

# **Operating Guideline on Customer Complaints**

**Abbreviations:**

CBG	:	Commercial Banking Group
CNO	:	Circle Nodal Officer
CSCB	:	Customer Service Committee of the Board
EMI	:	Equated Monthly Instalments
HO	:	Head Office
IRDAI	:	Insurance Regulatory and Development Authority
MANCOM	:	Management Committee
NO	:	Nodal Officer
NOC	:	No Objection Certificate
PI	:	Process Improvement
PNO	:	Principal Nodal Officer
RBI	:	Reserve Bank of India
RCA	:	Root Cause Analysis
RM	:	Relationship Manager
SEBI	:	Securities and Exchange Board of India
SME	:	Small and Medium Enterprise
SQ	:	Service Quality
SR	:	Service Recovery
TAT	:	Turnaround Time
TPP	:	Third Party Products
WBO	:	Wholesale Banking Operations
WTO	:	Wholesale Transactional Operations

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## I. Introduction

Customer centricity is the core of the five values of the bank. Delivering consistent & defined service experience to its customers is imperative for the Bank. Axis Bank has a Board approved Grievance Redressal Policy encapsulating key elements of complaint handling such as escalation levels, Turnaround Times and review mechanism.

In order to sharpen the definitions of customer queries, requests and complaints such that our customer facing channels are able to clearly understand and classify them suitably for adequate service and expeditious resolution, the operating guideline is constituted on overall query, request & complaint management. This will serve to further enhance the overall service experience for our customers.

## II. Objective

This note is being designed with a view to achieve the below objectives:

1. Formulating clear guidelines for definition of Query, Request & Complaint
2. Enhancing Turnaround Time for Resolution
3. Ensuring appropriate layers of Escalation
4. Facilitating Root Cause Analysis to drive process improvements
5. Appropriate review cadence to improve effectiveness of Complaint handling and overall customer service

## III. Definition of Query, Request & Complaint

To further augment the definitions available in the Grievance Redressal Policy of the Bank, this policy elaborates with suitable illustrations, the definitions of Query, Request and Complaint for an enhanced understanding of our front-end channels.

Sr. No	Interaction Type	Definition	Details
A	Query	Inquiry/ clarification / action sought by a customer on	Customer contacting any touch points to enquire about / seek clarification on any product /

Sr. No	Interaction Type	Definition	Details
		<p>products, features or services offered by the Bank, which does not require any follow up or processing and can be resolved over the same interaction.</p>	<p>process / service offered by the Bank including the status of a request before the expiry of the promised TAT.</p> <p><b>What is a query?</b></p> <ul style="list-style-type: none"> <li>a) Balance enquiry on customer's account.</li> <li>b) Customer enquiring on the status of his loan application submitted within TAT.</li> <li>c) Customer seeks clarity on a transaction in his credit card statement.</li> </ul> <p><b>What is not a query?</b></p> <ul style="list-style-type: none"> <li>a) Address change application given at Branch / RM.</li> <li>b) Customer seeks a copy of his loan repayment schedule.</li> <li>c) Customer asking for reversal of Finance charges on his credit card.</li> </ul>
B	Request	<p>Transactions /service requests which require processing and have a specified turnaround time and are initiated</p>	<p>Customer requesting the Bank to process any request / activation of any services. At times, the front-end channel may not be able to fulfil the customer requirement in the same interaction (no instant gratification possible) or may require due diligence (maker-checker review</p>

Sr. No	Interaction Type	Definition	Details
		basis customer requirement.	<p>mechanism), hence it will be logged into a CRM system for fulfilment within the defined TAT.</p> <p><b>What is a request?</b></p> <ul style="list-style-type: none"> <li>a) Customer raises a transaction dispute, however the funds are received from peer bank and credited before raising a chargeback.</li> <li>b) Customer applies for a change in the EMI date on his loan account.</li> <li>c) Customer applies for an upgraded variant of his credit card.</li> </ul> <p><b>What is not a request?</b></p> <ul style="list-style-type: none"> <li>a) Customer's Debit card PIN received is not functional.</li> <li>b) Customer's property documents have not been handed over to him (beyond TAT), post loan closure.</li> <li>c) Customer claims reward points are not credited as per the agreement.</li> </ul>
C	Complaint	Customer raising a concern emanating from a failed transaction on account of	a) Customer approaching any touch point on account of any request not closed/resolved within stipulated timeframe OR

Sr. No	Interaction Type	Definition	Details
		deficiency in service, delay in fulfilment and / or non-conformance to stated arrangements with the customer.	<p>b) Resolution provided is incomplete/ inaccurate</p> <p><b>What is a complaint?</b></p> <p>a) Cash not dispensed from ATM, however account debited.</p> <p>b) Misbehaviour by collection agent.</p> <p>c) Credit card payment made online by customer, however not yet credited.</p> <p><b>What is not a complaint?</b></p> <p>a) Customer seeking reversal of stated charges levied in his account.</p> <p>b) Customer seeking reversal of processing fees as his loan application is not sanctioned.</p> <p>c) Customer demands restoration of his credit limit which was reduced basis his usage / CVS score.</p>

Customer disputes pertaining to ATM / POS / UPI / IMPS / Recharge, etc. could be on account of merchant or peer bank which are beyond the control of the Bank or its associated parties. While the Bank will capture these interactions and will do its best for an appropriate resolution, these issues are not on account of any failure or deficiency of service on part of the Bank. Thus, in line with the above mentioned definition of a Complaint, these disputes are not classified as Complaints. Bank is guided by a Board approved policy on the subject.

