer to deal with any reference received from the Banking Ombudsman regarding the complaint more effectively. Further, it is also necessary that the customer is made aware of his rights to approach the concerned Banking Ombudsman in case he is not satisfied with the bank's response. As such, in the final letter sent to the customer regarding redressal of the complaint, bank will indicate that the complainant can also approach the concerned Banking Ombudsman. The details of the concerned Banking Ombudsman will also be included in the letter.

Bank will give wide publicity to the grievance redressal machinery through advertisements and also by placing them on their web sites.

Display of Names of Nodal Officers

With a view to making the Grievance Redressal Mechanism more effective, in addition to the instructions mentioned above, bank will make sure to:

i) Ensure that the Principal Nodal Officer appointed under the Banking Ombudsman Scheme is of a sufficiently senior rank employee.

ii) Contact details including name, complete address, telephone / fax number, email address, etc., of the Principal Nodal Officer will be prominently displayed in the portal of the bank preferably on the first page of the web-site so that the aggrieved customer can approach the bank with a sense of satisfaction that she / he has been attended at a senior level.

iii) Grievance Redressal Mechanism (GRM) will be made simpler even if it is linked to call centre of customer care unit without customers facing hassles of proving identity, account details, etc.

iv) Adequate and wider publicity are also required to be given by the respective financial services provider.

The name and address of the Principal Nodal Officer will also be forwarded to the Chief General Manager, Customer Education and Protection Department, Reserve Bank of India, Central Office, 1st Floor, Amar Building, Sir P.M. Road, Mumbai-400 001 (email).

1.13. Erroneous Debits arising on fraudulent or other transactions

1.13.1. Vigilance by bank

Fino Payments Bank ensures to adhere to the guidelines and procedures for opening and operating deposit accounts to safeguard against unscrupulous persons opening accounts mainly to use them as conduit for fraudulently encashing payment instruments. However, in view of receipt of continuous complaints of fraudulent encashment by unscrupulous persons opening deposit accounts in the name/s similar to already established concern/s resulting in erroneous and unwanted debit of drawers" accounts, bank will remain vigilant to avoid such lapses and issue necessary instructions to the branches / staff.

1.13.2. Compensating the customer

Besides in cases of the above kind, bank will not restore funds promptly to customers even in bona-fide cases but defer action till completion of either departmental action or police interrogation. Therefore, (i) In case of any fraud, if the branch is convinced that an irregularity / fraud has been committed by its staff towards any constituent, the branch will at once acknowledge its liability and pay the just claim, (ii) in cases where bank is at fault, the bank will compensate customers without demur, and (iii) in cases where neither the bank is at fault nor the customer is at fault but the fault lies elsewhere in the system, then also the bank will compensate the customers (up to a limit) as part of a Board approved customer compensation policy.

1.14. Nomination Facility

Legal Provisions

Provisions in the Banking Regulation Act, 1949

The Banking Regulation Act, 1949 was amended by Banking Laws (Amendment) Act, 1983 by introducing new Sections 45ZA to 45ZF, which provide, inter alia, for the following matters:

- a. To enable a banking company to make payment to the nominee of a deceased depositor, the amount standing to the credit of the depositor.
- b. To enable a banking company to return the articles left by a deceased person in its safe custody to his nominee, after making an inventory of the articles in the manner directed by the Reserve Bank.

The Banking Companies (Nomination) Rules, 1985

Since such nomination has to be made in the prescribed manner, the Central Government framed, in consultation with the Reserve Bank of India, the Banking Companies (Nomination) Rules, 1985. These Rules, together with the provision of new Sections 45ZA to 45ZF of the Banking Regulation Act, 1949 regarding nomination facilities were brought into force with effect from 1985.

The Banking Companies (Nomination) Rules, 1985 which are self-explanatory, provide for:-

- (i) Forms for cancellation and variation of the nominations.
- (ii) Registration of Nominations and cancellation and variation of nominations, and
- (iii) matters related to the above.

Nomination Facility - Sole Proprietary Concern

Bank will extend the nomination facility also in respect of deposits held in the name of a sole proprietary concern.

Nomination Facility in Single Deposit Accounts

Bank will give wide publicity and provide guidance to deposit account holders on the benefits of nomination facility and the survivorship clause.

Bank will generally insist that the person opening a deposit account makes a nomination. In case the person opening an account declines to fill in nomination, the bank will explain the advantages of nomination facility. If the person opening the account still does not want to nominate, the bank will ask him to give a specific letter to the effect that he does not want to make a nomination. In case the person opening the account declines to give such a letter, the bank will record the fact on the account opening form and proceed with opening of the account if otherwise found eligible. Under no circumstances, a bank will refuse to open an account solely on the ground that the person opening the account refused to nominate.

Acknowledgement of Nomination

Fino Payments Bank, in terms of Rules 2 (9), 3 (8) and 4 (9) of the Banking Companies Nomination (Rules), 1985, is required to acknowledge in writing to the depositor(s) the filing of the relevant duly completed Form of nomination, cancellation and / or variation of the nomination.

Bank will therefore strictly comply with the provisions of Banking Regulation Act, 1949 and Banking Companies (Nomination) Rules, 1985 and devise a proper system of acknowledging the receipt of the duly completed form of nomination, cancellation and / or variation of the nomination. Such acknowledgement will be given to all the customers irrespective of whether the same is demanded by the customers.

Registering the nomination

In terms of Rules 2 (10), 3 (9) and 4 (10) of the Banking Companies (Nomination) Rules, 1985 Fino Payments Bank will register in its books the nomination, cancellation and / or variation of the nomination. The bank will accordingly take action to register nominations or changes therein, if any, made by their depositor(s) / hirers.

Incorporation of the legend “Nomination Registered” in Statements

When a bank account holder has availed himself of nomination facility, the same will be indicated on the statement so that, in case of death of the account holder, his relatives can know from the statement that the nomination facility has been availed of by the deceased depositor and take suitable action. Bank will, therefore, introduce the practice of recording on the face of the passbook the position regarding availment of nomination facility with the legend "Nomination Registered".

Nomination Facility - Certain Clarifications

Nomination facility in respect of deposits

- (i) Nomination facility is intended for individuals including a sole proprietary concern.
- (ii) Rules stipulate that nomination shall be made only in favour of individuals. As such, a nominee cannot be an Association, Trust, Society or any other Organisation or any office-bearer thereof in his official capacity. In view thereof any nomination other than in favour of an individual will not be valid.
- (iii) There cannot be more than one nominee in respect of a joint deposit account.
- (iv) Bank will allow variation/cancellation of a subsisting nomination by all the surviving depositor(s) acting together. This is also applicable to deposits having operating instructions "either or survivor".
- (v) In the case of a joint deposit account the nominee's right arises only after the death of all the depositors.
- (vi) Witness in Nomination Forms: The Banking Companies (Nomination) Rules, 1985 have been framed in exercise of powers conferred by Section 52 read with Sections 45ZA, 45ZC and 45ZE of the Banking Regulation Act, 1949. In this connection, we clarify that for the various Forms (DA1, DA2 and DA3 for Bank Deposits, Forms SC1, SC2 and SC3 for Articles left in Safe Custody, Forms SL1, SL1A, SL2, SL3 and SL3A for Safety Lockers) prescribed under Banking Companies (Nomination) Rules, 1985 only Thumb-impression(s) shall be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.
- (vii) Nomination in case of Joint Deposit Accounts: It is understood that sometimes the customers opening joint accounts with or without "Either or Survivor" mandate, are dissuaded from exercising the nomination facility. It is clarified that nomination facility is available for joint deposit accounts also. Fino Payments Bank, ensures that their branches offer nomination facility to all deposit accounts including joint accounts opened by the customers.

Customer Guidance and Publicity Educating Customers on the Benefits of nomination / survivorship clause

- (i) The nomination facility is intended to facilitate expeditious settlement of claims in the accounts of deceased depositors and to minimise hardship caused to the family members on the death of the depositors. The bank will endeavour to drive home to their constituents the benefit of nomination facilities and ensure that the message reaches all the constituents by taking all necessary measures for popularising the nomination facility among their constituents.
- (ii) Bank will give wide publicity and provide guidance to deposit account holders on the benefits of the nomination facility and the survivorship clause. Illustratively, it will be highlighted in the publicity material that in the event of the death of one of the joint account holders, the right to the deposit proceeds does not automatically devolve on the surviving joint deposit account holder, unless there is a survivorship clause.
- (iii) In addition to obtaining nomination forms, bank will ensure that account opening form will contain space for nomination also so that the customers could be educated about availability of such facilities. (*The electronic account opening form will also include the above details*)

(iv) Unless the customers prefer not to nominate (this will be recorded without giving scope for conjecture of non-compliance), nomination will be a rule, to cover all other existing and new accounts.