In case of any customer inconvenience caused by an act affecting the Banking ecosystem specifically or an act of force majeure in general, the customer interaction will not be reported as a complaint. For example: due to a failure in NACH system of NPCI, bank is unable to present EMI payments, leading to customer concerns.

#### **IV. Turnaround Times**

Bank has defined a Turnaround time for resolution of each category and sub-category of Requests and Complaints which is duly recorded in the system. The front-end channels are guided by these defined TATs. With a view to drive a culture of continuous improvement, Bank also conducts periodic benchmarking exercises with peer banks. As part of the exercise conducted in Q3 of FY 21, across 27 service requests, it was established that Axis Bank is better / at par with top peer banks on ~40% of services. A detailed overview of our TATs is updated separately.

#### **V. Layers of Escalation**

Bank has a well-defined 3 level escalation matrix published on the Bank's website as well as displayed at all Branches, comprising the below:

- Level 1: Includes front-end channels, e.g. call centre, email, chat, social media, RM & walk-in at Loan Centres and Branches
- Level 2: Circle Nodal Officer and Nodal Officer
- Level 3: Principal Nodal Officer (A brief on the roles and responsibilities of the Principal Nodal Officer is updated separately).
- Level 4: If the customer is still not satisfied with the resolution, customer may approach the Banking Ombudsman's Office.

The process is outlined below:

- Customer approaches any of our front-end channels with his query, request or complaint.
- These front-end channels acknowledge the interaction. Wherever an instant resolution is possible, the channel resolves the issue and conveys the resolution to the customer upfront. If it requires processing, the case is logged into the respective CRM system for action.

- Once the requirement is fulfilled or the issue is resolved, the channel conveys the resolution to the customer.
- If the customer is not satisfied with the resolution, he has the option to approach the next level for redressal. Each level has a defined turnaround time for resolution.
- Additionally, CNO / NO and PNO details will be prominently displayed on the Bank's website as well as on the Comprehensive Notice Board in Branches.

As a Bank, we are keen to resolve customer concerns adequately. To this effect, repeat complaints at the front-end channels would be handled by the next level.

### **Other areas of Query, Request and Complaint management:**

Handling of specific segments of customer complaints are summarized below:

#### **Social Media**

Axis Bank is also available for our customers on social platforms primarily like Facebook, Twitter and Instagram as a level one touch point. We urge our customers not to share any confidential information such as account number and debit / credit card details on social media platforms as a part of Bank's overall philosophy of confidentiality, in order to ensure that important customer credentials are not compromised. Hence, we request our customers to connect with us only using the private message option and by providing the registered contact details. Responses to customers are also not posted on the common wall of the social media platform and are shared via private message option that will only be visible to the customer.

#### **Disputes**

Bank has a mechanism for an independent review of all disputes related to alleged fraud by the customer. Based on the findings of the independent investigation, customer is conveyed the Bank's stand. In case a fraud is established on account of employee action, suitable staff accountability action is taken. Bank has a detailed and comprehensive Board approved policy on fraud management and reporting.

## **Digital Transaction Monitoring**

Bank's Digital Transaction Monitoring team looks at the fraud detection and prevention aspects with the help of real time / near real time alerts generated through software solutions for Current and Savings accounts, Corporate Advances, Digital payments (including Credit, Debit, Multi Currency travel Cards) on the basis of certain predefined scenarios incorporated in the system, advanced analytics, sophisticated rules and robust decision-making capabilities having defined risk severity weightages.

For Digital Payment alerts, the team approaches the customer for transaction confirmation either through:

- IVR call(s) followed by SMS and e-mail for alerts generated in the system
- Manually in case of Real time decline of the transaction
- For other categories of alerts, the details are shared with Branches / RM / Business Units for further due diligence / investigations to ascertain the genuineness of the transaction. In this process, the accounts of the customer are placed under debit freeze/ lien as a precautionary measure till the genuineness of the transaction/ account is confirmed.
- On receipt of a positive confirmation, the alerts are closed.
- In case of negative confirmation, and depending on the scope of investigation, the details are reported to the investigation team for further action, and the customer is guided on the dispute management process for initiating the complaint/ dispute and file for charge back (if applicable).

## **TPP related complaints**

The Bank offers a range of products and services across a broad spectrum including third party products. Axis Bank is a distributor of third party products (Insurance, Mutual Funds and as applicable). It is governed directly by RBI and IRDAI and SEBI regulations. Therefore Bank's Grievance Redressal mechanism plays a vital role in ensuring regulator's and customer's confidence in our diversified line of business.