(v) To popularize the nomination facility, publicity will be launched, including printing compatible message on any literature reaching the customers as well as launching periodical drives. The methodology which the bank will like to adopt for this purpose will vary.

Bank has duly put in place Board/PAC approved Nomination Policy.

1.15. Settlement of claims in respect of deceased depositors Simplification of procedure Provisions of the Banking Regulation Act, 1949

Bank will adhere to the provisions of Sections 45 ZA to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985.

Bank has duly put in place Board/PAC approved Deceased Claim Settlement Policy

1.15.1. Accounts with survivor/nominee clause

In the case of deposit accounts where the depositor had utilized the nomination facility and made a valid nomination or where the account was opened with the survivorship clause ("either or survivor", or "anyone or survivor", or "former or survivor" or "latter or survivor"), the payment of the balance in the deposit account to the survivor(s)/nominee of a deceased deposit account holder will represent a valid discharge of the bank's liability provided:

(a) the bank has exercised due care and caution in establishing the identity of the survivor(s) / nominee and the fact of death of the account holder, through appropriate documentary evidence;

(b) there is no order from the competent court restraining the bank from making the payment from the account of the deceased; and

(c) it has been made clear to the survivor(s) / nominee that he would be receiving the payment from the bank as a trustee of the legal heirs of the deceased depositor, i.e., such payment to him shall not affect the right or claim which any person will have against the survivor(s) / nominee to whom the payment is made.

It will be noted that since payment made to the survivor(s) / nominee, subject to the foregoing conditions, would constitute a full discharge of the bank's liability, insistence on production of legal representation is superfluous and unwarranted and only serves to cause entirely avoidable inconvenience to the survivor(s) / nominee and would, therefore, invite serious supervisory disapproval. In such case, therefore, while making payment to the survivor(s) / nominee of the deceased depositor, the bank will desist from insisting on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee, irrespective of the amount standing to the credit of the deceased account holder.

1.15.2. Accounts without the survivor / nominee clause

In case where the deceased depositor had not made any nomination or for the accounts other than those styled as "either or survivor" (such as single or jointly operated accounts), the Branch Executive of Fino Payments Bank will adopt a simplified procedure—as mentioned in the

deceased claim policy of the Bank for repayment to legal heir(s)of the depositor keeping in view the imperative need to avoid inconvenience and undue hardship to the common person.

1.15.3. Treatment of flows in the name of the deceased depositor

In order to avoid hardship to the survivor(s) / nominee of a deposit account, the branch executive will obtain appropriate agreement / authorization from the survivor(s) / nominee with regard to the treatment of pipeline flows in the name of the deceased account holder. In this regard, branch executive will consider adopting either of the following two approaches:

The bank could be authorized by the survivor(s) / nominee of a deceased account holder to open an account styled as 'Estate of Shri _____, the Deceased' where all the pipeline flows in the name of the deceased account holder could be allowed to be credited, provided no withdrawals are made.

OR

The bank could be authorized by the survivor(s) / nominee to return the pipeline flows to the remitter with the remark "Account holder deceased" and to intimate the survivor(s) / nominee accordingly. The survivor(s) / nominee / legal heir(s) could then approach the remitter to effect payment through a negotiable instrument or through ECS transfer in the name of the appropriate beneficiary.

1.15.4. Interest payable on the deposit account of deceased depositor

In the case of balances lying in current account standing in the name of a deceased individual depositor/sole proprietorship concern, interest will be paid only from the date of death of the depositor, till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

1.15.5. Time limit for settlement of claims

Bank will settle the claims in respect of deceased depositors and release payments to survivor(s) / nominee(s) within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claim(s), to the bank's satisfaction.

Bank will report to the Customer Service Committee of the Board, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased depositors giving reasons therefor.

1.15.6. Claim Forms to be made available

With a view to facilitate timely settlement of claims on the death of a depositor, bank will provide claim forms for settlement of claims of the deceased accounts, to any person/s who is/are approaching the bank / branches for forms. Claim forms will also be put on the bank's website prominently so that claimants of the deceased depositor can access and download the forms without having to visit the concerned bank/branch for obtaining such forms for filing claim with the bank.

1.15.7. Simplified operational systems / procedures

As per the direction of Reserve Bank, the Indian Bank' Association (IBA) has formulated a Model Operational Procedure (MOP) for settlement of claims of the deceased constituents, under various circumstances, consistent with the instructions contained in this circular, for adoption by the bank. The bank will, therefore, undertake a comprehensive review of their extant systems and procedures relating to settlement of claims of their deceased constituents with a view to evolving a simplified policy / procedures for the purpose, with the approval of their Board, taking into account the applicable statutory provisions, foregoing instructions as also the MOP formulated by the IBA.

1.16. Settlement of claims in respect of missing persons

1.16.1. Settlement of claims in respect of missing persons

Fino Payments Bank will follow the following system in case a claim is received from a nominee / legal heirs for settlement of claim in respect of missing persons :-

The settlement of claims in respect of missing persons would be governed by the provisions of Section 107 / 108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and Section 108 deals with presumption of death. As per the provisions of Section 108 of the Indian Evidence Act, presumption of death can be raised only after a lapse of seven years from the date of his/her being reported missing. As such, the nominee / legal heirs have to raise an express presumption of death of the subscriber under Section 107/108 of the Indian Evidence Act before a competent court. If the court presumes that he/she is dead, then the claim in respect of a missing person can be settled on the basis of the same.

Bank will formulate a policy which would enable them to settle the claims of a missing person after considering the legal opinion and taking into account the facts and circumstances of each case. Further, keeping in view the imperative need to avoid inconvenience and undue hardship to the common person, bank will keep in view their risk management systems, they will fix a threshold limit, up to which claims in respect of missing persons could be settled without insisting on production of any documentation other than (i) FIR and the non-traceable report issued by police authorities and (ii) letter of indemnity.

1.17. Unclaimed Deposits / Inoperative Accounts in bank

Bank will follow and be guided by RBI Guidelines in this regard (as amended from time to time).

Section 26 of the Banking Regulation Act, 1949 provides, inter alia, that every banking company shall, within 30 days after close of each calendar year submit a return in the prescribed form and manner to the Reserve Bank of India as at the end of each calendar year (i.e., 31st December) of all accounts in India which have not been operated upon for 10 years. In view of the increase in the amount of the unclaimed deposits with bank year after year and the inherent risk associated with such deposits, bank will play a more pro-active role in finding the whereabouts of the account holders whose accounts have remained inoperative. Further in respect of difficulties faced by the customers on account of their accounts having been classified as inoperative, there is a feeling that bank are undeservedly enjoying the unclaimed deposits, while paying no interest on it. Keeping these factors in view, the instructions issued by RBI have been reviewed and bank ensures to follow the instructions detailed below while dealing with inoperative accounts:

(i) Bank will make an annual review of accounts in which there are no operations (i.e., no credit or debit other than crediting of periodic interest or debiting of service charges) for more than one year. The bank will approach the customers and inform them in writing that there has been no operation in their accounts and ascertain the reasons for the same. In case the non-operation in the account is due to shifting of the customers from the locality, they will be asked to provide the details of the new bank accounts to which the balance in the existing account could be transferred.

(ii) If the letters are returned undelivered, they will immediately be put on enquiry to find out the whereabouts of customers or their legal heirs in case they are deceased.

(iii) In case the whereabouts of the customers are not traceable, bank will consider contacting the persons who had introduced the account holder. They could also consider contacting the employer / or any other person whose details are available with them. They could also consider contacting the account holder telephonically in case his Telephone number / Cell number has been furnished to the bank. In case of Non

Resident accounts, the bank will also contact the account holders through e-mail and obtain their confirmation of the details of the account.

(iv) A savings as well as current account will be treated as inoperative / dormant if there are no transactions in the account for over a period of two years. Further clarifying the issue RBI says, "For the purpose of classifying an account as "inoperative" both the type of transactions i.e., debit as well as credit transactions induced at the instance of customers as well as third party will be considered. However, the service charges levied by the bank or interest credited by the bank will not be considered".

(v) In case any reply is given by the account holder giving the reasons for not operating the account, bank will continue classifying the same as an operative account for one more year within which period the account holder will be requested to operate the account. However, in case the account holder still does not operate the same during the extended period, bank will classify the same as inoperative account after the expiry of the extended period.