All customer complaints alleging mis-sell of any products including Third party products are reviewed by an independent investigation team. Based on the outcome

of the investigation, the complaints are appropriately responded. In case of established mis-sell, suitable staff action is initiated basis the Bank's accountability grid.

Further, in our endeavour to ensure customer satisfaction, Bank has developed a Retail Business Compliance Tracker System (RBCTS) to identify potential mis-selling complaints across the Bank. Basis certain pre-defined logics shared with the Business Intelligence Unit, triggers are developed to identify / capture probable mis-sell. These logics are derived by analysing the data on actual mis-sell complaints received in the past. This proactive trigger mechanism has been built in system to monitor compliance of sell norms and guidelines.

### **Wholesale Banking Complaints**

Wholesale Banking Division has various segments of corporates like SME clients (managed by CBG), Mid Corporates, Large Corporates, Multinational Companies, Financial Institution groups, Government Coverage group and Strategic Client group. These corporates avail various credit/advances related and transactional banking related products and services from the Bank such as Term loan, Working capital loan, Export/Trade finance, Current Account, Trade, Forex, CMS, Custody and Capital Market etc.

The above services and transactions in the Bank are handled by WBO (Wholesale Banking Operations for Credit related) and WTO (Wholesale Transactional Operations for Transaction Banking related) departments.

The customer reaches out to the Branches, RMs or the Corporate Helpdesk team for their transaction request / queries through telephone, e-mails or personal interaction / visits. The respective touch points coordinate with the Back office Ops and product units and provide resolution to the client's queries and complete the transaction requests as per the defined guidelines.

At times, the customer also raises concerns emanating from a failed transaction on account of deficiency in service, delay in fulfilment and / or non-fulfilment to stated arrangements with the client. The customer approaches the above touch points and / or escalates to Nodal officer / MD's office of the Bank with his/her concerns and demands resolution.

## **Legal Cases**

The Bank, at times receives customer complaints which require legal opinion (as there is a likelihood of customer approaching legal forums or there is a dispute between account holders leading to litigation). For effective resolution of such complaints, Bank's Legal Department is consulted with a) case details and b) a draft of factual reply to the customer, for advice. The Legal Department examines the complaint on the basis of details provided and extends expertise and support in providing necessary legal inputs on the draft to respond suitably to such complaints.

## **Collections Cases**

The Bank follows the regulatory guidelines with respect to fair practices with regards to collection of dues and repossession of underlying security. We do not adopt any coercive practices and keep a close watch on the activities done by the collection agencies as their activities are calibrated from time to time. Customer complaints relating to behaviour of collection agencies are taken seriously and if there is any concern on the behaviour of the agent, Bank immediately takes action as per the consequence management grid that is in place. Bank has also built an in-house training vertical which periodically provides training to Call Centre and our own Bank staff.

## **Complaints against subsidiaries**

Bank has a number of subsidiary companies such as Axis Asset Management, Axis Capital, Axis Finance, Axis Securities, Axis Trustee, A. Treds and Freecharge. Customer complaints related to these subsidiaries are forwarded to the customer care of the respective subsidiary for resolution.

## **Investor Grievances**

Bank has a dedicated Investor Grievance redressal cell under the guidance of the Company Secretary. All investor grievances are forwarded to this cell for adequate redressal.

## **Compensation**

In the event that the Bank has made an error, customer will be compensated as per the Bank's Board approved Compensation Policy. The framework for TAT for failed transactions and compensation in case of customer complaints emanating on account of unsuccessful or 'failed' transactions is also enclosed as part of the Bank's Grievance Redressal Policy.

## **VI. Root Cause Analysis & Driving Process Improvements**

Bank carries out a Root Cause Analysis and remediation of Complaints on a sample basis on the Top Areas of Complaints. Any Process Improvements identified are also tracked for effective implementation and sustainability.

## **VII. Review Cadence**

### **Training:**

Training modules and certifications will be undertaken to ensure the front line personnel are aligned to the stated objectives. Periodic refresher trainings will also be conducted on these areas and the effectiveness of these will be evaluated.

### **Review:**

Bank believes in ensuring accuracy of data and will review this with focus on the following elements:

1. Review of accuracy of logging of Requests and Complaints
2. Review of adherence to TAT
3. Review of increased or repeat instances of customer complaints:

### **Management oversight**

Bank will set in place a review mechanism to various Senior Management Committees on indicators such as:

1. Number of customer complaints
2. TAT adherence
3. Complaints escalated to the Banking Ombudsman and Awards issued

4. Mis-sell complaints
5. Top areas of complaints
6. Qualitative analysis on the Root Cause of Complaints and corrective and preventive actions taken thereof.

## **VIII. Annexures**

1. Complaints Turnaround Times
2. Roles and Responsibilities of Principal Nodal Officer