(vi) There will be instances where the customer has given a mandate for crediting dividend on shares to the Savings Bank account and there are no other operations in the Savings Bank account. Since the dividend on shares is credited to the Savings Bank accounts as per the mandate of the customer, the same will be treated as a customer induced transaction. As such, the account will be treated as operative account as long as dividend on shares is credited to the Savings Bank account. The Savings Bank account can be treated as inoperative account only after two years from the date of the last credit entry of the dividend on shares, whichever is later, provided there is no other customer induced transaction.

(vii) Further, the segregation of the inoperative accounts is from the point of view of reducing risk of frauds etc. However, the customer will not be inconvenienced in any way, just because his account has been rendered inoperative. The classification is there only to bring to the attention of dealing staff, the increased risk in the account. The transaction will be monitored at a higher level both from the point of view of preventing fraud and making a Suspicious Transactions Report. However, the entire process will remain un-noticeable by the customer.

(viii) Operation in such accounts will be allowed after due diligence as per risk category of the customer. Due diligence would mean ensuring genuineness of the transaction, verification of the signature and identity etc. However, it has to be ensured that the customer is not inconvenienced as a result of extra care taken by the bank.

(ix) There will not be any charge for activation of inoperative account.

(x) Bank will ensure that the amounts lying in inoperative accounts ledger are properly audited by the internal auditors / statutory auditors of the bank.

(xi) Interest on savings bank accounts will be credited on regular basis whether the account is operative or not.

Bank will also consider launching a special drive for finding the whereabouts of the customers / legal heirs in respect of existing accounts which have already been transferred to the separate ledger of "inoperative accounts".

Display list of Inoperative Accounts: Bank will, in addition to the instructions contained above, play a more pro-active role in finding the whereabouts of the accountholders of unclaimed deposits/ inoperative accounts. Banks will display the list of unclaimed deposits/inoperative accounts which are inactive / inoperative for ten years or more on their respective websites.

The list so displayed on the websites must contain only the names of the account holder(s) and his/her address in respect of unclaimed deposits/inoperative accounts. In case such accounts are not in the name of individuals, the names of individuals authorized to operate the accounts will also be indicated. However, the account number, its type and the name of the branch shall not be disclosed on the banks website. The list so published by the bank will also provide a "Find" option to enable the public to search the list of accounts by name of the account holder.

Bank will also give on the same website, the information on the process of claiming the unclaimed deposit/activating the inoperative account and the necessary forms and documents for claiming the same. Bank is required to have adequate operational safeguards to ensure that the claimants are genuine.

Strengthening the Regulatory Framework for Unclaimed Deposits: With a view to further strengthen the regulatory framework for inoperative accounts and unclaimed deposits, bank will put in place a Board approved policy on classification of unclaimed deposits; grievance redressal mechanism for quick resolution of complaints; record keeping; and periodic review of such accounts.

Treatment of certain savings bank accounts opened for credit of Scholarship amounts and credit of Direct Benefit Transfer under Government Schemes: State and Central Governments have expressed difficulties in crediting cheques/Direct Benefit Transfer/Electronic Benefit Transfer/Scholarships for students, etc. into accounts/Accounts with zero balance opened for the beneficiaries under various Central/State Government schemes but had been classified as dormant/inoperative due to non-operation of the account for over two years.

In order to reduce the risk of fraud etc., in such accounts, while allowing operations in these accounts, due diligence will be exercised by ensuring the genuineness of transactions, verification of signature and identity, etc. However, the bank ensures that the customer is not inconvenienced in any manner.

Treatment of accounts opened for credit of Scholarship Amounts under Government Schemes: Bank will ensure that accounts of all student beneficiaries under the various Central/State Government Scholarship Schemes are free from restrictions of „minimum balance” and „total credit limit”.

Bank will be guided by RBI Guidelines in this regard (as amended from time to time) shall be followed

1.18. Customer Confidentiality Obligations

The scope of the secrecy law in India has generally followed the common law principles based on implied contract. The bankers' obligation to maintain secrecy arises out of the contractual relationship between the banker and customer, and as such no information will be divulged to third parties except under circumstances which are well defined. The following exceptions to the said rule are normally accepted:

- (i) Where disclosure is under compulsion of law
- (ii) Where there is duty to the public to disclose
- (iii) Where interest of bank requires disclosure and
- (iv) Where the disclosure is made with the express or implied consent of the customer.

1.18.1. Collecting Information from customers for cross-selling purposes

At the time of opening of accounts of the customers, bank will collect certain information. While complying with the above requirements, bank will also collect a lot of additional personal information.

In this connection, the Committee on Procedures and Performances Audit on Public Services (CPPAPS) observed that the information collected from the customer was being used for cross selling of services of various products by bank, their subsidiaries and affiliates. Sometimes, such information was also provided to other agencies. The information provided by the customer for KYC compliance while opening an account is confidential and divulging any details thereof for cross selling or any other purpose would be in breach of customer confidentiality obligations.

Therefore Fino will treat the information collected from the customer for the purpose of opening of account as confidential and not divulge any details thereof for cross selling or any other purposes. Bank will, therefore, ensure that information sought from the customer is relevant to the perceived risk, is not intrusive, and is in conformity with the guidelines issued in this regard.

Wherever bank desires to collect any information about the customer for a purpose other than KYC requirements, it will not form part of the account opening form. Such information will be collected separately, purely on a voluntary basis, after explaining the objectives to the customer and taking his express approval for the specific uses to which such information could be put. Bank will therefore; instruct all the branches to strictly ensure compliance with their obligations to the customer in this regard.

1.19. Transfer of account from one branch to another

Instructions of a customer for transfer of his account to another office will be carried out immediately on receipt of, and in accordance with, his instructions. It will be ensured that along with the balance of the account, the relative account opening form, specimen signatures, standing instructions, etc., or the master sheets wherever obtained, are also simultaneously transferred, under advice to the customer.

The account transfer form with the enclosures will be handed over to the customer in a sealed cover if he so desires for delivery at the transferee office / branch. However, the transferee office will also be separately supplied with a copy of the account transfer letter.

When an office receives an enquiry from a customer regarding the receipt of his account on transfer from another office it will take up the matter with the transferor office by electronic means, in case it has not received the balance of the account and/or other related papers even after a reasonable transit time.

1.20. Switching bank by customers

Bank will ensure that depositors dissatisfied with customer service have the facility to switch bank and thwarting depositors from such switches would invite serious adverse action.

1.21. Co-ordination with officers of Central Board of Direct Taxes

There is a need for greater co-ordination between the income-tax department and the banking system. As such bank will extend necessary help/co-ordination to tax officials whenever required. Further, bank will have to view with serious concern cases where their staff connive/assist in any manner with offences punishable under the Income Tax Act. In such cases in addition to the normal criminal action, such staff member will also be proceeded against departmentally.

1.22. Declaration of Holiday under the Negotiable Instruments Act, 1881

In terms of Section 25 of the Negotiable Instruments Act, 1881, the expression "public holiday" includes Sunday and any other day declared by the Central Government by notification in the Official Gazette to be a public holiday. However, this power has been delegated by the Central Government to State Governments vide the Government of India, Ministry of Home Affairs' Notification No. 20-25-56-Pub-I dated 8 June, 1957. While delegating the power to declare public holidays within concerned States under Section 25 of the Negotiable Instruments Act, 1881, the Central Government has stipulated that the delegation is subject to the condition that the Central Government will itself exercise the said function, will it deem fit to do so. This implies that when Central Government itself has notified a day as "public holiday" under Section 25 of the Negotiable Instruments Act, 1881, there is no need for bank to wait for the State Government notification.

1.23. Various Working Groups / Committees on Customer Service in Bank - Implementation of the Recommendations

In order to keep a watch on the progress achieved by the bank in the implementation of the recommendations of various working groups/Committees on customer service, bank will examine the recommendations which have relevance in the present day banking and continue to implement them. Bank will consider submitting periodically to their Customer Service Committee of the Board a progress report on the steps/ measures taken in that regard.

1.24. Code of Bank's Commitment to Customers

Bank will follow various provisions of the Code of Bank's Commitment to Customers, implementation of which is monitored by the Banking Codes and Standards Board of India (BCSBI).

F. GLOSSARY

CUSTOMER

A customer can be defined as a user or a potential user of bank services. So defined, a „Customer” may include:

- 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 Stock Brokers, Chartered Accountants, Solicitors, etc., as permitted under the law, and
- Any person or entity connected with a financial transaction which can pose significant reputational or other risks to the bank, say, a wire transfer or issue of a high value demand draft as a single transaction.